



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	(Unaudited)	(Audited)
	As At	As At
	31.12.17	31.12.16
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	336,735	409,621
	<u>336,735</u>	<u>409,621</u>
<b>Current assets</b>		
Inventories	55,610	75,176
Trade receivables	30,415	26,764
Other receivables, deposits and prepayments	1,499	27,668
Current tax assets	34	3
Cash and bank balances	10,301	4,810
	<u>97,859</u>	<u>134,421</u>
<b>TOTAL ASSETS</b>	<u>434,594</u>	<u>544,042</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	111,868	87,032
Share premium	0	24,835
Retained earnings	148,754	124,619
	<u>260,622</u>	<u>236,486</u>
Non-controlling interests	132,085	121,148
<b>Total equity</b>	<u>392,707</u>	<u>357,634</u>
<b>Non-current liabilities</b>		
Borrowings	0	49,823
Deferred tax liabilities	13,919	9,151
	<u>13,919</u>	<u>58,974</u>
<b>Current liabilities</b>		
Borrowings	0	8,525
Trade payables	7,475	10,210
Other payables	18,652	106,269
Current tax liabilities	1,841	2,430
	<u>27,968</u>	<u>127,434</u>
<b>Total liabilities</b>	<u>41,887</u>	<u>186,408</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>434,594</u>	<u>544,042</u>
Net Assets per Share (RM)	0.75	0.68
Net Assets (RM'000)	260,622	236,486

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE TWELVE-MONTHS ENDED 31 DECEMBER 2017

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.17 RM'000	31.12.16 RM'000	31.12.17 RM'000	31.12.16 RM'000
Revenue	58,291	64,303	285,716	437,386
Cost of sales	(57,139)	(72,065)	(281,606)	(381,713)
<b>Gross profit / (loss)</b>	<u>1,152</u>	<u>(7,762)</u>	<u>4,110</u>	<u>55,673</u>
Other operating income	60,329	3,148	71,925	24,047
Operating expenses	(9,296)	(8,699)	(25,843)	(30,074)
Finance costs	84	(521)	(357)	(1,388)
<b>Profit / (Loss) before tax</b>	<u>52,269</u>	<u>(13,834)</u>	<u>49,835</u>	<u>48,258</u>
Income tax expense	(6,746)	(1,905)	(11,282)	(8,851)
<b>Profit / (Loss) for the period</b>	<u>45,523</u>	<u>(15,739)</u>	<u>38,553</u>	<u>39,407</u>
<b>Other comprehensive income, net of tax</b>	0	0	0	0
<b>Total comprehensive income / (loss) for the period</b>	<u><u>45,523</u></u>	<u><u>(15,739)</u></u>	<u><u>38,553</u></u>	<u><u>39,407</u></u>
<b>Profit / (Loss) for the period attributable to:</b>				
- Equity holders of the Company	24,042	(7,547)	27,616	31,193
- Non-controlling interests	<u>21,481</u>	<u>(8,192)</u>	<u>10,937</u>	<u>8,214</u>
<b>Total comprehensive income / (loss) for the period attributable to:</b>				
- Equity holders of the Company	24,042	(7,547)	27,616	31,193
- Non-controlling interests	<u>21,481</u>	<u>(8,192)</u>	<u>10,937</u>	<u>8,214</u>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic earnings per share (sen)	<u>6.91</u>	<u>(2.17)</u>	<u>7.93</u>	<u>9.72</u>
Diluted earnings per share (sen)	<u>6.58</u>	<u>(2.00)</u>	<u>7.44</u>	<u>8.82</u>

(The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE-MONTHS ENDED 31 DECEMBER 2017**

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Total Attributable To Owners of The Parent RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2016	66,709	0	108,401	175,110	112,934	288,044
Profit for the financial period	0	0	31,193	31,193	8,214	39,407
Other comprehensive income, net of tax	0	0	0	0	0	0
Total comprehensive income for the period	0	0	31,193	31,193	8,214	39,407
<b>Transactions with owners</b>						
Issuance of ordinary shares						
- exercise of warrants	12,591	0	0	12,591	0	12,591
- private placement	7,732	24,835	0	32,567	0	32,567
Dividends	0	0	(14,975)	(14,975)	0	(14,975)
Total transactions with owners	20,323	24,835	(14,975)	30,183	0	30,183
At 31 December 2016	87,032	24,835	124,619	236,486	121,148	357,634
At 1 January 2017	87,032	24,835	124,619	236,486	121,148	357,634
Profit for the financial period	0	0	27,616	27,616	10,937	38,553
Other comprehensive income, net of tax	0	0	0	0	0	0
Total comprehensive income for the period	0	0	27,616	27,616	10,937	38,553
<b>Transactions with owners</b>						
Issuance of ordinary shares						
- exercise of warrants	1	0	0	1	0	1
Dividend	0	0	(3,481)	(3,481)	0	(3,481)
Total transactions with owners	1	0	(3,481)	(3,480)	0	(3,480)
<b>Transition to no par value on 31 January 2017*</b>	24,835	(24,835)	0	0	0	0
At 31 December 2017	111,868	0	148,754	260,622	132,085	392,707

\*The new Companies Act 2016 (the Act), which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM24,834,921 for purposes as set out in Section 618(3).

(The Unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TWELVE-MONTHS ENDED 31 DECEMBER 2017**

	<b>12 months ended</b>	
	<b>31.12.17</b>	<b>31.12.16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	49,835	48,258
Adjustments for :		
Amortisation of intangible asset	0	1
Bad debts written off	0	13
Depreciation	33,299	34,373
Interest expense	357	1,388
Interest income	(25)	(68)
Unrealised loss on foreign exchange	3,114	3,218
Inventories written down	0	11,202
Impairment of Property, plant and equipment	4,068	0
Gain on disposal of property, plant and equipment	(7,197)	(81)
Government fund waiver	0	(1,000)
Operating profit before working capital changes	<u>83,451</u>	<u>97,304</u>
Decrease / (Increase) in inventories	19,566	(33,413)
Decrease in trade and other receivables	22,532	(4,180)
(Decrease) / Increase in trade and other payables	<u>(92,140)</u>	<u>40,759</u>
Cash generated from operations	33,409	100,470
Interest paid	(357)	(1,388)
Interest received	25	68
Tax refunded	0	18
Tax paid	<u>(7,134)</u>	<u>(3,570)</u>
<b>Net cash from operating activities</b>	<u>25,943</u>	<u>95,598</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	16	100
Purchase of property, plant and equipment	<u>(4,342)</u>	<u>(89,612)</u>
<b>Net cash used in investing activities</b>	<u>(4,326)</u>	<u>(89,512)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(3,481)	(14,970)
Proceeds from short term bank borrowings	9,423	863
Repayments of short term bank borrowings	(9,423)	(27,603)
Repayments of term loans	(11,306)	(3,770)
Proceeds from issuance of shares pursuant to exercise of warrants	1 *	12,591
Proceeds from issuance of shares pursuant to private placement	0	32,567
Repayment of Government fund	0	(1,000)
<b>Net cash (used in) / from financing activities</b>	<u>(14,786)</u>	<u>(1,322)</u>
<b>Net changes in cash and cash equivalents</b>	6,831	4,764
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,340)	(369)
<b>Cash and cash equivalents at beginning of the financial period</b>	4,810	415
<b>Cash and cash equivalents at end of the financial period</b>	<u>10,301</u>	<u>4,810</u>

Cash and cash equivalents at the end of the financial period comprise of the following :

	<b>As at</b>	<b>As at</b>
	<b>31.12.17</b>	<b>31.12.16</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>10,301</u>	<u>4,810</u>
	<u>10,301</u>	<u>4,810</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

\* exercise of warrant RM125 only



## NOTES TO THE INTERIM FINANCIAL REPORT

### PART A : EXPLANATORY NOTES AS PER MFRS 134

#### A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ('MFRS') No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2016.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 December 2016.

The Group had adopted the following Amendments to Standards, with a date of initial application of 1 January 2017.

Amendments to MFRS 12 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*  
Amendments to MFRS 107 *Disclosure Initiative*  
Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*  
MFRS 15 *Revenue from Contracts with Customers*  
Clarification to MFRS 15  
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*  
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*  
Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*  
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*  
Amendments to MFRS 140 *Transfers of Investment Property*  
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*  
MFRS 16 *Leases*  
IC Interpretation 23 *Uncertainty over Income Tax Treatments*  
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*  
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*  
Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015-2017 Cycle*  
Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015-2017 Cycle*  
Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015-2017 Cycle*  
Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015-2017 Cycle*  
MFRS 17 *Insurance Contracts*  
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

#### A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2016 was not subject to any qualification.

#### A3. Seasonal and Cyclical factors

Other than solar segment, the Group's products are subject to some seasonality whereby production has slight improvements in the first quarter of the year. Production runs normally from the second quarter and peaks in third and fourth quarters before the major festivals such as Hari Raya, Christmas day, New Year and Chinese New Year.

#### A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows because of their nature, size, or incidence for the current quarter under review and financial year to date.

#### A5. Material Changes in Estimates

There were no other changes in accounting estimates of amounts reported in prior interim periods or the current financial period or changes in estimates of amounts reported in prior financial years.

#### A6. Issuances and repayment of debt and equity securities

For the financial period to date, there was no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, save for the disclosure below:

- Issuance of 500 new ordinary shares pursuant to the exercise of warrants at RM0.25 per share. The total cash proceeds arising from the exercise of warrants during the current financial period amounted to RM125.

#### A7. Dividend paid

A single tier first interim dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2017 was paid on 06 October 2017.



NOTES TO THE INTERIM FINANCIAL REPORT

**A8. Other Operating Income**

	<b>Current Quarter 31.12.2017 RM'000</b>	<b>12 months Cumulative 31.12.2017 RM'000</b>
Interest income	13	25
Gain on disposal of property, plant and equipment	1,991	7,197
Income from sale of solar energy	428	2,860
Foreign exchange loss	(2,056)	(1,787)
Compensation received from a customer *	59,756	63,271
Other income	197	359
<b>Total other operating income</b>	<b>60,329</b>	<b>71,925</b>

\* Compensation amount comprised mainly the agreed payment of damages/ liquidated damages by a customer who failed to load minimum order quantity of solar cells to TS Solartech Sdn. Bhd., a subsidiary of the Company pursuant to the terms and conditions of a manufacturing and supply of solar cell contract dated 8 October 2015 between TS Solartech Sdn. Bhd. and the said customer.

**A9. Operating Expenses**

	<b>Current Quarter 31.12.2017 RM'000</b>	<b>12 months Cumulative 31.12.2017 RM'000</b>
Advertisement	4	26
Depreciation	249	907
Rental	11	53
Salaries, allowances and bonus	2,254	9,216
Transportation	1,434	6,694
Water and electricity	22	81
General repairs and maintenance	144	755
Impairment	4,068	4,068
Others	1,110	4,043
<b>Total operating expenses</b>	<b>9,296</b>	<b>25,843</b>

**A10. Finance costs**

	<b>Current Quarter 31.12.2017 RM'000</b>	<b>12 months Cumulative 31.12.2017 RM'000</b>
Interest on bankers' acceptance	1	57
Interest on term loan*	(91)	273
Interest on revolving credit	4	16
Others	2	11
<b>Total finance costs</b>	<b>(84)</b>	<b>357</b>

\* Reclassification to penalty due to early settlement of bank term loan.

**A11. Segmental Reporting**

The Group is principally involved in investment holding and its subsidiaries are principally engaged in manufacturing and trading of Polyvinyl Chloride ('PVC') related products and Polypropylene ('PP') Non-Woven, manufacturing and trading of Solar Cell products.

The Group has arrived at four (4) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies.

The reportable segments are summarised as follows:

- (i) PVC Sheeting  
Manufacturing and trading of PVC Sheeting, parts for industrial and consumer use.
- (ii) PP Non-Woven  
Manufacturing and trading of PP Non-Woven related products.
- (iii) PVC Leather  
Trading of PVC Leather related products.
- (iv) Solar  
Manufacturing and trading of Solar related products.

Other operating segments that do not meet the quantitative thresholds of an individual reporting segment comprise investment holding and operations related to trading of PVC products and materials.



NOTES TO THE INTERIM FINANCIAL REPORT

A11. Segmental Reporting (Continued)

	<u>PVC Sheeting</u> RM'000	<u>PP Non- Woven</u> RM'000	<u>PVC Leather</u> RM'000	<u>Others</u> RM'000	<u>Solar</u> RM'000	<u>Group</u> RM'000
<b>1 October 2017 to 31 December 2017</b>						
<b>Revenue</b>						
External Revenue	29,912	2,347	920	4,221	24,682	62,082
Inter segment elimination	(3,555)	(24)	0	(211)	(1)	(3,791)
	<u>26,357</u>	<u>2,323</u>	<u>920</u>	<u>4,010</u>	<u>24,681</u>	<u>58,291</u>
<b>Results</b>						
Segment results	2,429	214	85	370	(11,242)	(8,144)
Other operating income	0	0	0	0	60,329	60,329
Finance costs	66	6	2	10	0	84
Profit before tax	<u>2,495</u>	<u>220</u>	<u>87</u>	<u>380</u>	<u>49,087</u>	<u>52,269</u>
Income tax expense	(861)	(76)	(30)	(131)	(5,648)	(6,746)
Profit for the period	<u>1,634</u>	<u>144</u>	<u>57</u>	<u>249</u>	<u>43,439</u>	<u>45,523</u>

	<u>PVC Sheeting</u> RM'000	<u>PP Non- Woven</u> RM'000	<u>PVC Leather</u> RM'000	<u>Others</u> RM'000	<u>Solar</u> RM'000	<u>Group</u> RM'000
<b>1 October 2016 to 31 December 2016</b>						
<b>Revenue</b>						
External Revenue	31,947	2,512	1,142	6,637	25,776	68,014
Inter segment elimination	(3,472)	(63)	0	(176)	0	(3,711)
	<u>28,475</u>	<u>2,449</u>	<u>1,142</u>	<u>6,461</u>	<u>25,776</u>	<u>64,303</u>
<b>Results</b>						
Segment results	(7)	(1)	(1)	(1)	(16,451)	(16,461)
Other operating income	0	0	0	0	3,148	3,148
Finance costs	(131)	(11)	(5)	(30)	(344)	(521)
Loss before tax	<u>(138)</u>	<u>(12)</u>	<u>(6)</u>	<u>(31)</u>	<u>(13,647)</u>	<u>(13,834)</u>
Income tax expense	785	67	32	178	(2,967)	(1,905)
Profit / (Loss) for the period	<u>647</u>	<u>55</u>	<u>26</u>	<u>147</u>	<u>(16,614)</u>	<u>(15,739)</u>

	<u>PVC Sheeting</u> RM'000	<u>PP Non- Woven</u> RM'000	<u>PVC Leather</u> RM'000	<u>Others</u> RM'000	<u>Solar</u> RM'000	<u>Group</u> RM'000
<b>1 January 2017 to 31 December 2017</b>						
<b>Revenue</b>						
External Revenue	138,298	9,511	5,108	33,543	117,998	304,458
Inter segment elimination	(17,441)	(206)	0	(1,094)	(1)	(18,742)
	<u>120,857</u>	<u>9,305</u>	<u>5,108</u>	<u>32,449</u>	<u>117,997</u>	<u>285,716</u>
<b>Results</b>						
Segment results	16,440	1,266	695	4,414	(44,548)	(21,733)
Other operating income	0	0	0	0	71,925	71,925
Finance costs	(256)	(20)	(11)	(69)	(1)	(357)
Profit before tax	<u>16,184</u>	<u>1,246</u>	<u>684</u>	<u>4,345</u>	<u>27,376</u>	<u>49,835</u>
Income tax expense	(4,060)	(312)	(172)	(1,090)	(5,648)	(11,282)
Profit for the period	<u>12,124</u>	<u>934</u>	<u>512</u>	<u>3,255</u>	<u>21,728</u>	<u>38,553</u>
<b>Assets</b>	<b>84,044</b>	<b>6,471</b>	<b>3,552</b>	<b>22,565</b>	<b>317,962</b>	<b>434,594</b>
<b>Liabilities</b>	<b>17,722</b>	<b>1,365</b>	<b>749</b>	<b>4,758</b>	<b>17,293</b>	<b>41,887</b>



NOTES TO THE INTERIM FINANCIAL REPORT

A11. Segmental Reporting (Continued)

	PVC Sheeting RM'000	PP Non- Woven RM'000	PVC Leather RM'000	Others RM'000	Solar RM'000	Group RM'000
<b>1 January 2016 to 31 December 2016</b>						
<b>Revenue</b>						
External Revenue	153,851	9,706	6,054	33,580	254,577	457,768
Inter segment elimination	(19,045)	(221)	(4)	(1,021)	(91)	(20,382)
	134,806	9,485	6,050	32,559	254,486	437,386
<b>Results</b>						
Segment results	16,332	1,149	733	3,944	3,441	25,599
Other operating income	5,242	369	235	1,266	16,935	24,047
Finance costs	(600)	(42)	(27)	(145)	(574)	(1,388)
Profit before tax	20,974	1,476	941	5,065	19,802	48,258
Income tax expense	(4,306)	(303)	(193)	(1,040)	(3,009)	(8,851)
Profit for the period	16,668	1,173	748	4,025	16,793	39,407
<b>Assets</b>	<b>163,900</b>	<b>11,532</b>	<b>7,356</b>	<b>39,586</b>	<b>321,668</b>	<b>544,042</b>
<b>Liabilities</b>	<b>35,678</b>	<b>2,511</b>	<b>1,601</b>	<b>8,617</b>	<b>138,001</b>	<b>186,408</b>

A12. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment by the Group since the last audited financial statements for the financial year ended 31 December 2016.

A13. Subsequent Events

There were no material events between the end of the reporting quarter and the date of this announcement.

A14. Changes In The Composition of The Group

There were no changes in the composition of the Group for the current year to date.

A15. Contingent Liabilities

Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries	RM'000
	84,979
Unsecured corporate guarantees given to suppliers of subsidiaries	5,687
	<u>90,666</u>

A16. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2017 is as follows :-

Contracted but not provided for	RM'000
	0

PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

Table 1 : Financial Review for current quarter and financial year to date

	Current Quarter 3 months ended		Changes + / -		Cumulative Quarter 12 months ended		Changes + / -	
	31.12.17 RM'000	31.12.16 RM'000			31.12.17 RM'000	31.12.16 RM'000		
			RM'000	%			RM'000	%
Revenue	58,291	64,303	(6,012)	(9.35)	285,716	437,386	(151,670)	(34.68)
Gross profit / (loss)	1,152	(7,762)	8,914	(114.84)	4,110	55,673	(51,563)	(92.62)
Profit / (Loss) before interest and tax	52,185	(13,313)	65,498	(491.99)	50,192	49,646	546	1.10
Profit / (Loss) before tax	52,269	(13,834)	66,103	(477.83)	49,835	48,258	1,577	3.27
Profit / (Loss) for the period	45,523	(15,739)	61,262	(389.24)	38,553	39,407	(854)	(2.17)
Profit / (Loss) attributable to ordinary equity holders of the parent	24,042	(7,547)	31,589	(418.56)	27,616	31,193	(3,577)	(11.47)





## NOTES TO THE INTERIM FINANCIAL REPORT

### B1. Review of Performance (Continued)

#### a) Current Year-to date vs. Previous Year-to-date

For the financial period ended 31 December 2017, the Group recorded a revenue of RM285.7 million while profit before tax was recorded at RM49.8 million. When compared to corresponding period of 31 December 2016, the revenue has decreased by RM151.7 million and the Group's profit before tax has increased by RM1.6 million as a result of higher other operating income.

Performance of the respective operating business segments for the period ended 31 December 2017 as compared to the previous year corresponding period is analysed as follows:-

- 1) Sheeting - The decrease in profit before tax by RM4.8 million to RM16.2 million was mainly due to lower sales volume and other operating income.
- 2) PP Non Woven - The decrease in profit before tax by RM230,000 to RM1.2 million was mainly due to lower sales volume and other operating income.
- 3) PVC Leather - The decrease in profit before tax by RM0.3 million to RM0.7 million was mainly due to lower other operating income.
- 4) Others - The decrease in profit before tax by RM0.7 million to RM4.3 million was mainly due to lower other operating income.
- 5) Solar - The increase in profit before tax by RM7.6 million to profit before tax of RM27.4 million was mainly due to higher other operating income.

#### b) Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM58.3 million while profit before tax was recorded at RM52.3 million. The major contributor of the Group's revenue was from PVC sheeting segment, which contributed approximately 45.22% in the current quarter. As compared to corresponding quarter of 31 December 2016, the revenue has decreased by RM6 million and the Group's profit before tax has increased by RM66.1 million. This was mainly due to significant higher other operating income recorded by the Solar segment.

Performance of the respective operating business segments for the current quarter ended 31 December 2017 as compared to the previous year's corresponding quarter is analysed as follows:-

- 1) Sheeting - The increase in profit before tax by RM2.6 million from loss before tax RM0.1 million to RM2.5 million was mainly due to lower operating and finance costs.
- 2) PP Non Woven - The increase in profit before tax by RM232,000 from loss before tax RM12,000 to RM220,000 was mainly due to lower operating and finance costs.
- 3) PVC Leather - The increase in profit before tax by RM93,000 from loss before tax RM6,000 to RM87,000 was mainly due to lower operating and finance costs.
- 4) Others - The increase in profit before tax by RM411,000 from loss before tax RM31,000 to RM380,000 was mainly due to lower operating and finance costs.
- 5) Solar - The increase in profit before tax by RM62.7 million from loss before tax RM13.6 million to profit before tax of RM49.1 million was mainly due to higher other operating income.

### B2. Variation of Results Against Preceding Quarter

Table 2 : Financial Review for current quarter and compared with immediate preceding quarter

	Current Quarter	Preceding Quarter	Changes	
	01.10.17-31.12.17	01.07.17-30.09.17	RM'000	%
	RM'000	RM'000	RM'000	
Revenue	58,291	68,958	(10,667)	(15.47)
Gross Profit	1,152	2,245	(1,093)	(48.69)
Profit / (Loss) before interest and tax	52,185	(2,904)	55,089	(1,897.00)
Profit / (Loss) before tax	52,269	(3,007)	55,276	(1,838.24)
Total comprehensive income / (loss) for the period	45,523	(3,791)	49,314	(1,300.82)
Profit / (Loss) attributable to ordinary equity holders of the parent	24,042	(1,075)	25,117	(2,336.47)

The Group recorded lower revenue of RM58.3 million in the current quarter, representing 15.5% decrease from RM68.9 million in the preceding quarter due to lower revenue contributed by the Solar segments.

The Group's profit before tax for the current quarter is RM52.3 million which has increased by RM55.3 million from loss before tax of RM3 million as recorded in the preceding quarter. This was mainly due to increase in Solar segment's other operating income to the Group.

### B3. Prospects

The Board of Directors foresees the performance of the Group for 2018 to remain stable for its PVC business although it may be affected by fluctuation in the price of raw materials as a result of the market uncertainty and the impact from the weakening Ringgit. However, the Group will be taking cautious approaches to mitigate the exposure by improving its operational efficiency, product quality and product innovation as a positive step forward to sustain the Group's business growth and success as well as monitoring financial aspect more closely. The Group will also look into exploring new market share globally.

As for the solar segment, the board foresees greater challenges in 2018. The demand for solar segment has decreased due to various external uncertainties including different government policy, thus leading to weaker awareness for solar products. The Group is taking initiatives on various options including producing higher efficiencies of solar products and exploring the possibility of downstream business to improve its performance.

### B4. Variance of Actual and Forecast Revenue

Not applicable.



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**B5. Income Tax Expense**

	Current Quarter 31.12.17 RM'000	12 months Cumulative 31.12.17 RM'000
<b>Current tax expense</b>		
- current	1,210	6,346
- prior years	0	167
<b>Deferred tax expense</b>		
- Origination and reversal of temporary differences	5,536	4,769
<b>Total tax expense</b>	<u>6,746</u>	<u>11,282</u>

The Group's effective tax rate for the current period was lower than the statutory tax rate of 24% due to others tax allowances claimed by subsidiary Companies.

**B6. Sale of Unquoted Investments and/or Properties**

There were no sale of unquoted investments and/or properties for the current quarter and financial year to date.

**B7. Status of Corporate Proposal**

There were no corporate proposals announced as at the date of issue of this interim financial report.

**B8. Trade Receivables**

The trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days terms.

a) Ageing analysis of trade receivables of the Group is as follows:

	At end of current financial quarter 31.12.2017 RM'000	At end of previous financial year 31.12.2016 RM'000
Neither past due nor impaired	16,859	18,270
Past due, but not impaired		
1 to 30 days	6,030	5,386
31 to 60 days	4,879	1,857
61 to 90 days	138	423
More than 91 days	2,509	828
	13,556	8,494
	<u>30,415</u>	<u>26,764</u>

b) Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of trade receivables of the Group that are neither past due nor impaired have been renegotiated.

c) Trade receivables that are past due but not impaired amounting to RM13.6 million mainly arose from active corporate clients with healthy business relationship, in which the management is of the view that the amounts are recoverable based on past payment history. The trade receivables that are past due but not impaired are unsecured in nature.

**B9. Related party disclosures**

i) Identity of related party

- The Company has controlling related party relationship with its direct subsidiaries TS Solartech Sdn Bhd.

ii) The transactions detailed elsewhere in the interim financial statements, the Group had the following transactions with related party during the financial period:

	31.12.2017 RM'000	31.12.2016 RM'000
Shareholder of a subsidiary:		
Purchase of goods	5,510	23,729
Sale of goods	49,319	78,047

**B10. Group Borrowings**

The Group's borrowings were as follows:-

	As at 31.12.2017					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
<b>Secured</b>						
Term loan	0	0	0	0	0	0
Hire purchase payable	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Unsecured</b>						
	0	0	0	0	0	0
	0	0	0	0	0	0



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**B10. Group Borrowings (Continued)**

	As at 31.12.2016					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
<b>Secured</b>						
Term loan	0	7,187	0	4,119	0	11,306
Hire purchase payable	9,504	42,636	982	4,406	10,486	47,042
	9,504	49,823	982	8,525	10,486	58,348
<b>Unsecured</b>	0	0	0	0	0	0
	0	0	0	0	0	0

(i) Hire purchase payable :

- TS Solartech Sdn. Bhd., a subsidiary of the Company disposed of a solar cell production line back to the supplier upon mutual consent to cease the production of this particular production line. With the disposal of this solar cell production line, TS Solartech Sdn. Bhd. has also terminated its Sale and Purchase Agreement (Machinery) with the supplier on mutual agreement. Consequently, there were no outstanding hire purchase payable to the supplier. The disposal resulted in a gain of RM7.2 million which was recognised in 2nd quarter 2017.

(ii) Term loan

- Term loan was fully settled in 3rd quarter of 2017 with the amount paid RM11.3 million. The term loan is denominated in Ringgit Malaysia.

**B11. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**B12. Material Litigation**

The Group is not engaged in any material litigation as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**B13. Proposed Dividend**

A final single tier dividend of 1 sen per ordinary share for the financial year ended 31 December 2017 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

**B14. Earning Per Share**

**(a) Basic Earnings Per Share**

The basic earnings per share for the current financial quarter and current financial year-to-date had been calculated by dividing the Group's profit for the period attributable to equity holders of the Company by the weighted average number of shares in issue.

	<b>Individual Current Quarter 31.12.17</b>	<b>12 Months Cumulative To Date 31.12.17</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	24,042	27,616
Weighted average number of ordinary shares in issue ('000)	348,131	348,131
<b>Basic Earnings Per Share based on weighted average number of ordinary shares in issue (sen)</b>	<b>6.91</b>	<b>7.93</b>

The weighted average number of ordinary shares used in the denominator in calculating basic earnings per share was determined as follows:

	<b>Individual Current Quarter 31.12.17 '000</b>	<b>12 Months Cumulative To Date 31.12.17 '000</b>
Number of ordinary shares at beginning of the period	348,130	348,130
Effect of shares issued pursuant to exercise of warrants	1	1
Weighted average number of ordinary shares	348,131	348,131



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**B14. Earning Per Share (Continued)**

**(b) Diluted Earnings per share**

The diluted earnings per share had been calculated by dividing the Group's profit for the period attributable to the equity holders of the Company by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the warrants, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	<b>Individual Current Quarter 31.12.17</b>	<b>12 Months Cumulative To Date 31.12.17</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	24,042	27,616
Weighted average number of ordinary shares in issue ('000)	365,454	371,267
<b>Diluted Earnings Per Share based on weighted average number of ordinary shares in issue (sen)</b>	<b>6.58</b>	<b>7.44</b>

The weighted average number of ordinary shares used in the denominator in calculating diluted earnings per share was determined as follows:

	<b>Individual Current Quarter 31.12.17 '000</b>	<b>12 Months Cumulative To Date 31.12.17 '000</b>
Weighted average number of ordinary shares as per basic earnings per share	348,131	348,131
Effect of potential exercise of warrants	17,323	23,136
Weighted average number of ordinary shares	<b>365,454</b>	<b>371,267</b>

**B15. Provision of Financial Assistance**

(a) There has been no additional financial assistance provided pursuant to Paragraph 8.23 of the Main Market Listing Requirement during the current quarter.

(b) The aggregate amount of financial assistance provided during the previous year was as follows:

<u>Type of Financial Assistance</u>	<b>Limit of Amount USD'000</b>
Corporate Guarantee for ordinary course of business of a 50.69% owned subsidiary.	<u>400</u>
There was no financial impact on the Group arising from the financial assistance provided.	(equivalent to approximately RM1.6 million at exchange rate of RM4.0620)

**B16. Reviews By External Auditors**

The Board had engaged the external auditors to review and report on the condensed consolidated financial statements of Tek Seng Holdings Bhd. for the fourth quarter ended 31 December 2017 in accordance with International Standard on Review Engagements 2410 (ISRE2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The external auditors reported to the Board that nothing has come to their attention that causes them to believe that the said condensed consolidated financial statements were not presented fairly, in all material respects, in accordance with MFRS134 : Interim Financial Reporting in Malaysia. The report was made to the Board in accordance to the terms of reference with the external auditors and for no other purpose.

**By order of the Board**

**TEK SENG HOLDINGS BERHAD**

**LOH KOK BENG  
EXECUTIVE CHAIRMAN**

**Dated : 27 February 2018**