



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	(Unaudited)	(Audited)
	As At	As At
	31.03.19	31.12.18
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	235,550	238,255
	<u>235,550</u>	<u>238,255</u>
<b>Current assets</b>		
Inventories	26,901	40,096
Trade receivables	16,491	23,294
Other receivables, deposits and prepayments	1,583	2,590
Current tax assets	918	249
Cash and bank balances	16,762	4,255
	<u>62,655</u>	<u>70,484</u>
<b>TOTAL ASSETS</b>	<u>298,205</u>	<u>308,739</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	111,871	111,871
Retained earnings	92,527	92,051
	<u>204,398</u>	<u>203,922</u>
Non-controlling interests	72,099	73,848
<b>Total equity</b>	<u>276,497</u>	<u>277,770</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	4,555	4,613
Other payables	0	381
	<u>4,555</u>	<u>4,994</u>
<b>Current liabilities</b>		
Trade payables	7,285	4,773
Other payables	9,402	20,784
Current tax liabilities	466	418
	<u>17,153</u>	<u>25,975</u>
<b>Total liabilities</b>	<u>21,708</u>	<u>30,969</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>298,205</u>	<u>308,739</u>
Net Assets per Share (RM)	0.59	0.59
Net Assets (RM'000)	204,398	203,922

(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 2018)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTHS ENDED 31 MARCH 2019**

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.19 RM'000	31.03.18 RM'000	31.03.19 RM'000	31.03.18 RM'000
Revenue	44,071	50,872	44,071	50,872
Cost of sales	(41,870)	(52,619)	(41,870)	(52,619)
<b>Gross profit / (loss)</b>	<u>2,201</u>	<u>(1,747)</u>	<u>2,201</u>	<u>(1,747)</u>
Other operating income	1,942	797	1,942	797
Operating expenses	(4,726)	(5,468)	(4,726)	(5,468)
Finance costs	(1)	(9)	(1)	(9)
<b>Loss before tax</b>	<u>(584)</u>	<u>(6,427)</u>	<u>(584)</u>	<u>(6,427)</u>
Income tax expense	(689)	(1,189)	(689)	(1,189)
<b>Loss for the period</b>	<u>(1,273)</u>	<u>(7,616)</u>	<u>(1,273)</u>	<u>(7,616)</u>
<b>Other comprehensive income, net of tax</b>	0	0	0	0
<b>Total comprehensive loss for the period</b>	<u><u>(1,273)</u></u>	<u><u>(7,616)</u></u>	<u><u>(1,273)</u></u>	<u><u>(7,616)</u></u>
<b>Profit / ( Loss) for the period attributable to:</b>				
- Owners of the parent	476	(2,141)	476	(2,141)
- Non-controlling interests	<u>(1,749)</u>	<u>(5,475)</u>	<u>(1,749)</u>	<u>(5,475)</u>
<b>Total comprehensive income / (loss) for the period attributable to:</b>				
- Owners of the parent	476	(2,141)	476	(2,141)
- Non-controlling interests	<u>(1,749)</u>	<u>(5,475)</u>	<u>(1,749)</u>	<u>(5,475)</u>
<b>Earnings per share attributable to owners of the parent:</b>				
Basic earnings per share (sen)	<u>0.14</u>	<u>(0.61)</u>	<u>0.14</u>	<u>(0.61)</u>
Diluted earnings per share (sen)	<u>*</u>	<u>(0.59)</u>	<u>*</u>	<u>(0.59)</u>

Note:

\*Diluted profit per ordinary share equal basic profit per share.

(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 2018)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTHS ENDED 31 MARCH 2019**

	<b>Share Capital RM'000</b>	<b>Distributable Retained Earnings RM'000</b>	<b>Total Attributable To Owners of The Parent RM'000</b>	<b>Non- Controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
At 1 January 2018	111,868	144,425	256,293	132,085	388,378
Adjustment on initial application of MFRS 9	0	(202)	(202)	0	(202)
Loss for the financial period	0	(2,141)	(2,141)	(5,475)	(7,616)
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive loss for the period	0	(2,141)	(2,141)	(5,475)	(7,616)
At 31 March 2018	111,868	142,082	253,950	126,610	380,560
At 1 January 2019	111,871	92,051	203,922	73,848	277,770
Profit / (Loss) for the financial period	0	476	476	(1,749)	(1,273)
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income / (loss) for the period	0	476	476	(1,749)	(1,273)
At 31 March 2019	111,871	92,527	204,398	72,099	276,497

(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 2018)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTHS ENDED 31 MARCH 2019**

	<b>3 months ended</b>	
	<b>31.03.19</b>	<b>31.03.18</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(584)	(6,427)
Adjustments for :		
Reversal of impairment losses on receivables	(108)	0
Impairment losses on receivables	0	222
Depreciation	3,716	7,680
Interest expense	1	9
Interest income	(21)	(7)
Inventories written back	(169)	0
Unrealised (gain) / loss on foreign exchange	(2)	85
Gain on disposal of property, plant and equipment	(30)	(1)
Operating profit before working capital changes	<u>2,803</u>	<u>1,561</u>
Decrease / (Increase) in inventories	13,364	(5,046)
Decrease in trade and other receivables	7,986	4,149
Decrease in trade and other payables	<u>(9,261)</u>	<u>(4,627)</u>
Cash generated / (used in) from operations	14,892	(3,963)
Interest paid	(1)	(9)
Interest received	21	7
Tax paid	<u>(1,368)</u>	<u>(1,669)</u>
<b>Net cash from / (used in) operating activities</b>	<u>13,544</u>	<u>(5,634)</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	71	30
Purchase of property, plant and equipment	<u>(1,052)</u>	<u>(553)</u>
<b>Net cash used in investing activities</b>	<u>(981)</u>	<u>(523)</u>
<b>Cash flows from financing activity</b>		
Proceeds from short term bank borrowings	<u>0</u>	<u>2,052</u>
<b>Net cash from financing activity</b>	<u>0</u>	<u>2,052</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	12,563	(4,105)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(56)	(416)
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>4,255</u>	<u>10,301</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>16,762</u>	<u>5,780</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>31.03.19</b>	<b>31.03.18</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>16,762</u>	<u>5,780</u>
	<u>16,762</u>	<u>5,780</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 2018)



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 2018.

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 2018.

The Group had adopted the following Amendments to Standards, with a date of initial application of 1 January 2019.

*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 119 Plan Amendment, Curtailment or Settlement*

*Amendments to MFRS 123 Annual Improvements to MFRS Standards 2015-2017 Cycle*

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 References to the Conceptual Framework in MFRS Standards*

*Amendments to MFRS 3 Definition of a Business*

*Amendments to MFRS 101 and MFRS 108 Definition of Material*

*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 2018 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.

**A7. Dividend paid**

There was no dividend paid during the current quarter.

**A8. Other Operating Income**

	<b>Current Quarter</b> <b>31.03.2019</b> <b>RM'000</b>	<b>3 months</b> <b>Cumulative</b> <b>31.03.2019</b> <b>RM'000</b>
Interest income	21	21
Gain on disposal of property, plant and equipment	30	30
Income from sale of solar energy	421	421
Foreign exchange gain	95	95
Other income	1,375	1,375
Total other operating income	<u>1,942</u>	<u>1,942</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A9. Operating Expenses

	Current Quarter 31.03.2019 RM'000	3 months Cumulative 31.03.2019 RM'000
Depreciation	299	299
Rental	6	6
Salaries, allowances and bonus	2,027	2,027
Transportation	1,194	1,194
Water and electricity	21	21
General repairs and maintenance	193	193
Others	986	986
Total operating expenses	<u>4,726</u>	<u>4,726</u>

A10. Finance costs

	Current Quarter 31.03.2019 RM'000	3 months Cumulative 31.03.2019 RM'000
Others	1	1
Total finance costs	<u>1</u>	<u>1</u>

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 two (2) 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  
Manufacturing and trading of PVC Sheeting, PP Non-Woven, PVC Leather related products for industrial and consumer use.
- (ii) Solar  
Manufacturing and trading of Solar related products.

1 January 2019 to 31 March 2019

	PVC RM'000	Solar RM'000	Group RM'000
<b>Revenue</b>			
Total revenue	48,681	3,631	52,312
Elimination	(8,238)	(3)	(8,241)
Revenue from external customers	<u>40,443</u>	<u>3,628</u>	<u>44,071</u>
<b>Results</b>			
Segment results	1,672	(4,197)	(2,525)
Other operating income	1,292	650	1,942
Finance costs	(1)	0	(1)
Profit / (Loss) before tax	2,963	(3,547)	(584)
Income tax expense	(689)	0	(689)
Profit / (Loss) for the period	<u>2,274</u>	<u>(3,547)</u>	<u>(1,273)</u>
<b>Assets</b>	<u>110,318</u>	<u>187,887</u>	<u>298,205</u>
<b>Liabilities</b>	<u>19,113</u>	<u>2,595</u>	<u>21,708</u>
	PVC RM'000	Solar RM'000	Group RM'000

1 January 2018 to 31 March 2018

<b>Revenue</b>			
Total revenue	51,447	4,119	55,566
Elimination	(4,694)	0	(4,694)
Revenue from external customers	<u>46,753</u>	<u>4,119</u>	<u>50,872</u>
<b>Results</b>			
Segment results	4,665	(11,880)	(7,215)
Other operating income	21	776	797
Finance costs	(9)	0	(9)
Profit / (Loss) before tax	4,677	(11,104)	(6,427)
Income tax expense	(1,189)	0	(1,189)
Profit / (Loss) for the period	<u>3,488</u>	<u>(11,104)</u>	<u>(7,616)</u>
<b>Assets</b>	<u>108,664</u>	<u>316,754</u>	<u>425,418</u>
<b>Liabilities</b>	<u>29,811</u>	<u>15,047</u>	<u>44,858</u>



NOTES TO THE INTERIM FINANCIAL REPORT

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 2018.

A13. Subsequent Events

TS Solartech Sdn. Bhd. ("TSST"), a 50.69% owned subsidiary of the Company, decided to rent out the second factory building in second quarter of 2019.

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
Unsecured corporate guarantees given to suppliers of subsidiaries	55,962
	4,081
	<u>60,043</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 March 2019 is as follows :-

Contracted but not provided for	RM'000
	<u>0</u>

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 3 months ended		Changes + / -	
	31.03.19	31.03.18	RM'000	%	31.03.19	31.03.18	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Revenue	44,071	50,872	(6,801)	(13.37)	44,071	50,872	(6,801)	(13.37)
Gross profit / (loss)	2,201	(1,747)	3,948	(225.99)	2,201	(1,747)	3,948	(225.99)
Loss before interest and tax	(583)	(6,418)	5,835	(90.92)	(583)	(6,418)	5,835	(90.92)
Loss before tax	(584)	(6,427)	5,843	(90.91)	(584)	(6,427)	5,843	(90.91)
Loss for the period	(1,273)	(7,616)	6,343	(83.29)	(1,273)	(7,616)	6,343	(83.29)
Profit / (Loss) attributable to ordinary equity holders of the parent	476	(2,141)	2,617	(122.23)	476	(2,141)	2,617	(122.23)

Current Quarter vs. Previous Year Corresponding Quarter

For the financial period ended 31 March 2019, the Group recorded a revenue of RM44.1 million while loss before tax was recorded at RM0.6 million. When compared to corresponding period of 31 March 2018, the revenue has decreased by RM6.8 million but the Group's loss before tax has decreased by RM5.8 million as a result of lower revenue and production overhead recorded by the Solar segment.

Performance of the respective operating business segments for the period ended 31 March 2019 as compared to the previous year corresponding period is analysed as follows:-

- 1) PVC - The decrease in profit before tax by RM1.7 million to RM3.0 million was mainly due to lower revenue and higher production costs.
- 2) Solar - The decrease in loss before tax by RM7.6 million to RM3.5 million was mainly due to lower production overhead.

B2. Variation of Results Against Preceding Quarter

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

	Current Quarter 01.01.19-31.03.19	Preceding Quarter 01.10.18-31.12.18	Changes	
	RM'000	RM'000	RM'000	%
Revenue	44,071	35,645	8,426	23.64
Gross profit	2,201	2,184	17	0.78
Loss before interest and tax	(583)	(13,357)	(12,774)	(95.64)
Loss before tax	(584)	(13,548)	(12,964)	(95.69)
Total comprehensive loss for the period	(1,273)	(14,539)	(13,266)	(91.24)
Income / (Loss) attributable to ordinary equity holders of the parent	476	(6,565)	7,041	(107.25)

The Group recorded higher revenue of RM44.1 million in the current quarter, representing 23.6% increase from RM35.6 million in the preceding quarter due to higher revenue contributed by the PVC segments before major festival such as Hari Raya.

The Group's loss before tax for the current quarter is RM0.6 million which has decreased by RM13.0 million from RM13.6 million loss before tax as recorded in the preceding quarter. This was mainly due to lower production overhead by Solar segment.



NOTES TO THE INTERIM FINANCIAL REPORT

**B3. Prospects**

The Board of Directors foresees the performance of the Group for 2019 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 fluctuation in foreign currency. 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.

After the cessation of the solar production activities, the Company intends to rent out the factory building. However, the activities regarding 1.1766MW feed-in tariff solar segment still remain because this segment is not related to the production business.

**B4. Variance of Actual and Forecast Revenue**

Not applicable.

**B5. Income Tax Expense**

	Current Quarter 31.03.19 RM'000	3 months Cumulative 31.03.19 RM'000
<b>Current tax expense</b>		
- current	747	747
<b>Deferred tax expense</b>		
- Origination and reversal of temporary differences	(58)	(58)
Total tax expense	<u>689</u>	<u>689</u>

The Group's effective tax rate for the current period was higher than the statutory tax rate of 24% due to certain expenses which are not deductible for tax purposes and losses suffered by a subsidiary.

**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**

	At end of current financial quarter 31.03.2019 RM'000	At end of previous financial year 31.12.2018 RM'000
Trade receivables	17,699	24,610
Less : Impairment loss	(1,208)	(1,316)
	<u>16,491</u>	<u>23,294</u>

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 31.03.2019 RM'000	At end of previous financial year 31.12.2018 RM'000
Neither past due nor impaired	11,650	13,852
Past due, but not impaired		
1 to 30 days	3,017	7,385
31 to 60 days	1,128	1,406
61 to 90 days	781	1,257
More than 91 days	1,123	710
	<u>6,049</u>	<u>10,758</u>
Impaired	17,699	24,610
	(1,208)	(1,316)
	<u>16,491</u>	<u>23,294</u>

b) The Group assess the impairment on trade receivable base on expected credit loss ("ECL") model.

**B9. Related party disclosures**

i) Identity of related party

- The Company has controlling related party relationship with its direct subsidiaries.

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

	31.03.2019 RM'000	31.12.2018 RM'000
Shareholder of a subsidiary:		
Purchase of goods	0	13
Sale of goods	0	1,988
	<u>0</u>	<u>1,988</u>

iii) The Company has controlling related party relationship with TS Solartech Sdn Bhd - Solartech Energy Corporation ("SEC") was dissolved after the merger on 01 October 2018, and has resulted in transfer of shares to the acquiring company, Neo Solar Power Copr ("NSP"), which was renamed as United Renewable Energy Co. Ltd ("UREC").





NOTES TO THE INTERIM FINANCIAL REPORT

**B10. Group Borrowings**

The Group has no borrowings as at 31 March 2019.

**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**

i) On 18 March 2019, the Company announced that TS Solartech Sdn Bhd ("TSST"), a 50.69% owned subsidiary of Tek Seng had been served with a Notice of Mention of Case in the matter of Industrial Court Case No: 18/4-359/19 between Lee Kar Wuei ("LKW") and TSST dated 12 March 2019.

LKW was an employee of TSST. Due to downturn of the Solar Market, TSST decided to temporary cease its entire production by the 3rd quarter of 2018. As such, the affected employees were notified 2 months' in advance of the Mutual Separation Scheme (MSS).

The affected employees were informed on 18 July 2018 and individual discussions with the affected employees were conducted. LKW had agreed with the terms and condition of the MSS and signed the acceptance on 25 July 2018 with monetary compensation approximately 2 months of his salary.

Additionally, TSST had also arranged job for the affected employees with a Multi-National Company (MNC). However, LKW had rejected the job offered. As scheduled, TSST temporary ceased its operation on 17 September 2018. LKW subsequently went to file a report at Jabatan Perhubungan Perusahaan Pulau Pinang. LKW had requested for 6 months compensation.

TSST was unable to reinstate LKW as employee since it had temporary ceased operation and was unable to provide further compensations due to the financial condition of TSST. Nevertheless, TSST is planning to recommend LKW for other job offers out of good gesture.

This case was mentioned before the President at the premises of the Court 18 (Jalan Bagan Luar, 12000 Butterworth, Pulau Pinang) on Tuesday, 2 April, 2019 at 8.30am.

Further to the Announcement, the Company was informed that LKW ("claimant") was absent on the hearing on 2 April 2019. Nevertheless, LKW has agreed to withdraw the case. The Industrial Relation had fixed 23 May 2019 for claimant to withdraw the case.

On 23 May 2019, the Company was informed that the Claimant, LKW has agreed to withdraw the case against TSST with no liberty to file afresh today.

A consent award will be entered between both parties and handed down by the Industrial Court of Butterworth Penang.

ii) On 16 May 2019, the Company announced that TSST (or "Defendant"), had been served with a Sealed Originating Summons dated 3 May 2019 and original copy of United Renewable Energy Co., Ltd.'s ("Plaintiff") Affidavit in Support affirmed by Timothy Haosen Wan on 8 May 2019; a copy of the "Notis untuk Menghadiri Pengurusan Kes"; and an original copy of Plaintiff's Supplementary Affidavit affirmed by Eddie Chih Wei Chan on 7 May 2019 through a firm of lawyers acting on behalf of the Plaintiff.

The Plaintiff had applied for the following orders and/or reliefs:

- 1) a declaration that the merger between Neo Solar Power Energy Corp., Solartech Energy Corp. and Gintech Energy Corporation on 1 October 2018 had carried into effect a transmission of the 97,700,693 ordinary shares in the Defendant ("Company") currently held in the name of Solartech Energy Corp. ("TS Shares") to the Plaintiff by operation of law;
- 2) an Order that the Company shall rectify its register of members within thirty (30) days from the service of this Order by the deletion of the name of Solartech Energy Corp. and the insertion of the name of the Plaintiff as the registered owner of the ownership of the TS Shares with effective date of 1 October 2018;
- 3) an Order that the Company shall cancel the share certificate in the name of Solartech Energy Corp. in respect of the TS Shares, and issue and deliver a new share certificate in the name of the Plaintiff in respect of the TS Shares within 30 days from the service of this Order;
- 4) an Order that the Plaintiff be given liberty to apply, including liberty to apply for any further directions on service or consequential relief;
- 5) costs of this application to be borne by the Company; and/or.
- 6) such further and/or other relief as the Honourable Court deems fit.

That the matter has been fixed for Case Management at the Kuala Lumpur High Court on 17 May 2019.

Further to the Announcement, the Company was informed that the Court has fixed the Hearing date on 05 August 2019.

The case will not have any financial or operational impact on Group. However, TSST is exposed to the legal expenses as TSST will be appointing a firm of lawyers to act on its behalf.

**B13. 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 31.03.19</b>	<b>3 Months Cumulative To Date 31.03.19</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	476	476
Weighted average number of ordinary shares in issue ('000)	348,144	348,144
<b>Basic Earnings Per Share based on weighted average number of ordinary shares in issue (sen)</b>	<b>0.14</b>	<b>0.14</b>



NOTES TO THE INTERIM FINANCIAL REPORT

**B13. Earning Per Share (continued)**

**(a) Basic Earnings Per Share (continued)**

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 31.03.19 '000</b>	<b>3 Months Cumulative To Date 31.03.19 '000</b>
Number of ordinary shares at beginning of the period	348,144	348,144
Effect of shares issued pursuant to exercise of warrants	0	0
Weighted average number of ordinary shares	<u>348,144</u>	<u>348,144</u>

**(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 31.03.19</b>	<b>3 Months Cumulative To Date 31.03.19</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	476	476
Weighted average number of ordinary shares in issue ('000)	348,144	348,144
<b>Diluted Earnings Per Share based on weighted average number of ordinary shares in issue (sen)</b>	<u>*</u>	<u>*</u>

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 31.03.19 '000</b>	<b>3 Months Cumulative To Date 31.03.19 '000</b>
Weighted average number of ordinary shares as per basic earnings per share	348,144	348,144
Effect of potential exercise of warrants	0	0
Weighted average number of ordinary shares	<u>348,144</u>	<u>348,144</u>

Note:

\*Diluted profit per ordinary share equal basic profit per share.

**B14. Provision of Financial Assistance**

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

**B15. 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 first quarter ended 31 March 2019 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 : 29 May 2019