



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

	(Unaudited) As At 31.12.22 RM'000	(Audited) As At 31.12.21 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	77,396	80,685
Right-of-use assets	5,515	5,963
Investment properties	116,780	115,236
	<u>199,691</u>	<u>201,884</u>
<b>Current assets</b>		
Inventories	35,273	31,062
Trade receivables	21,435	28,547
Other receivables, deposits and prepayments	3,354	1,862
Current tax assets	2,369	1,499
Cash and bank balances	54,568	47,116
	<u>116,999</u>	<u>110,086</u>
<b>TOTAL ASSETS</b>	<u>316,690</u>	<u>311,970</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	115,002	115,002
Retained earnings	111,728	105,176
	<u>226,730</u>	<u>220,178</u>
Non-controlling interests	40,244	40,439
<b>Total equity</b>	<u>266,974</u>	<u>260,617</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	19,886	19,875
Lease liabilities	92	281
Deferred tax liabilities	4,484	4,757
	<u>24,462</u>	<u>24,913</u>
<b>Current liabilities</b>		
Trade payables	2,787	5,030
Other payables	22,103	17,962
Borrowings	0	1,808
Lease liabilities	184	307
Current tax liabilities	180	1,333
	<u>25,254</u>	<u>26,440</u>
<b>Total liabilities</b>	<u>49,716</u>	<u>51,353</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>316,690</u>	<u>311,970</u>
Net Assets per Share (RM)	0.63	0.61
Net Assets (RM'000)	226,730	220,178

(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 2021)



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE TWELVE-MONTHS ENDED 31 DECEMBER 2022

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.22 RM'000	31.12.21 RM'000	31.12.22 RM'000	31.12.21 RM'000
Revenue	33,110	45,843	182,594	181,142
Cost of sales	(28,499)	(35,835)	(145,560)	(142,389)
<b>Gross profit</b>	<u>4,611</u>	<u>10,008</u>	<u>37,034</u>	<u>38,753</u>
Other operating income	3,709	3,222	8,237	13,686
Operating expenses	(6,671)	(6,335)	(30,157)	(26,817)
Finance costs	(131)	(140)	(527)	(499)
<b>Profit before tax</b>	<u>1,518</u>	<u>6,755</u>	<u>14,587</u>	<u>25,123</u>
Tax expense	(1,425)	(1,696)	(4,123)	(6,139)
<b>Profit for the period</b>	<u>93</u>	<u>5,059</u>	<u>10,464</u>	<u>18,984</u>
<b>Other comprehensive income, net of tax</b>	0	0	0	0
<b>Total comprehensive income for the period</b>	<u>93</u>	<u>5,059</u>	<u>10,464</u>	<u>18,984</u>
<b>Profit for the period attributable to:</b>				
- Owners of the parent	155	4,822	10,165	18,469
- Non-controlling interests	<u>(62)</u>	<u>237</u>	<u>299</u>	<u>515</u>
<b>Total comprehensive income for the period attributable to:</b>				
- Owners of the parent	155	4,822	10,165	18,469
- Non-controlling interests	<u>(62)</u>	<u>237</u>	<u>299</u>	<u>515</u>
<b>Earnings per ordinary share attributable equity holders of the Company:</b>				
Basic and diluted earnings per share (sen)	<u>0.04</u>	<u>1.34</u>	<u>2.82</u>	<u>5.12</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 2021)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE-MONTHS ENDED 31 DECEMBER 2022**

	Share Capital RM'000	<u>Distributable</u> Retained Earnings RM'000	Total Attributable To Owners of The Parent RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
As at 1 January 2021	115,002	100,222	215,224	41,132	256,356
Profit for the financial period	0	18,469	18,469	515	18,984
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income for the period	0	18,469	18,469	515	18,984
<b>Transactions with owners</b>					
Acquisition of shares from non-controlling interests	0	(892)	(892)	(1,208)	(2,100)
Dividends	0	(12,623)	(12,623)	0	(12,623)
Total transactions with owners	0	(13,515)	(13,515)	(1,208)	(14,723)
As at 31 December 2021	115,002	105,176	220,178	40,439	260,617
As at 1 January 2022	115,002	105,176	220,178	40,439	260,617
Profit for the financial period	0	10,165	10,165	299	10,464
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income for the period	0	10,165	10,165	299	10,464
<b>Transactions with owners</b>					
Acquisition of shares from non-controlling interests	0	(6)	(6)	(494)	(500)
Dividend	0	(3,607)	(3,607)	0	(3,607)
Total transactions with owners	0	(3,613)	(3,613)	(494)	(4,107)
As at 31 December 2022	115,002	111,728	226,730	40,244	266,974

(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 2021)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TWELVE-MONTHS ENDED 31 DECEMBER 2022**

	<b>12 months ended</b>	
	<b>31.12.22</b>	<b>31.12.21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	14,587	25,123
Adjustments for :		
Bad debts written off	26	18
Reversal of impairment losses on receivables	(10)	(3)
Impairment losses on receivables	200	3
Depreciation of property, plant and equipment	5,439	7,390
Depreciation of investment properties	2,687	2,648
Depreciation of right-of-use assets	382	426
Interest expense	527	499
Interest income	(997)	(939)
Net unrealised gain on foreign exchange	(21)	(36)
Gain on modification of lease term	(2)	(13)
Impairment losses on property, plant and equipment	0	62
Loss on disposal of investment properties	0	186
Gain on disposal of property, plant and equipment	(214)	(58)
Operating profit before working capital changes	<u>22,604</u>	<u>35,306</u>
Increase in inventories	(4,211)	(1,997)
Decrease in trade and other receivables	5,342	1,672
Increase / (Decrease) in trade and other payables	<u>1,877</u>	<u>(1,340)</u>
Cash generated from operations	25,612	33,641
Interest paid	(13)	(30)
Interest received	997	939
Tax paid	<u>(6,419)</u>	<u>(8,261)</u>
Net cash from operating activities	<u>20,177</u>	<u>26,289</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of investment properties	0	237
Proceeds from disposal of property, plant and equipment	484	91
Purchase of property, plant and equipment	(2,420)	(29,106)
Purchase of investment property	(4,230)	0
Accretion of interests in a subsidiary	(500)	(2,100)
Net cash used in investing activities	<u>(6,666)</u>	<u>(30,878)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(3,607)	(12,623)
Proceeds from short term bank borrowings	0	7,188
Repayments of short term bank borrowings	(1,808)	(5,380)
Repayments of interest on term loans	(489)	(545)
Repayments of lease liabilities	<u>(259)</u>	<u>(310)</u>
Net cash used in financing activities	<u>(6,163)</u>	<u>(11,670)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	7,348	(16,259)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	104	53
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>47,116</u>	<u>63,322</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>54,568</u>	<u>47,116</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TWELVE-MONTHS ENDED 31 DECEMBER 2022 (Continued)**

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

	<b>As at 31.12.22 RM'000</b>	<b>As at 31.12.21 RM'000</b>
Cash and bank balances	1,817	1,643
Deposits with licensed banks	52,751	45,473
	<u>54,568</u>	<u>47,116</u>

**Reconciliation of liabilities arising from financing activities**

	<b>Lease liabilities RM'000</b>	<b>Term loans RM'000</b>	<b>Short term bank borrowings RM'000</b>
As at 1 January 2022	588	19,875	1,808
Cash flows			
- repayments	(259)	(489)	(1,808)
Non-cash flows			
- addition of lease liabilities	67	0	0
- unwinding of interest	14	500	0
- effect of modification of lease term	(134)	0	0
As at 31 December 2022	<u>276</u>	<u>19,886</u>	<u>0</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 2021)



## 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 2021.

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 2021.

The Group had adopted the following Amendments to Standards, with a date of initial application of 1 January 2022.

Annual Improvements to MFRS Standards 2018 - 2020

Amendments to MFRS 3 *Reference to the Conceptual Framework*

Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*

Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*

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:

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*

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*

Amendments to MFRS 17 *Insurance Contracts*

Amendments to MFRS 101 *Presentation of Financial Statements*

Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*

Amendments to MFRS 112 *Income Taxes*

Amendments to MFRS 17 *Insurance Contracts- Initial Application of MFRS 17 and MFRS 9 - Comparative Information*

Amendments to MFRS 16 *Leases - Lease liability in a Sale and Leaseback*

#### A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

#### A3. Seasonal and Cyclical factors

Other than solar and renting of properties segment, the Group's products are subject to some seasonality whereby will be peaks 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 year to date, there was no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

#### A7. Dividend paid

A single tier interim dividend of 1.0 sen per ordinary share for the financial year ending 31 December 2022 has been paid on 31 March 2022.



NOTES TO THE INTERIM FINANCIAL REPORT

**A8. Other Operating Income**

	<b>Current Quarter 31.12.2022 RM'000</b>	<b>12 months Cumulative 31.12.2022 RM'000</b>
Interest income	265	998
Reversal of impairment losses on receivables	10	10
Gain on disposal of property, plant and equipment	214	214
Foreign exchange gain	21	21
Rental income	86	2,755
Transportation charges	778	4,239
Total other operating income	<u>1,374</u>	<u>8,237</u>

**A9. Operating Expenses**

	<b>Current Quarter 31.12.2022 RM'000</b>	<b>12 months Cumulative 31.12.2022 RM'000</b>
Depreciation of property, plant and equipment	379	1,617
Depreciation of investment properties	692	2,687
Salaries, allowances and bonus	2,338	9,272
Transportation	1,378	9,646
General repairs and maintenance	400	1,814
Depreciation of right-of-use assets	70	286
Impairment losses on receivables	282	200
Others	1,132	4,635
Total operating expenses	<u>6,671</u>	<u>30,157</u>

**A10. Finance costs**

	<b>Current Quarter 31.12.2022 RM'000</b>	<b>12 months Cumulative 31.12.2022 RM'000</b>
Interest on term loans	128	500
Interest on lease liabilities	3	14
Interest on foreign currency trust receipt	0	7
Others	0	6
Total finance costs	<u>131</u>	<u>527</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, trading of Solar Cell products and generate and supply the renewable energy and renting of properties.

The Group has arrived at three (3) 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, PP Transparent and Translucent Sheet, PVC Leather related products for industrial and consumer use.

(ii) Solar

Trading of Solar Cell products and Generate and supply the renewable energy.

(iii) Renting of Properties

Rental income from investment properties



NOTES TO THE INTERIM FINANCIAL REPORT

A11. Segmental Reporting (Cont'd)

1 October 2022 to 31 December 2022

**Revenue**

	<u>PVC</u> RM'000	<u>Solar</u> RM'000	<u>* Renting of Properties</u> RM'000	<u>Group</u> RM'000
Total revenue	41,549	937	2,160	44,646
Elimination	(8,662)	(539)	0	(9,201)
Revenue from external customers #	<b>32,887</b>	<b>398</b>	<b>2,160</b>	<b>35,445</b>

**Results**

Segment results	(653)	144	784	275
Other operating income #	1,255	19	100	1,374
Finance costs	(3)	(20)	(108)	(131)
Profit before tax	599	143	776	1,518
Income tax expense	(451)	(152)	(822)	(1,425)
Profit /(Loss) for the period	148	(9)	(46)	93

1 October 2021 to 31 December 2021

**Revenue**

	<u>PVC</u> RM'000	<u>Solar</u> RM'000	<u>* Renting of Properties</u> RM'000	<u>Group</u> RM'000
Total revenue	56,751	429	1,727	58,907
Elimination	(11,337)	0	0	(11,337)
Revenue from external customers #	<b>45,414</b>	<b>429</b>	<b>1,727</b>	<b>47,570</b>

**Results**

Segment results	4,731	133	536	5,400
Other operating income #	1,488	1	6	1,495
Finance costs	(20)	(24)	(96)	(140)
Profit before tax	6,199	110	446	6,755
Income tax expense	(1,696)	0	0	(1,696)
Profit for the period	4,503	110	446	5,059

1 January 2022 to 31 December 2022

**Revenue**

	<u>PVC</u> RM'000	<u>Solar</u> RM'000	<u>* Renting of Properties</u> RM'000	<u>Group</u> RM'000
Total revenue	217,345	2,153	7,670	227,168
Elimination	(41,700)	(539)	0	(42,239)
Revenue from external customers #	<b>175,645</b>	<b>1,614</b>	<b>7,670</b>	<b>184,929</b>

**Results**

Segment results	7,302	332	1,578	9,212
Other operating income #	5,746	27	129	5,902
Finance costs	(27)	(87)	(413)	(527)
Profit before tax	13,021	272	1,294	14,587
Income tax expense	(3,149)	(169)	(805)	(4,123)
Profit for the period	9,872	103	489	10,464

**Assets**

<b>188,148</b>	<b>22,347</b>	<b>106,195</b>	<b>316,690</b>
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**Liabilities**

<b>24,077</b>	<b>4,457</b>	<b>21,182</b>	<b>49,716</b>
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NOTES TO THE INTERIM FINANCIAL REPORT

A11. Segmental Reporting (Cont'd)

	<u>PVC</u> RM'000	<u>Solar</u> RM'000	<u>* Renting of Properties</u> RM'000	<u>Group</u> RM'000
<b>1 January 2021 to 31 December 2021</b>				
<b>Revenue</b>				
Total revenue	223,338	1,843	6,707	231,888
Elimination	(44,039)	0	0	(44,039)
Revenue from external customers #	<u>179,299</u>	<u>1,843</u>	<u>6,707</u>	<u>187,849</u>
<b>Results</b>				
Segment results	16,793	355	1,293	18,441
Other operating income #	7,171	2	8	7,181
Finance costs	(49)	(97)	(353)	(499)
Profit before tax	<u>23,915</u>	<u>260</u>	<u>948</u>	<u>25,123</u>
Income tax expense	(6,139)	0	0	(6,139)
Profit for the period	<u>17,776</u>	<u>260</u>	<u>948</u>	<u>18,984</u>
<b>Assets</b>	<b><u>182,024</u></b>	<b><u>28,011</u></b>	<b><u>101,935</u></b>	<b><u>311,970</u></b>
<b>Liabilities</b>	<b><u>26,870</u></b>	<b><u>5,277</u></b>	<b><u>19,206</u></b>	<b><u>51,353</u></b>

\* Comparative figures of the Renting of Properties segment have been reclassified to conform with the current period's presentation of the segmental information of the Group.

# The total revenue and other operating income was different due to renting of properties was add in new principal activities.

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 2021.

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

As at 25 April 2022, TS Solartech, was a 57.36% owned subsidiary of TSHB. On 26 April 2022, pursuant to the ordinary shares purchased from non-controlling interest of TS Solartech, TSHB's equity interest in TS Solartech had been increased to 57.88% and whereas non-controlling shareholders' shareholdings had been reduced from 42.64% to 42.12%. TS Solartech does not have any subsidiary or associate company.

A15. Contingent Liabilities

	<b>31.12.2022</b> <b>RM'000</b>
Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries	23,660
Unsecured corporate guarantees given to suppliers of subsidiaries	4,413
	<u>28,073</u>

A16. Capital Commitments

There were no material capital commitments in respect of property, plant and equipment for the interim financial statements as at 31 December 2022.



NOTES TO THE INTERIM FINANCIAL REPORT

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

B1. Review of Performance

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

	Current Quarter 3 months ended		Changes + / -		Cumulative Quarter 12 months ended		Changes + / -	
	31.12.22	31.12.21			31.12.22	31.12.21		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	33,110	45,843	(12,733)	(27.78)	182,594	181,142	1,452	0.80
Gross profit	4,611	10,008	(5,397)	(53.93)	37,034	38,753	(1,719)	(4.44)
Profit before interest and tax	1,384	6,689	(5,305)	(79.31)	14,116	24,683	(10,567)	(42.81)
Profit before tax	1,518	6,755	(5,237)	(77.53)	14,587	25,123	(10,536)	(41.94)
Profit for the period	93	5,059	(4,966)	(98.16)	10,464	18,984	(8,520)	(44.88)
Profit attributable to owners of the parent	155	4,822	(4,667)	(96.79)	10,165	18,469	(8,304)	(44.96)

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

For the period ended 31 December 2022, the Group recorded a revenue of RM182.6 million while profit before tax was recorded at RM14.6 million. The major contributor of the Group's revenue was from PVC segment for the period ended 31 December 2022. When compared to corresponding period of 31 December 2021, the revenue was recorded at RM181.1 million while profit before tax was recorded at RM25.1 million.

Performance of the respective operating business segments for the period ended 31 December 2022 as compared to the previous year corresponding period is analysed as follows:-

- PVC - The decrease in profit before tax by RM10.9 million from RM23.9 million to RM13.0 million was mainly due to higher materials costs, operating costs and lower other operating income.
- Solar - The profit before tax was same as RM0.3 million during the financial period.
- Renting of properties - The increase in profit before tax by RM0.3 million from RM1.0 million to profit before tax RM1.3 million was mainly due to the additional rental income by renting out the extra space to existing tenants.

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

For the current quarter, the Group recorded a revenue of RM33.1 million while profit before tax was recorded at RM1.5 million. When compared to corresponding quarter of 31 December 2021, the revenue was recorded at RM45.8 million while profit before tax was recorded at RM6.8 million.

Performance of the respective operating business segments for the current quarter as compared to the previous year corresponding quarter is analysed as follows:-

- PVC - The decrease in profit before tax by RM5.6 million from RM6.2 million to RM0.6 million was mainly due to higher materials costs, operating costs and lower other operating income.
- Solar - The increase in profit before tax by RM33,000 from RM110,000 to RM143,000 was mainly due to increase of sale of solar energy and decrease of finance costs.
- Renting of properties - The increase in profit before tax by RM330,000 from RM446,000 to RM776,000 was mainly due to the additional rental income by renting out the extra space to existing tenants.

B2. Variation of Results Against Preceding Quarter

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

	Current Quarter 01.10.22-31.12.22	Preceding Quarter 01.07.22-30.09.22	Changes	
	RM'000	RM'000	RM'000	%
Revenue	33,110	40,199	(7,089)	(17.63)
Gross profit	4,611	8,604	(3,993)	(46.41)
Profit before interest and tax	1,384	2,693	(1,309)	(48.61)
Profit before tax	1,518	3,024	(1,506)	(49.80)
Profit for the period	93	2,992	(2,899)	(96.89)
Profit attributable to owners of the parent	155	2,769	(2,614)	(94.40)



## NOTES TO THE INTERIM FINANCIAL REPORT

### B2. Variation of Results Against Preceding Quarter (Cont'd)

The Group revenue decreased by RM7.1 million in the current quarter, representing 17.7% decrease from RM40.2 million in the preceding quarter due to lower revenue contributed by the PVC segments.

The Group's profit before tax for the current quarter is RM1.5 million compared to profit before tax RM3.0 million as recorded in the preceding quarter. This was mainly due to lower revenue, higher raw material costs and labour costs in the current quarter of 2022.

### B3. Prospects

The Board of Directors foresees the performance of the Group for 2023 to be very challenging for its PVC business due to poor and weak economy overall. Operational cost has been rising mainly due to the increase in labour cost as well as the increase in TNB electricity tariff for higher voltage consumers. These would worsen our situation and unable to compete in the global market especially when China had opened up its border to the world.

However, following the re-opening of the China border, we would be able to participate in trade fairs abroad which allow us to get connected with purchasers from different regions. The Group is taking this opportunity to be more aggressive in engaging new and different consumer base from other regions. The trade fairs are expected to attract more people after closure of 3 years due to the pandemic in China. The Group operation team is also looking to enhance production more efficiently by exploring new production facilities abroad. This would allow the Group to have better efficiency in term of production capacity as well as minimizing cost in the future.

In the domestic market, it is expected to be relatively weak and slow in term of consumer spending for our products. Rising cost of living remains the main issue of the Malaysian domestic consumers and this may be challenging for household products.

For the industrial land acquired on August 2021, the Group is looking to set up a new warehouse, factory and a worker's dormitory. The Group is also looking to restructure our current manufacturing facilities in order to provide leaner and more efficient way of operation. Currently, the industrial land has been amalgamated and is waiting for further approval from authorities.

As for solar segment, the Company continues to generate income from the 1.18 MW solar energy arising from the solar panel installed. For renting of properties segment, the factory buildings of TS Solartech Sdn. Bhd. had been rented out.

### B4. Variance of Actual and Forecast Revenue

Not applicable.

### B5. Income Tax Expense

	Current Quarter 31.12.22 RM'000	12 months Cumulative 31.12.22 RM'000
<b>Current tax expense</b>		
- current	1,149	4,479
- prior years	351	(83)
<b>Deferred tax expense</b>		
- origination and reversal of temporary differences	(208)	(406)
- prior years	133	133
Total tax expense	<u>1,425</u>	<u>4,123</u>

The Group's effective tax rate for the current period differs from the statutory tax rate due to certain expenses which are not deductible for tax purposes.

### 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.



## NOTES TO THE INTERIM FINANCIAL REPORT

### B8. Trade Receivables

	At end of current financial quarter 31.12.2022 RM'000	At end of previous financial year 31.12.2021 RM'000
Trade receivables	22,220	29,142
Less : Impairment losses	(785)	(595)
	<u>21,435</u>	<u>28,547</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 31.12.2022 RM'000	At end of previous financial year 31.12.2021 RM'000
Not past due	13,909	16,893
Past due		
1 to 30 days	4,516	9,266
31 to 60 days	1,614	1,733
61 to 90 days	809	774
More than 91 days	1,372	476
	8,311	12,249
	<u>22,220</u>	<u>29,142</u>
Impairment	(785)	(595)
	<u>21,435</u>	<u>28,547</u>

b) The Group assesses the impairment on trade receivable based on expected credit loss model.

### B9. Related party disclosures

i) Identity of related party

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

ii) The Group had no transaction with related party during the financial period.

### B10. Group Borrowings

The Group's borrowings as at the end of the reporting quarter were as follows:

	As at 31.12.2022		
	Short term RM'000	Long term RM'000	Total RM'000
<b>Secured</b>			
Term loans	0	19,886	19,886
	<u>0</u>	<u>19,886</u>	<u>19,886</u>

### 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).



NOTES TO THE INTERIM FINANCIAL REPORT

**B13. Earnings 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 number of shares in issue.

	Individual		12 Months	
	Current Quarter		Cumulative To Date	
	31.12.22	31.12.21	31.12.22	31.12.21
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	155	4,822	10,165	18,469
Number of ordinary shares in issue ('000)	360,668	360,668	360,668	360,668
<b>Basic Earnings Per Share based on number of ordinary shares in issue (sen)</b>	<b>0.04</b>	<b>1.34</b>	<b>2.82</b>	<b>5.12</b>

**(b) Diluted Earnings Per Share**

The diluted earnings per share of the Group is equal to the basic earnings per share as the Group does not have any potential dilutive ordinary shares in issue.

**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 forth quarter ended 31 December 2022 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 : 21 February 2023**