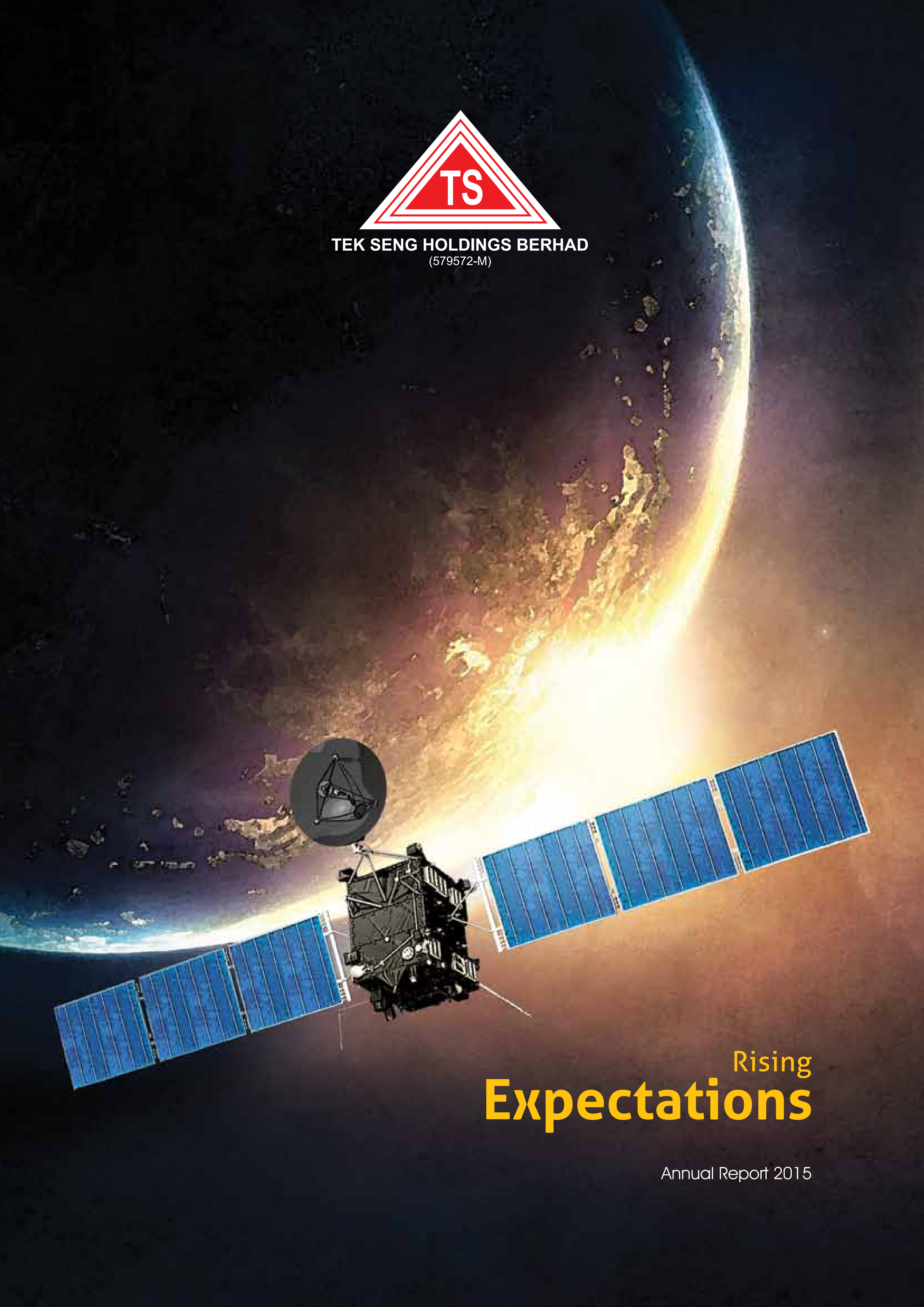


TEK SENG HOLDINGS BERHAD
(579572-M)

Rising Expectations

Annual Report 2015

Rationale

Rising Expectations

Tek Seng Holdings Berhad puts in more effort to exceed the usual standard of its competitors. It also portrays that the company has produced finer products for its customers which has generated a higher revenue this year. The tagline in yellow bold typeface provides high readability and draws attention while not overpowering the satellite and earth graphics.

As Tek Seng has long been established in the PVC industry, the cover of this year's annual report focuses more on solar technologies. It shows a satellite with solar panels which represents the high performance and reliability of the company's solar products. It also illustrates the satellite in space with the saying; that everything is possible in space. It shows that the company is visionary and allows unlimited development. The sunlight glowing through the side of the earth represents a new start, indicating that the company is bringing new innovative and revolutionary technology to the industry. The words and graphics against the black background creates a great contrast making it stand out thus attracting attention.

Contents

About Us

Tek Seng Holdings Berhad ("Tek Seng" or "the Company") was incorporated in Malaysia under the Companies Act, 1965 on 10 May 2002 as a private limited company under the name of Tek Seng Holdings Sdn. Bhd.. On 16 May 2003, it was converted to a public limited company and assumed its present name. Tek Seng was listed on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 2 November 2004. On 22 September 2006, Tek Seng was successfully transferred from the Second Board to the Main Board of Bursa Securities.

Tek Seng is an investment holding company. Its subsidiaries are principally involved in the manufacturing and trading of PVC related and non-woven related products, the manufacturing, designing, developing, exporting, importing and sales of photovoltaic products, solar cells, solar panels, solar modules and solar related products and the letting of properties.

The Group has a track record of more than 30 years in the plastics industry with the late Loh Phah Seng @ Loh Boon Teik as the original founder until 1989, when Loh Kok Beng, his eldest son took over the management of the business.

Corporate Information

Board of Directors

Mr. Loh Kok Beng
Executive Chairman

Mr. Loh Kok Cheng
Managing Director

Mdm. Loh Joo Eng
Executive Director

Mr. Loh Eng Chun
Executive Director

Mr. Yeoh Aik Chuan
Independent Non-Executive Director

Dr. Kamarudin Bin Ngah
Independent Non-Executive Director

Tn. Hj. Mohamed Haniffah Bin S.M. Mydin
Independent Non-Executive Director

Audit Committee

Mr. Yeoh Aik Chuan
(Chairman)
Independent Non-Executive Director

Dr. Kamarudin Bin Ngah
Independent Non-Executive Director

Tn. Hj. Mohamed Haniffah Bin S.M. Mydin
Independent Non-Executive Director

Remuneration Committee

Dr. Kamarudin Bin Ngah
(Chairman)
Independent Non-Executive Director

Mr. Yeoh Aik Chuan
Independent Non-Executive Director

Tn. Hj. Mohamed Haniffah Bin S.M. Mydin
Independent Non-Executive Director

Mr. Loh Kok Beng
Executive Director

Nominating Committee

Tn. Hj. Mohamed Haniffah Bin S.M. Mydin
(Chairman)
Independent Non-Executive Director

Dr. Kamarudin Bin Ngah
Independent Non-Executive Director

Mr. Yeoh Aik Chuan
Independent Non-Executive Director

COMPANY SECRETARIES
Mr. Lee Peng Loon (MACS 01258)
Ms. P'ng Chiew Keem (MAICSA 7026443)

REGISTERED OFFICE
51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shah, 10050 Penang
Telephone No : (04) 210 8833
Facsimile No : (04) 210 8831
Email : sec@corporatenet.my

SHARE REGISTRAR
Plantation Agencies Sdn. Berhad (2603-D)
3rd Floor, Standard Chartered Bank Chambers
Beach Street,10300 Penang
Telephone No : (04) 262 5333
Facsimile No : (04) 262 2018
Email : sharereg@plantationagencies.com.my

EXTERNAL AUDITORS
BDO (AF0206)
Chartered Accountants
51-21-F, Menara BHL
Jalan Sultan Ahmad Shah, 10050 Penang

PRINCIPAL BANKERS
AmBank (M) Berhad (295576-U)
Citibank Berhad (297089-M)
Hong Leong Bank Berhad (97141-X)
Malayan Banking Bhd (3813-K)
OCBC Bank (Malaysia) Berhad (295400-W)
Public Bank Berhad (6463-H)
United Overseas Bank (Malaysia) Bhd (271809-K)

SOLICITORS
Salina, Lim Kim Chuan & Co.
Advocate & Solicitor (Corporate Division)
51-15-C2, Menara BHL Bank
Jalan Sultan Ahmad Shah, 10050 Penang

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad
Main Market
Stock Name : TEKSENG
Stock Code : 7200
Warrant Name : TEKSENG-WA
Warrant Code : 7200WA

Corporate Structure

TEK SENG HOLDINGS BERHAD
(Company No. 579572-M)

- **100%** Tek Seng Sdn. Bhd. (42879-T)
  - Trading
- **50.69%** TS Solartech Sdn. Bhd. (920573-K)
  - Manufacturing
- **100%** Pelangi Segi Sdn. Bhd. (216849-M)
  - Trading
- **100%** Wangsaga Industries Sdn. Bhd. (347584-P)
  - Manufacturing
- **100%** Double Grade Non-Woven Industries Sdn. Bhd. (233444-T)
  - Manufacturing and letting of properties

Board of Directors

1. **Mdm. Loh Joo Eng**
   Executive Director

2. **Mr. Yeoh Aik Chuan**
   Independent Non-Executive Director

3. **Tn. Hj. Mohamed Haniffah Bin S.M. Mydin**
   Independent Non-Executive Director

4. **Mr. Loh Eng Chun**
   Executive Director

5. **Dr. Kamarudin Bin Ngah**
   Independent Non-Executive Director

6. **Mr. Loh Kok Beng**
   Executive Chairman

7. **Mr. Loh Kok Cheng**
   Managing Director

Directors' Profile

Mr. Loh Kok Beng (50 / Malaysian)
Executive Chairman
Member of Remuneration Committee

Mr. Loh Kok Beng was appointed as a Director of Tek Seng on 16 August 2004. He is currently responsible for the Group financial and administrative affairs, and development of the strategic business plans for the Group.

He graduated from Han Chiang High School in 1984 with Sijil Pelajaran Malaysia and has approximately 31 years of working experience in the PVC based industry and 4 years in Solar based industry particularly in PVC calendaring, printing, lamination and solar photovoltaic.

He sits on the Board of several private limited companies.

He is the brother of Mr. Loh Kok Cheng, a Director and major shareholder and Madam Loh Joo Eng, a director of the Company and father of Mr. Loh Eng Chun, who is also a Director of the Company. He does not have any conflict of interest in any business arrangement involving the Company except as disclosed in the Financial Statements.

He attended all five Board Meetings held during the financial year ended 31 December 2015.

Mr. Loh Kok Cheng (49 / Malaysian)
Managing Director

Mr. Loh Kok Cheng was appointed as a Director of Tek Seng on 16 August 2004.

He graduated from Chung Ling High School in 1985 and has 26 years of experience in plastics industry and 4 years in solar industry. He is responsible for the operations of sales and marketing divisions and expansion of the overseas market for the Group.

He sits on the Board of several private limited companies.

He is the brother of Mr. Loh Kok Beng, a Director and major shareholder and Madam Loh Joo Eng, a director of the Company and uncle of Mr. Loh Eng Chun, who is also a Director of the Company. He does not have any conflict of interest in any business arrangement involving the Company except as disclosed in the Financial Statements.

He attended all five Board Meetings held during the financial year ended 31 December 2015.

Mdm. Loh Joo Eng (56 / Malaysian)
Executive Director

Mdm. Loh Joo Eng was appointed as a Director of Tek Seng on 16 August 2004.

She is responsible for the daily operations and procurement of raw materials for the Group. She has more than 31 years of experience in PVC based industry. She graduated from Penang Chinese Girls' High School in 1978 with Malaysia Certificate of Education.

She sits on the Board of several private limited companies.

She is the sister of Mr. Loh Kok Beng and Mr. Loh Kok Cheng, who are the Directors and major shareholders and aunty of Mr. Loh Eng Chun, a Director of the Company. She does not have any conflict of interest in any business arrangement involving the Company except as disclosed in the Financial Statements.

She attended all five Board Meetings held during the financial year ended 31 December 2015.

Dr. Kamarudin Bin Ngah (56 / Malaysian)

Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit Committee
Member of Nominating Committee

Dr. Kamarudin Bin Ngah was appointed as a Director of Tek Seng on 16 August 2004.

He holds a Doctorate of Philosophy in Development and Planning. He was with Malayan Banking Berhad from June 1984 to June 1985 as a sub-Accountant 1. He was a Councilor for Seberang Perai Municipality Council from 1999 to 2001. He was a Researcher with the Centre of Policy Research, University Sains Malaysia from July 1986 to August 2013. He is presently a Professor at School of Government, College of Law, Government and International Studies (COLGIS), Universiti Utara Malaysia.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

He attended four of the five Board Meetings held during the financial year ended 31 December 2015.

Tn. Hj. Mohamed Haniffah Bin S.M. Mydin (63 / Malaysian)

Independent Non-Executive Director
Chairman of Nominating Committee
Member of Remuneration Committee
Member of Audit Committee

Tn. Hj. Mohamed Haniffah Bin S.M. Mydin was appointed as a Director of Tek Seng on 16 October 2006.

Tn. Hj. Mohamed Haniffah Bin S.M. Mydin graduated from Katholik University of Leuven, Belgium with a Master of Business Administration. He started his career as an officer in Koperasi Usaha Bersatu Malaysia Bhd in March 1981 and later was promoted to Assistant Manager. In January 1983, Tn. Hj. Mohamed Haniffah was seconded to JUB Credit & Leasing Sdn. Bhd. as a General Manager where he was in charge of the credit & leasing operations. He left JUB Credit & Leasing Sdn. Bhd. in March 1985.

In April 1985, Tn. Hj. Mohamed Haniffah joined Advanced Electronics (M) Sdn. Bhd. ("AESB"), a wholly-owned subsidiary of Idris Hydraulic (Malaysia) Bhd as a Senior Manager. He was later promoted to the position of Group General Manager. Tn. Hj. Mohamed Haniffah was responsible for an array of business portfolios including the restructuring exercise, strategic planning, business development and financial matters of AESB.

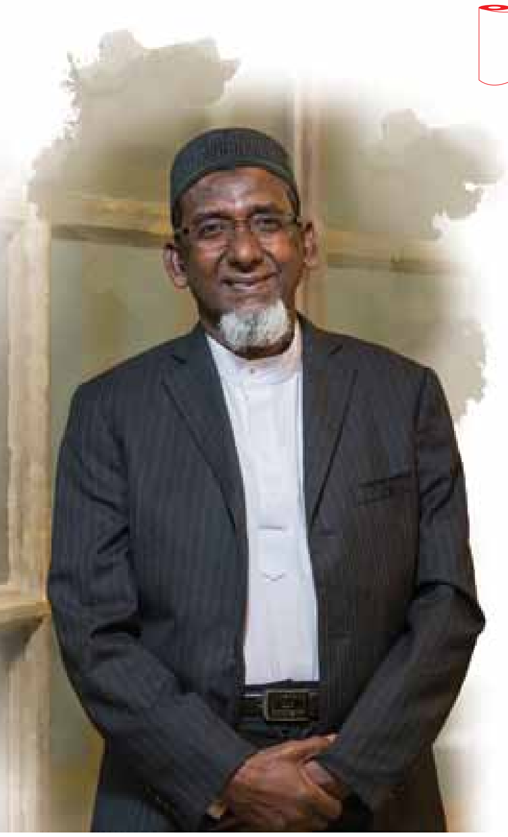
In November 1995, Tn. Hj. Mohamed Haniffah left AESB and ventured into his own business. Shortly, he joined Instangreen Corporation Bhd which was under the Corporate Debt Restructuring Committee as the Chief Operating Officer. He was involved in the financial and business restructuring of Instangreen Corporation Bhd until it was re-floated under its new name of LBS Bina Bhd.

Tn. Hj. Mohamed Haniffah re-joined AESB Group in August 1999 to re-strategise the consumer home electrical business. In early 2005, he partnered with a senior officer of AESB's holding company, jointly acquired the entire group of AESB under a Management Buy-Out Scheme. AESB was later sold to a third party where he resigned as the Chief Executive Officer of AESB in July 2006.

Tn. Hj. Mohamed Haniffah is an independent Director of Perbadanan Usahawan Nasional Berhad.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

He attended all five Board Meetings held during the financial year ended 31 December 2015.



Mr. Yeoh Aik Chuan (46 / Malaysian)

Independent Non-Executive Director
Chairman of Audit Committee
Member of Remuneration Committee
Member of Nominating Committee

Mr. Yeoh Aik Chuan was appointed as a Director of Tek Seng on 29 June 2011.

Mr. Yeoh has more than 19 years of audit and advisory experience, having served with both Big Four Accounting Firms and Multinational organizations. Apart from his significant experience in a wide range of corporate transactions involving a number of international business organizations for cross border investments, particularly in Thailand, Singapore, Hong Kong and China, he has earned much recognition in professional corporate advisory which include financial valuation, investment appraisals for regional investment projects, joint venture negotiations, strategic and financial planning, merger & acquisition review and feasibility studies.

Currently, Mr. Yeoh is the partner of UHY TAC and also serves as a Director of Axesstel Inc. He is a member of Malaysian Institute of Accountants and an associate member of Chartered Institute of Taxation, Malaysia.

Mr. Yeoh was an Independent Director and Audit Committee Chairman of Advance Information Marketing Bhd.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

He attended four of the five Board Meetings held during the financial year ended 31 December 2015.

Mr. Loh Eng Chun (25 / Malaysian)

Executive Director

Mr. Loh Eng Chun was appointed as a Director of Tek Seng on 13 January 2015.

He graduated from University of Melbourne with a Bachelor of Commerce in Business Management and Marketing.

Having completed his tertiary education, he began his career as an executive in a property development company listed on the Main Market of Bursa Malaysia Securities Berhad where he was involved in product positioning strategy, presentations and property sales operation. Subsequently, he joined the property division of another Malaysian public company which is listed since 1964 with diverse business interests ranging from healthcare, automobile, financial services, plantation to property business and development.

Currently, he is attached with Tek Seng Group in which his primary responsibility entails the Public Relations tasks in strategizing and implementation of revenue enhancement initiatives for the Group's businesses including the Investor Relations functions of the Group.

He is the son of Mr. Loh Kok Beng, the Executive Chairman and major shareholder of the Company and nephew of Mr. Loh Kok Cheng, the Managing Director and major shareholder and Mdm. Loh Joo Eng, a Director of the Company.

He attended all five Board Meetings held during the financial year ended 31 December 2015.

CONVICTION OF OFFENCE

None of the Directors have been convicted of any offences within the past 10 years other than traffic offences, if any.

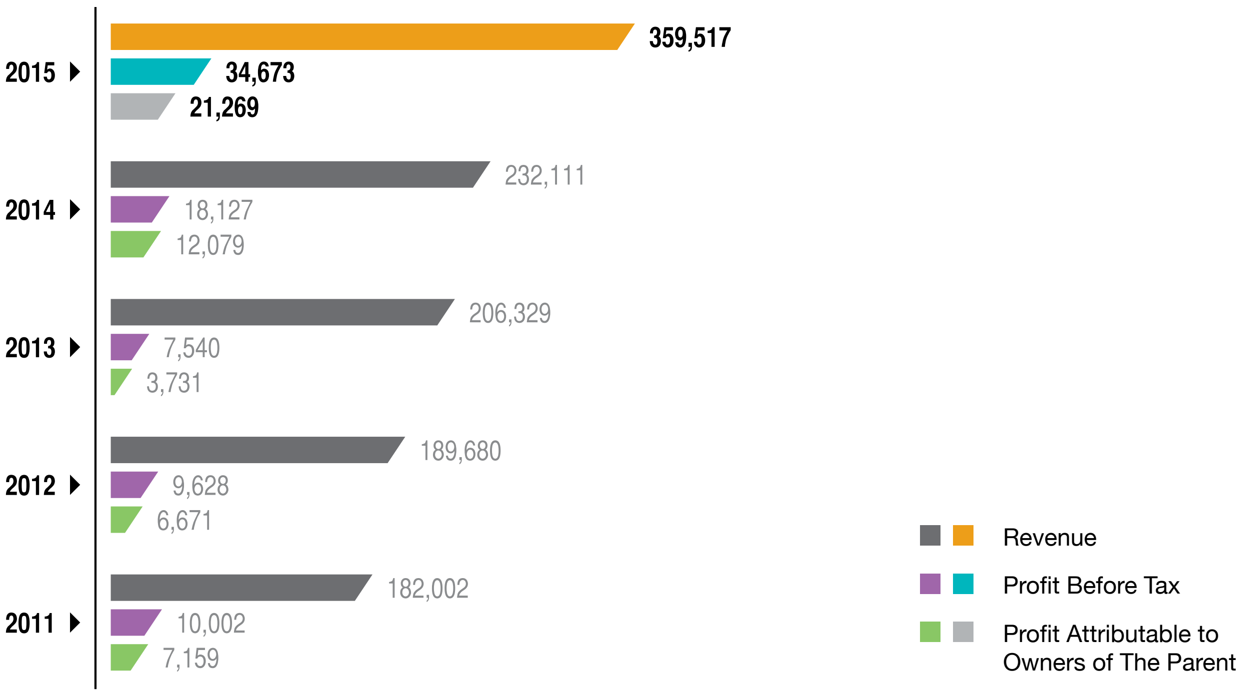
DIRECTORS' SHAREHOLDINGS

The details of the Directors' shareholdings in the Company are set out under the Statistics on Shareholdings in page 103 of this Annual Report.

Financial Highlights

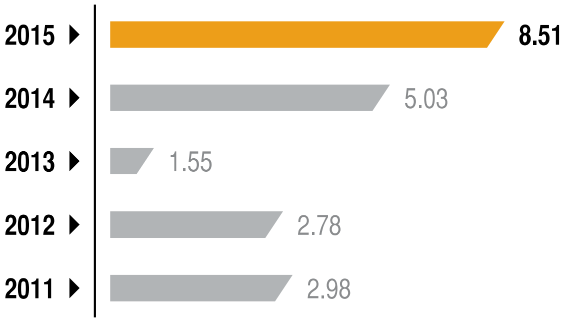
	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Revenue	359,517	232,111	206,329	189,680	182,002
Profit Before Tax	34,673	18,127	7,540	9,628	10,002
Profit Attributable to Owners of The Parent	21,269	12,079	3,731	6,671	7,159
Total Assets	476,842	301,791	253,798	253,428	249,158
Total Liabilities	188,798	139,811	123,054	120,850	126,964
Shareholders' Funds	175,110	123,109	123,790	123,659	121,068
Performance Indicators					
Earnings Per Share (Sen)	8.51 *	5.03	1.55	2.78	2.98
Dividend Per Share (Sen)	2.00 #	1.00	0.00	1.50	2.00
Dividend Per Share (%)	8.00	4.00	0.00	6.00	8.00
Net Assets Per Share (RM)	0.66	0.51	0.52	0.52	0.50
Net Gearing Ratio (Times)	0.60	0.44	0.60	0.62	0.71
Return on Equity (%)	16.37	9.25	1.43	4.19	5.85

* Based on 249,961,444 weighted average number of ordinary shares as at financial period ended 2015.
\# Includes a single tier final dividend of 1.5 sen per share proposed for shareholders' approval.

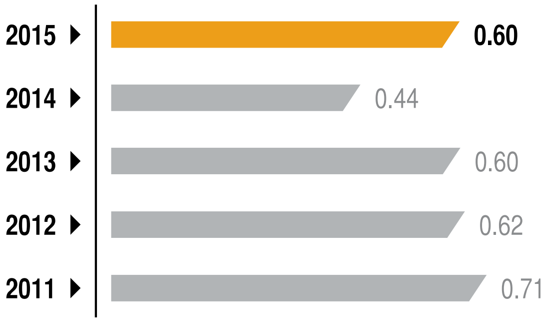


GROUP FINANCIAL RESULTS (RM'000)

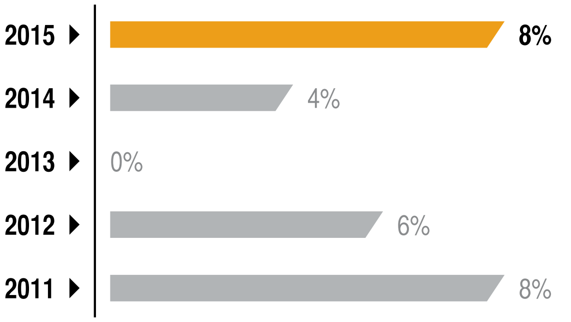
Financial Highlights (CONT'D)



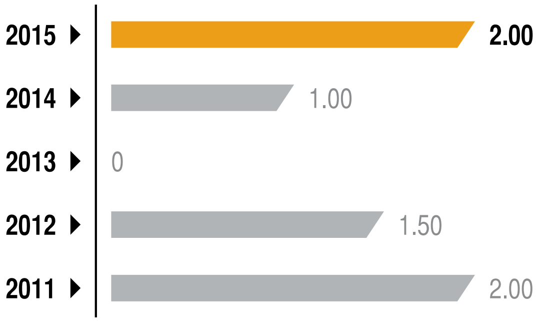
EARNINGS PER SHARE (SEN)



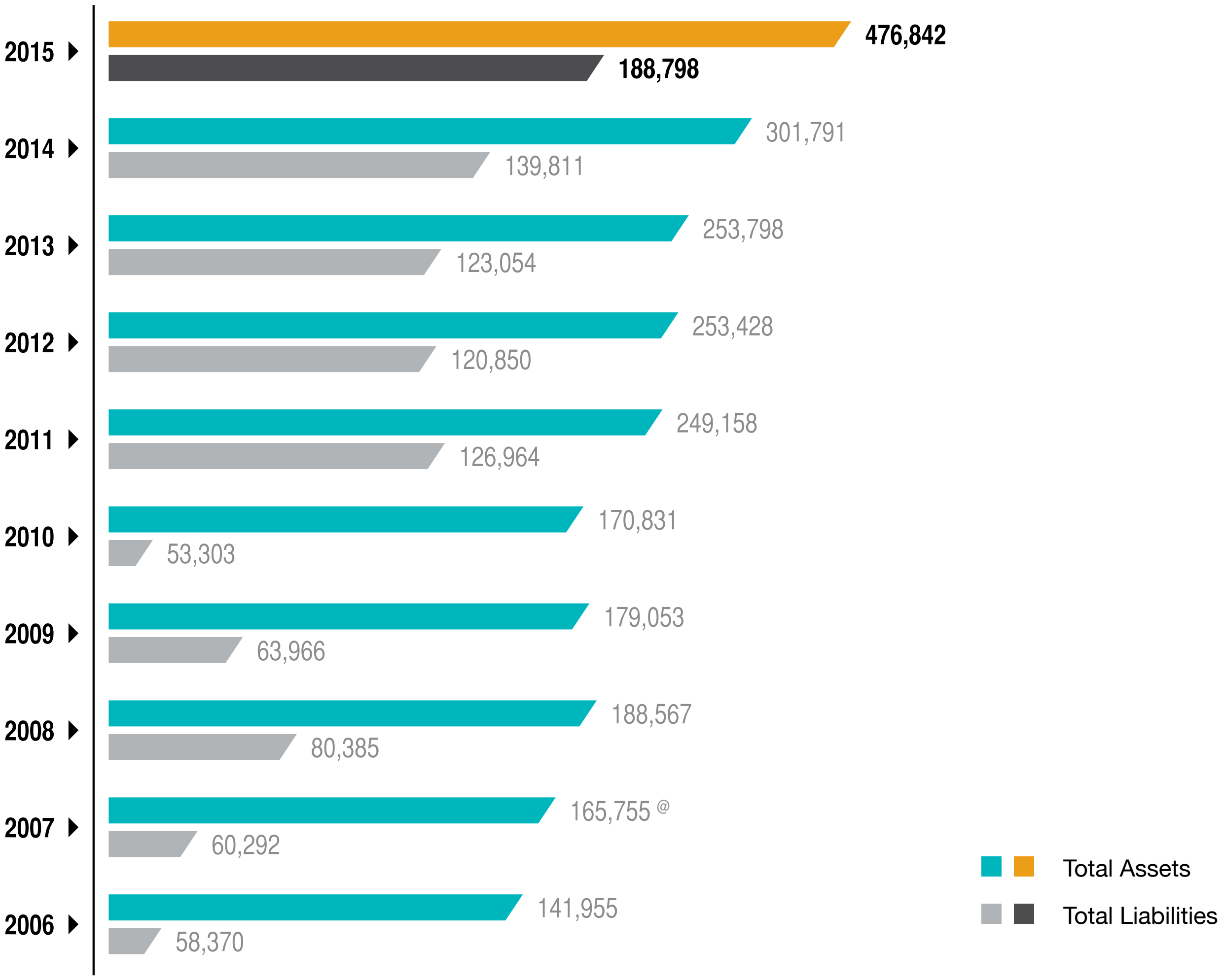
NET GEARING RATIO (TIMES)



PERCENTAGE OF DIVIDEND (%)



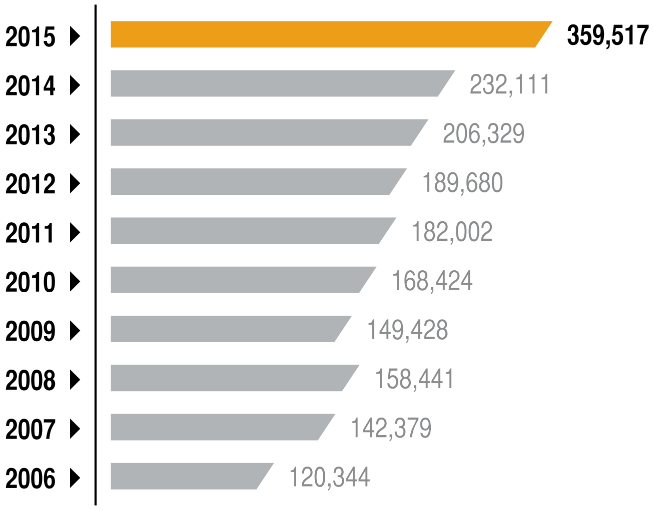
DIVIDEND PER SHARE (SEN)



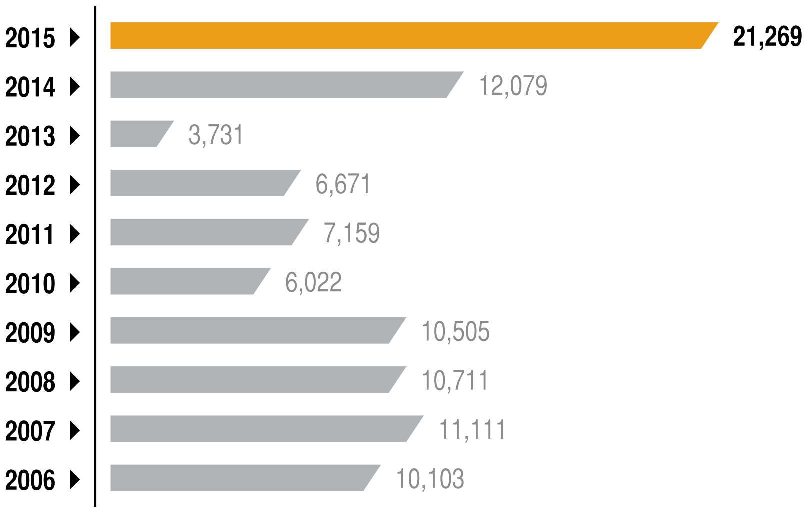
@ The figures have been restated.

TOTAL ASSETS AND TOTAL LIABILITIES (RM'000)

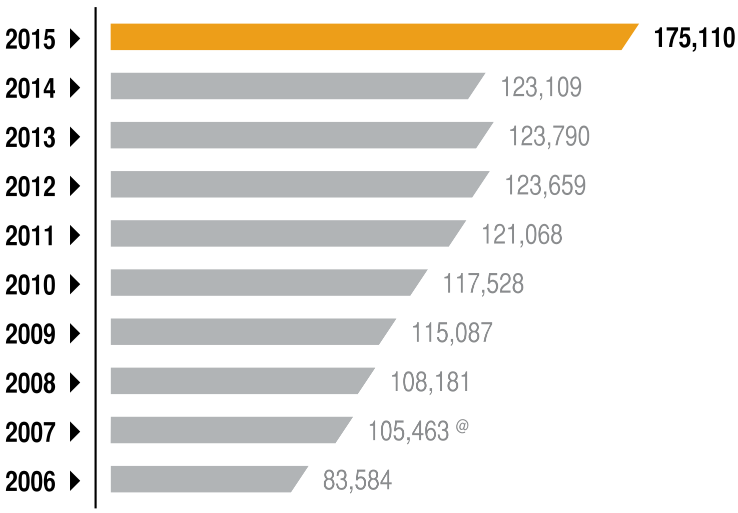
Financial Highlights (CONT'D)



10 YEARS OF REVENUE GROWTH (RM'000)



PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT (RM'000)



@ The figures have been restated.

SHAREHOLDERS' FUNDS (RM'000)

The year 2015 had turned out to be exciting and a well-deserved recognition year for the Group. There were better contributions from both PVC and Solar divisions despite global economic uncertainties and volatile business environment. Riding on our positive financial results and prospects, Tek Seng Shares had attracted the interest of investment community and our market capitalization had risen more than 35 % since last year. I would like to take this opportunity to thank my entire team members who have dedicated their time, effort and passion in bringing the whole Tek Seng Group to another level.

Business Environment

For the year 2015, the continuous appreciation of the USD currency had weakened our exports in PVC as we had seen lower numbers of containers were shipped as compared to the year 2014. Our foreign PVC customers are mainly from developing countries and as such, their purchasing power decreased due to the effect of significant depreciated local currencies against the USD. In this case, we had a consensus to keep our stakeholders well positioned even if in tough market situation to sustain our market share and also customer relationships. In addition, the increase in local PVC sales had nicely set-off the drop of the export sales.

On the other note, our 50.69% subsidiary TS Solartech had overturned our deficit numbers in the past year to positive contributions in financial year 2015. Against financial year 2014, TS Solartech recorded a significant increase in revenue and profit mainly due to the improved market demand and product prices as well as the improved technology that enabled us to be more cost-effective. The strategic partnership with our Taiwanese listed company Solartech Energy Corporation was indeed a successful and promising one and we kept closely with each other for information and technology exchanging.

Financial Performance

For the financial year ended 31 December 2015, our Group's revenue increased by 54.89% to RM359 million as compared with the preceding year. In addition to that, the Group's profit after tax increased to RM28.66 million for the year under review compared with RM11.39 million for financial year ended 31 December 2014. As at 31 December 2015, our shareholders' equity stood at RM175.1 million as compared with RM123.1 million as at the end of the previous financial year.

Dividends

The Company had set a dividend payout ratio of at least 30% of its Group's net profits as its dividend policy with effect from the financial year ended 31 December 2015. This policy enables our shareholders to enjoy consistent dividend payout as well as to attract long-term institutional investors.

During the financial year, our Board had declared and paid a single tier interim dividend of 0.5 sen per ordinary share of 25 sen each on 28 January 2016. In addition, our Board has recommended a single tier final dividend of 1.5 sen per ordinary share of 25 sen each subject to the shareholders' approval at the forthcoming Annual General Meeting.

Prospects

Innovation, diversification and responsibility as well as prudent cost management are our utmost priority in the Group's business model. We are determined to keep enhancing and improving our product range and quality to be a leading one-stop PVC products supplier in the region and also Solar cells supplier in the near future.

We had overcome a challenging 2015 for our PVC subsidiaries and we were determined to keep moving forward by being cost-efficient and also innovative. We are looking for a slight recovery in PVC orders especially for the foreign market as the world crude oil is slowly regaining its price and strengthening of Malaysian Ringgit.

Our subsidiary, TS Solartech had managed to expand another turnkey line in the end of 2015, resulting our current capacity at 280 MW. Moving forward to 2016, TS Solartech are increasing another minimum 280 MW in production capacity, making us a total capacity of 560 MW. We are looking to further expanding TS Solartech's capacity in order to meet the global demand. With the growing awareness towards greener environment and the recovery of fuel price, solar industry is believed to be able to slowly gain momentum. With the Paris summit and US's tax credit extension, we believe the solar market is slowly recovering. Therefore, we remain optimistic in TS Solartech like how we have done for the past few years.

Acknowledgement

On behalf of the Board of Directors, I would like to express my gratitude to our loyal shareholders for their continued support, trust and faith in Tek Seng Group; to our valued customers, business associates, bankers and all relevant authorities for their confidence and trust in Tek Seng Group.

Last but not least, I would like to express my appreciation and thanks to all my fellow directors, the management and staff for their hard work and commitment in bringing Tek Seng Group to greater heights.

Corporate Social Responsibility

Tek Seng Group acknowledges the importance of Corporate Social Responsibility ("CSR") in fostering a good business culture and practices. Without being socially and environmentally responsible, it is impossible to have economically sustainable operations in the long term.

Our CSR objective is to be a socially responsible corporate in today's world with continuous efforts to contribute and extend our responsibilities to our employees, the community and the development of our country. The various CSR initiatives undertaken by the Group are summarized below:

Workplace

Our staff are our greatest assets, and we are committed to provide them with all that they need to reach their full potential during their time with us. In addition to ensuring a safe and vibrant working environment, we also hold regular training and development workshops to ensure they are always at the top of their performance.

Training and Development

The development of our employees is important to us. To ensure that our staff perform at their best, the Group holds comprehensive continuous learning and development programmes throughout the year to equip staff with skills and knowledge relevant to their functions and promote a holistic development of their capabilities. Both internal and external trainers conduct the training programmes for our staff.

Health and Safety

The Group also aims to ensure that the health, safety and welfare of our employees are well taken care. Thus, the Group is constantly reviewing its workplace and policies to provide a conducive working environment. The Group had formed an Environmental, Safety & Health committee to carry out inspection regularly to ensure Company is complied with Occupational Safety and Health (Safety and Health Committee) Regulation 1996. Despite of that the Company is encouraged to do more than required by law in order to protect health and well-being of employees and the overall community. We are committed to providing a healthy and safe working environment for all our staff. Personal Protective Equipment (safety boots, glove and face masks) is available to all workers on a needs basis.

In ensuring and providing a safe and conducive working environment for our employee, the group had carry out safety drills such as fire and evacuation, preventive and first aid training during the financial year. And the training programmes such as Goods and Service Tax and ISO 9001: 2008 training is provided to our staff.

Diversity

The Group does not have a written policy in workplace but we believe that a well-managed diverse workplace will strengthen our knowledge, skills and cross-cultural understanding and multi-generational aspects towards a better work-life balance environment, improvement of productivities and performance of the Group.

Currently, 82% of our work force are male in view of the nature of work, nevertheless we will consider female recruitment if they are appropriate for the positions. The current ethnicity and age diversity in workplace are as follows:

ETHNICITY			
Malay	Chinese	Indian	Others
59%	15%	2%	24%

AGE GROUP			
Below 20	21-30	31-40	Above 40
2%	63%	23%	12%

Environmental

As a responsible corporation, the Group has undertaken various measures and explored feasible opportunities during the financial year to minimize any adverse impact from manufacturing operations, waste disposals and products' design and packaging. Company is working hard in managing waste all the way to helping reduce environmental pollution. The wastes or materials such as PVC, papers and wood are re-used or recycle.

Community

In order to uphold our CSR's objective, our Group have been consistently rendering support in monetary term to various during the financial year for the purpose of assisting less fortunate communities in improving their lives and also in an effort to contribute to the local education sector. We also encourage our employees to participate on charitable activities. The non-profit organisations such as:

i) Penang Deaf Association,
ii) St. Nicholas' Home Penang,
iii) Childrens' Home Taiping,
iv) Eden Handicap Service Centre in Penang,
v) Monfort Youth Centre
vi) and other orphanage/handicapped/ charitable homes

INTRODUCTION

The Board of Directors acknowledges the importance of maintaining good corporate governance that is central to the effective operation of the Group and to ensure the highest standards of accountability and transparency.

As stated in Malaysian Code of Corporate Governance 2012 (MCCG), corporate governance is defined as: "The process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders."

The Board of Directors supports MCCG and is committed towards achieving full compliance with its principles and recommendations therein.

This statement outlines the Group's corporate governance practises in respect of financial year ended 31 December 2015 with reference to the principles and recommendations set out in the MCCG as follows:

1. Establish Clear Roles and Responsibilities
2. Strengthen Composition
3. Reinforce Independence
4. Foster Commitment
5. Uphold Integrity in Financial reporting
6. Recognise and Manage Risks
7. Ensure Timely and High Quality Disclosure
8. Establish Strengthen Relationship between Company and Shareholders

As at the date of this report, the Company had substantially complied with the Principles and Recommendations of the MCCG. This statement is made in compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Board Role and Responsibilities

The composition of the Board represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The profiles of the members of the Board are set out on pages 6 to 8 of this Annual Report.

The responsibilities of the Board are inclusive of but not limited to:

1. Reviewing and approving material investment, acquisitions and disposals of property, plant and equipment.
2. Reviewing and approving related party transactions.
3. Reviewing the adequacy of the Group's internal control policies.
4. Monitoring compliance with relevant laws & regulations and accounting standards within the corporate and business environment.
5. Reviewing and approving annual financial statements and quarterly financial results.

The Board had established a Board Charter to promote the best corporate governance culture and to assist the Board in discharging its duties and responsibilities. The Board Charter also defines matters which specifically reserved for the Board's decision making powers and those delegated to the executive directors and/or management.

The Company has a clear distinction and separation of roles between the Executive Chairman and the Managing Director, with clear division of responsibilities which were clearly defined in the Board Charter and available on the Group's website. The Board of Directors is chaired by Mr. Loh Kok Beng, whose responsibility is to ensure Board effectiveness, implementation of Board's policies and decisions, corporate affairs and the overall financial performance of the Group.

The Board Charter will be reviewed periodically to ensure it is relevance and compliance.

As Executive Chairman, he plays a vital role in leading and guiding the Board, and also serves as the communication point between the Board and the Managing Director.

The Managing Director, Mr. Loh Kok Cheng leads the management in the operations and has overall responsibility over the operation units and organisational effectiveness.

The roles of the independent non-executive directors are vital for the successful direction of the Group as they provide independent professional views, advice and decisions to take into account the interest of the Group, shareholders, employees, customers, suppliers and many others of which the Group conducts business.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

Board Committees

The Company is currently led by an experienced Board, comprising four (4) non-independent executive directors and three (3) independent non-executive directors. The composition equips the Board with the necessary skills of business, financial and technical experience to effectively lead and control the Company. The profile of each Director is set out in pages 6 to 8 of this Annual Report.

The Company had established the following four (4) Board Committees to assist the Board in execution of its duties:

i. Audit Committee
ii. Nominating Committee
iii. Remuneration Committee
iv. Risk Management Committee

The above Board Committees are governed by their Terms of Reference, which are reviewed periodically to ensure they are in line with latest developments and requirements.

i. Audit Committee

The Audit Committee is authorised by the Board to investigate any activities within its Terms of Reference and has unrestricted access to both the internal and external auditors and members of the senior management of the Group. The activities carried out by the Audit Committee, which met 5 times during the year under review, are summarised in the Audit Committee Report and its Terms of Reference as stated on pages 26 to 28 of this Annual Report.

ii. Nominating Committee

The Nominating Committee consists of:

Name	Designation	Directorate
Tuan Haji Mohamed Haniffah Bin S.M.Mydin	Chairman	Independent Non-Executive Director
Dr. Kamarudin Bin Ngah	Member	Independent Non-Executive Director
Mr. Yeoh Aik Chuan	Member	Independent Non-Executive Director

TERMS OF REFERENCE

Appointment/Composition

1. The Nominating Committee shall be appointed by the Board of Directors.
2. The Nominating Committee shall consist of not less than 2 members.
3. All the Nominating Committee members must be non-executive directors, with a majority of them being independent directors.
4. The chairman of the Nominating Committee must be an independent director and shall be appointed by the Board of Directors. In the absence of the chairman of the Nominating Committee, the remaining members present shall elect one of their number to chair the meeting.

Meetings

1. The Nominating Committee shall meet at least once a year and at such times, whenever they deemed necessary.
2. The quorum of the Nominating Committee meeting shall be 2 members and comprised of a majority of independent directors.
3. The Company Secretary or the representative of the Company Secretary shall act as the secretary of the Nominating Committee.
4. Participants may be invited from time to time to attend the Nominating Committee meeting depending on the nature of the subject under review. These participants may include the executive directors, the chief executive officer, the head of Human Resource and external advisers or experts.

Authority

The Nominating Committee is authorised by the Board of Directors to carry out the duties mentioned below and the other directors and employees shall give all assistance that is necessary to enable the Nominating Committee to discharge its duties.

The Nominating Committee shall, whenever necessary and reasonable for the performance of its duties and at the Company's cost to obtain independent professional or other advice.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

Duties and Responsibilities

1. To annually review the structure, size, gender diversity and composition of the Board.
2. To annually review the required mix of skills, experience, competencies, independence and other qualities of Board Committees and the contributions of each individual directors.
3. To review and recommend to the Board, the candidates for all directorships to be filled by the shareholders or the Board, as and when they arise. In making its recommendations, the Nominating Committee should consider the candidates' –
   i) skills, knowledge, expertise and experience;
   ii) professionalism;
   iii) integrity; and
   iv) in the case of candidates for the position of independent non-executive directors, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
4. To give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future.
5. To review and recommend to the Board for the appointment and/or continuation in office of chairman, managing director, executive directors and chief executives of the Group, subject to the provision of the laws and their service contract, if any.
6. To review and recommend to the Board the appointment and continuation in office of any director who has reached the age of 70 or any independent directors who have reached the tenure of 9 years.
7. To review and recommend to the Board for the re-election of directors who retire by rotation pursuant to the provision of the Company's Articles of Association, having due regard to their performance, skills and experience required.

Minutes

The Company Secretary shall maintain minutes of the proceedings of the meetings and circulate such minutes to all members of the Committee.

iii Remuneration Committee

The Remuneration Committee consists of:

Name	Designation	Directorate
Dr. Kamarudin Bin Ngah	Chairman	Independent Non-Executive Director
Mr. Yeoh Aik Chuan	Member	Independent Non-Executive Director
Tuan Haji Mohamed Haniffah Bin S.M. Mydin	Member	Independent Non-Executive Director
Mr. Loh Kok Beng	Member	Executive Chairman

The terms and reference of the Remuneration Committee are as follows:

Appointment / Composition

1. The Remuneration Committee shall be appointed by the Board of Directors.
2. The Remuneration Committee shall consist of not less than 3 members, a majority of them being independent directors.
3. The Chairman of the Remuneration Committee must be an independent director and shall be appointed by the Board of Directors. In the absence of the chairman of the Remuneration Committee, the remaining members present shall elect one of their number to chair the meeting.

Meeting

1. The Remuneration Committee must meet at least once a year.
2. The quorum of the Remuneration Committee meeting shall be two (2) members and comprised of a majority of Independent Directors.
3. The Company Secretary or the representative of the Company Secretary shall act as the secretary of the Remuneration Committee.
4. Participants may be invited from time to time to attend the meeting depending on the nature of the subject under review. These participants may include the Directors, Division Heads, representatives from Internal Audit Departments and External Auditors.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

Functions / Responsibilities

1. To establish and recommend to the Board, the remuneration package for Executive Directors such as the terms of employment or contract of employment/service, benefit, pension, incentive scheme, bonuses, fees, expenses, compensation payable on termination of the service contract by the Company and/or the Group etc.
2. To consider other remunerations or rewards to retain and attract directors.
3. To review and recommend to the Board the remuneration packages of Non-Executive Directors for shareholders' approval at the Annual General Meeting.

Minutes

1. The Company Secretary shall maintain minutes of the proceedings of the meetings and circulate such minutes to all members of the Committee.

The aggregate Directors' Remuneration during the financial year ended 31 December 2015 be categorised into the following components:

Categories	Fees (RM'000)	Salary (RM'000)	Bonus (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors	100	1,735	467	276	2,578
Non-Executive Directors	75	0	0	0	75
Total	175	1,735	467	276	2,653

The Directors' Remuneration are categorised into the following bands:

Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,000 and below	0	3
RM50,001 to RM100,000	1	0
RM100,001 to RM150,000	0	0
RM150,001 to RM200,000	1	0
RM200,001 to RM250,000	0	0
RM250,001 and above	2	0

iv. Risk Management Committee

Details of the Risk Management Committee are set out on page 22 of this Annual Report.

SUPPLY OF INFORMATION

The Board is provided with sufficient and timely information to enable it to discharge its duties effectively. At least seven (7) days prior to Board Meetings, all Directors are provided with agendas and Board Papers to enable the Directors to participate actively in the meetings.

All Directors have access to the advice and services of the Company Secretary in carrying out their duties and to ensure all rules, requirements and regulations are complied with.

All Directors may obtain further information which they may require in discharging their duties such as seeking independent professional advice at the Company's expense, if necessary.

Senior management and head of departments may be invited to Board Meetings to provide insights into matters being discussed and to furnish clarification on issues that may be raised by the Board.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

Company Secretary

The Company Secretary is responsible for the secretarial function such as ensuring compliance with all statutory & regulatory requirements, recording the proceedings of all Board and Committee meetings, and proper maintenance of secretarial records. All directors have unrestricted access to the advice of the Company Secretary on matters which are relevant to the Company such as compliance of the Main Market Listing Requirements, Companies Act, 1965, corporate governance issues, boardroom effectiveness and directors' duties and responsibilities.

Sustainability Strategies

The Board is satisfied that a good balance has been achieved between the Group's objectives and value creation for shareholders and stakeholders of the Company. The Group's sustainability strategies ideally cover community, workplace and environment.

Details of the Group's corporate social responsibility initiatives are set out on pages 14 to 15 of this Annual Report.

2. STRENGTHEN COMPOSITION

The Nominating Committee of the Company comprising wholly independent directors and is headed by Tuan Haji Mohamed Haniffah Bin S.M. Mydin, an Independent Non-Executive Director is responsible for annual assessment of the composition of the Board, Board Committees and contributions of each individual directors and makes its recommendations to the Board accordingly. At the same time, it is also responsible for proposing new nominees or candidates to the Board but the final decision as to new appointment of director remains the responsibility of the full Board after considering the recommendation of the Nominating Committee.

The assessment of new candidate is based on his education, skills, expertise, professionalism, integrity, sound judgement, independency, gender and ethnicity. The Nominating Committee will assess and table its recommendation to the directors. The Board will consider the recommendation of the Nominating Committee and make the final decision as to the new appointment of director. The Company Secretary is then responsible to ensure relevant procedures relating to the appointment of the new director are properly executed.

On the assessment of existing directors who are seeking re-election at the annual general meeting of the Company, the Nominating Committee will assess amongst others their regular and timely attendance of meetings, performance, contributions and so forth.

The Company strives to have a boardroom diversity comprising members with suitable academic & professional qualifications, skills, gender, age, ethnicity and expertise as the necessary characteristics for the successful direction of the Group.

The Board acknowledges the recommendation of the MCCG on the establishment of a policy formalizing the approach to gender diversity in the boardroom and to take steps to ensure that women candidates are sought as part of its recruitment exercise as well as to report its gender diversity policies and targets and measures taken to meet those targets.

The Board does not set any specific target for female directors in the Boardroom, neither nor a policy on Boardroom diversity. Currently, there is a female director on the Board as well as diversity in terms of ethnicity, gender and age demographics.

The Nominating Committee, upon its recent annual assessment carried out, is satisfied that the current size and composition of Board, Board Committees and its directors are adequately appropriate for its purpose with relevant mixed of gender, ethnicity, age, expertise and experience.

The Remuneration Committee of the Company comprising a majority of independent directors and is headed by Dr. Kamarudin Bin Ngah, an Independent Non-Executive Director reviews the remuneration package of the executive directors annually with a view to ensure it is fair and able to attract and retain talents who can add value to the Group.

3. REINFORCE INDEPENDENCE

The existing three (3) non-executive directors, are independent directors and they are able to express their views without any constraint. This strengthens the Board who benefits from the independent views expressed before any decisions are taken. The Nominating Committee had reviewed the performance of the independent directors and is satisfied they have been able to discharge their responsibilities in an independent manner.

The Nominating Committee had also assessed the independency of Dr. Kamarudin Bin Ngah and Tuan Haji Mohamed Haniffah Bin S.M. Mydin who have served more than 9 years as independent directors of the Company.

The Nominating Committee upon its assessment carried out is satisfied that Dr. Kamarudin and Tuan Haji Mohamed Haniffah has satisfactorily demonstrated that they are independent from the management and free from any business dealings with the Group that could be perceived to interfere in their exercised of independent judgement. The Board took note of recommendation of the MCCG but immediate compliance with the said recommendation posed a disadvantage to the Company in terms of losing an experienced independent director who over the years had contributed to the effectiveness of the Board as a whole. Nevertheless, Dr. Kamarudin and Tuan Haji Mohammed Haniffah will be seeking shareholders' approval on their re-appointment as independent director at the forthcoming Annual General Meeting. In view thereof, the Board recommends and supports their re-appointment as independent non-executive directors of the Company at the forthcoming 14th Annual General Meeting of the Company.

The Company's Chairman, Mr. Loh Kok Beng is an executive member of the Board and is not an independent director by virtue of his substantial interest in the Company. However, the Board believes that he is well placed to act on behalf of the shareholders in their best interest and it is not necessary to nominate an independent director as Chairman at this juncture. However, the Board will continuously review and evaluate the recommendation of the MCCG of having a majority of independent directors on the Board where the chairman is not an independent director.

4. FOSTER COMMITMENT

All the directors have devoted sufficient time to carry out their duties for the tenure of their appointments. New directors are expected to have such commitment being part of the required criteria so as to qualify them to make positive contributions to the Board.

All the Directors had attended the Mandatory Accreditation Programme (MAP). In addition to the MAP, Board members are also encouraged to attend training programmes conducted by competent professionals that are relevant to the Group's operations and businesses. For the year under review, all the Directors had attended seminars and courses to keep abreast with the development of the business environment as follows:

Name	Description of training
Mr. Loh Kok Beng	Internal Quality Audit Traning of ISO 9001:2008
Mr. Loh Kok Cheng	Internal Quality Audit Traning of ISO 9001:2008
Mdm. Loh Joo Eng	Internal Quality Audit Traning of ISO 9001:2008
Mr. Yeoh Aik Chuan	Strategic Budgeting Techniques For Your 2016 Budget Preparation (Including Impact of GST)
	IAS37 Provisions and contingencies
	IFRS 9 Financial Instruments - Scope, Classification & Measurement
	Critical Aspects of Audit Planning
Dr. Kamarudin Bin Ngah	Bengkel Membina Rujukan Piawaian Terhadap Ahlus Sunnah Wal Jamaah (ASWJ) Dan Penerapan Dalam Pembinaan Sahsiah Jati Diri
Tuan Haji Mohamed Haniffah Bin S.M. Mydin	Directors Corporate Governance Series : Building Effective Finance - From Reporting to Analytics to Strategic Input
	Risk Management And Internal Control Workshop: Is Our Line of Defence Adequate And Effective?
Mr. Loh Eng Chun	Green Business Proposal Training
	Internal Quality Audit Training of ISO 9001:2008

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

The Board through the review of the Audit Committee and in consultation with the External Auditors, presents a balance and understandable assessment of the Group's financial position and prospect to the public in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia. The quarterly results announcements also reflect the Board's commitment to give regular updated assessments on the Company's performance.

Relationship with the Auditors

Internal Auditors

The Company outsourced its internal audit function to a professional consulting firm, which assists the Audit Committee in discharging its duties and responsibilities. The Internal Auditors' role is to report to the Audit Committee on the improvement of organisational's management, records, accounting policies, controls, identification and managing of significant risk.

The Audit Committee meets with the Internal Auditors quarterly to ensure controls are effectively applied. Through the Audit Committee, the Board has established transparent relationship with the Internal Auditors.

External Auditors

The Board maintains formal and transparent relationship with its External Auditors through the Audit Committee. The Audit Committee has been conferred with the authority to directly liaise with both the External and Internal Auditors. It is a policy of the Audit Committee that it meets with External Auditors at least twice a year to discuss and review of their audit plans, scope of audit and audit reports as well as their professional fees. The Audit Committee will review the appointment and re-appointment of External Auditors and to assess the performance and independency of the External Auditors on annual basis. The External Auditors is expected to report their findings to the Audit Committee and to discuss with the Board of Directors on matters that necessitate the Board's attention.

The existing auditors, Messrs.BDO had confirmed to the Audit Committee in writing that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee, upon its recent annual assessment carried out, is satisfied with their work done and independence and had recommended to the Board for their re-appointment at the forthcoming annual general meeting.

6. RECOGNISE AND MANAGE RISKS

Internal Audit Function

The internal audit function is outsourced to a professional independent consulting firm. The Internal Auditors conduct audits of all the departments and offices within the group and reports the findings to the Audit Committee at the end each quarter.

The Audit Committee reviews, deliberates and decides in the next course of action and evaluates the effectiveness and efficiency of the internal control systems in the organization.

Risk Management

The Board acknowledges its responsibility for establishing a sound framework to manage risks and maintaining a sound systems of internal control to safeguard the shareholders' investment and the Company's assets.

The Risk Management Committee comprising the following members:

Chairman	:	Loh Kok Beng
Deputy Chairman	:	Loh Kok Cheng and Loh Joo Eng
Members	:	Factory Manager, Human Resources Manager, Sales Manager, Finance Manager and any other Head of Departments

6. RECOGNISE AND MANAGE RISKS (Cont'd)

Risk Management (Cont'd)

The Risk Management Committee comprising wholly executive directors and members of the department head assists the Board in the implementation of Risk Management Policies and will update the Board periodically of the risk profile and actions undertaken by them to manage or mitigate risks identified.

An overview of risk management and the state of internal control within the Group is set out in the Statement on Risk Management and Internal Control on pages 24 to 25 of this Annual Report.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board provides timely and accurate disclosure of all material information of the Group to the shareholders and stakeholders. Information is disseminated through announcements made to the Bursa Malaysia Securities Berhad which includes the quarterly reports, annual report and press releases. The Company's website (www.tekseng.com.my) has a dedicated "Corporate Section" which provides all announcements made to Bursa Securities, press release, corporate structure, annual report and etc that enhances the Investor Relations (IR) function of the Company.

The Company also aims to provide the shareholders and stakeholders with comprehensive, accurate and quality information in accordance with the Corporate Disclosure Guide issued by Bursa Securities.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Annual General Meeting is used as a principal forum for dialogue with all shareholders. Extraordinary General Meetings are held as and when required. Before commencement of any general meetings, the Chairman of the meeting will inform shareholders of their rights to demand a poll vote. At the general meetings, the Board provides opportunities for shareholders to raise questions on the business activities of the Group, agenda of the meetings and its proposed resolutions. The Chairman then facilitates the discussions with the shareholders and provides further information in response to shareholders' queries. The Board encourages all shareholders to attend the forthcoming Company's Annual General Meeting and to participate in the proceedings.

This statement is issued in accordance with a resolution of the Directors dated 01 April 2016.

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the Board of Directors of Tek Seng Holdings Berhad ("The Board") is pleased to provide the following statement on the outline and state on risk management and internal control of the Group, which has been prepared in reference to the Malaysian Code On Corporate Governance 2012 ("The Code") and as guided by the Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers ("Guidelines").

BOARD RESPONSIBILITY

The Board recognises the importance of maintaining a sound system of internal control and risk management framework. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and effectiveness of those systems. Because of the limitations that are inherent in any systems of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Board has an ongoing process for identifying, evaluating and managing the significant risks faced by, or potentially exposed to the Group in pursuing its business objectives.

The process of identifying, evaluating and managing the significant risks are embedded in the various work processes and procedures of the respective departments. It is the responsibility of key management and heads of department to identify, evaluate and manage the significant risks faced by the Group on an ongoing basis. Any significant risks and related mitigating responses are discussed at management meetings and these are reported to the Board at their regular meetings.

The Board also relies largely on the close involvement of the Executive Directors of the Group in its daily operation.

There are reviews of financial and operational performance at Audit Committee and Board Meetings where significant risks and appropriate actions are brought to their attention.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of internal audit function and has engaged the services of an independent professional consulting firm to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Audit Committee. The audit focuses on areas with high risk and inadequate controls to ensure that adequate action plans have been put in place to improve the controls. For those areas with high risk and adequate controls, the audit ascertains that the risks are effectively mitigated by the controls. On a quarterly basis, the internal auditors report to the Audit Committee on areas for improvement and will subsequently follow up to determine the extent of their recommendations that have been implemented.

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- Organisation structure with defined scopes of responsibility, clear lines of accountability and appropriate levels of delegated authority;
- Documented internal policies and procedures for financial, operational and human resource management, which are subject to annual review and improvement;
- Annual and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary;
- Regular Board and Audit Committee meetings;
- Staff training to enhance their skills, knowledge and competencies; and
- Daily visits to operating units by members of the Board and senior management.

CONCLUSION

The Executive Chairman and Managing Director have provided assurance to the Board stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group objectives during the financial year under review.

The Board is of the view that the risk management and internal control systems are in place and satisfactory for the year under review. It has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board recognises that the development of risk management and internal control system is an ongoing process. Therefore, the Board will continue to improve and enhance the systems of internal control and risk management.

This statement is issued in accordance with a resolution of the Directors dated 01 April 2016.

COMPOSITION

The Audit Committee consists of:

Name of Members	Designation	Directorate
Mr. Yeoh Aik Chuan	Chairman	Independent Non-Executive Director
Dr. Kamarudin Bin Ngah	Member	Independent Non-Executive Director
Tuan Haji Mohamed Haniffah Bin S.M. Mydin	Member	Independent Non-Executive Director

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2015, five (5) Audit Committee Meetings were held at The Conference Room of Tek Seng Holdings Berhad and the details of attendance are as follows:-

Name	No. of Meetings Attended
Mr. Yeoh Aik Chuan	4 out of 5
Dr. Kamarudin Bin Ngah	4 out of 5
Tuan Haji Mohamed Haniffah Bin S.M. Mydin	5 out of 5

TERMS OF REFERENCE

Appointment / Composition:

1. The members of the Committee shall be appointed by the Board.
2. The Audit Committee shall consist of not less than three (3) members of whom:
    a) all members of the Committee must be Non-Executive Directors with a majority of them being Independent Directors;
    b) at least one (1) member of the Committee:
        i) must be a member of the Malaysian Institute of Accountants; or
        ii) if he is not a member of the Malaysian Institute of Accountants,
            a) he must have at least three (3) years' working experience; and
                - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
                - he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
        iii) he fulfils such other requirements as prescribed or approved by Bursa Securities.
    c) all members of the Committee should be financially literate.
3. No Alternate Director shall be appointed as a member of the Committee.
4. A quorum shall be two (2) members and composed of a majority of Independent Directors.
5. The Chairman of the Committee shall be appointed by the members of the Committee among their number who is an Independent Director.
6. The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.
7. The Board shall, within three (3) months of a vacancy occurring in the Audit Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

Meetings

1. Meetings shall be held not less than four (4) times in a year. In addition, the Chairman of the Committee may call a meeting of the Committee if a request is made by any Committee members, the Company's Executive Chairman/CEO of the Group.
2. The Committee may also be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary. The Committee should meet with the External Auditors without Executive Board members present at least twice a year.
3. Meeting will be attended by the members of the Committee and the quorum of the meeting is two (2) with a majority of members present must be independent Directors. The Company Secretary or any representative of the Secretary shall be the Secretary of the Committee.

TERMS OF REFERENCE (Cont'd)

Meetings (Cont'd)

4. Participants may be invited from time to time to attend the meeting depending on the nature of the subject under review. These participants may include the Directors, General Managers and Division Heads, representatives from the Finance and Internal Audit Department and the External Auditors. The Head of Finance, Internal Audit and a representative of the External Auditors should normally attend meetings.
5. On a continuous basis, the Chairman of the Committee should meet with the senior management, such as the Executive Chairman, the Chief Executive Officer, the Internal and External Auditors in order to be kept informed of matters affecting the Company.

Authority

1. The Committee is authorised by the Board to carry out the duties mentioned below and the Board and Management shall give all assistance that is necessary to enable the Committee to discharge its duties.
2. The Committee shall, whenever necessary and reasonable for the performance of its duties and in accordance with a procedure to be determined by the Board and at the Company's cost:
   a) have authority to investigate any matter within its terms of reference;
   b) have the resources which are required to perform its duties;
   c) have full and unrestricted access to any information pertaining to the Company;
   d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any); and
   e) be able to obtain independent professional or other advice.
3. The Internal Audit function reports directly to the Committee.

Functions and Responsibilities:

The functions and responsibilities of the Committee shall include the following:
1. to discuss and liaise with the External Auditors to ensure the smooth implementation of the audit plan, review and forward the evaluation of the system of internal controls and audit report to the Board;
2. to review the assistance given by employees of the Group to the External Auditors;
3. to review the effectiveness of internal control systems and the findings of the Internal Auditors, if available;
4. to review quarterly report and annual financial statements prior to the approval of the Board, focusing particularly on;
   i) changes in or implementation of major accounting policy changes;
   ii) significant and unusual events; and
   iii) compliance with accounting standards and other legal requirements.
5. to review any related party transactions and conflict of interest situation that may rise within the Company and the Group including any transaction, procedure or course of conduct that raise questions of management integrity;
6. to review and report the same to the Board any letter of resignation from the External Auditors of the Company as well as whether there is any reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment;
7. to make recommendations concerning the appointment of the External Auditors and their remuneration to the Board;
8. to review the adequacy of the scope, functions, competency and resources of the Internal Audit functions and that it has the necessary authority to carry out its work;
9. to review any appraisal or assessment of the performance of the Internal Auditors and to approve any appointment, resignation or termination of the Internal Auditors;
10. to review and verify the allocation of shares options granted to employees pursuant to the Employee Share Option Scheme;
11. to consider other topics as defined by the Board.

The reports of the Committee and the External and Internal Auditors and corrective action taken shall be tabled for discussion by the Board of Directors.

Minutes

The Secretary shall maintain minutes of the proceedings of the meetings and circulate such minutes to all members of the Committee and to the Board Meeting.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 December 2015, the Audit Committee carried out its duties as set out in terms of reference.

Key activities include:

1. Reviewed and approved the internal and external audit plan.
2. Reviewed the financial statements of the Group on a quarterly basis before recommending them for the approval of the Board of Directors.
3. Reviewed the annual audited financial statements of the Group and the Company with the External Auditors before recommending them for the approval of the Board of Directors.
4. Reviewed and discussed the External Audit Findings Memorandum of the Group.
5. Reviewed the Internal Audit Reports of the Group and discussed results for their findings and recommendations.
6. Reviewed procedures and methods in relation to the recurrent related party transactions.
7. Reviewed the Statement on Corporate Governance, Statement on Risk Management and Internal Control and Report of Audit Committee and recommended the same to the Board for inclusion in the Company's Annual Report.
8. Appraised and evaluated the performance and independency of the External Auditors and recommended the re-appointment to the Board of Directors of the Company.
9. Reviewed the adequacy of the scope of internal audit function.
10. Appraised and evaluated the performance of Internal Auditors.

INTERNAL AUDIT FUNCTION

The Board outsourced its internal audit function. The Internal Auditors reports directly to the Audit Committee and assists the Audit Committee in discharging its duties and responsibilities. The costs incurred for the internal audit function in respect of the financial year ended 31 December 2015 was RM35,200.

During the financial year ended 31 December 2015, the Company's Internal Auditors carried out its duties according to the Internal Audit Plan as follows:

1. Reviewed the Group's systems of internal controls covering the functional areas of procurement, inventory management, production, property, plant and equipment management, overseas sales management, credit control, human resource management, general safety and ascertained the extent of compliance with the established policies, procedures and statutory requirements.
2. Identified areas for improvement of controls in operations and processes of the Group.
3. Reviewed the recurrent related party transactions.
4. Follow review on findings reported in previous financial quarters.

All the findings and recommendation for improvements by the Internal Auditors were presented to the Audit Committee. The Audit Committee then report to the Board on the audit findings and progress by the management to improve the system of internal control of the Group.

Statement of Directors' Responsibilities

The Directors acknowledge that they are responsible for the Annual Audited Financial Statements so as to give a true and fair view of the state of affairs as at the end of the financial year of the Group and of the Company and of their results and their cash flows.

In preparing the financial statements for the year ended 31 December 2015, the Directors are satisfied that:

1. reasonable and prudent judgement and estimates were made; and
2. the relevant applicable Approved Accounting Standards in Malaysia have been complied.

The Directors also responsible for ensuring that the Company maintains appropriate accounting policies that disclose with reasonable accuracy of the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

This Statement is issued in accordance with a resolution of the Directors dated 01 April 2016.

Directors' Report and Audited Financial Statements

Contents

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	28,656,939	9,379,488
Attributable to:		
Owners of the parent	21,269,342	9,379,488
Non-controlling interests	7,387,597	0
	28,656,939	9,379,488

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	Company RM
In respect of financial year ended 31 December 2014:	
Single tier final dividend of 1.0 sen per ordinary share, paid on 28 July 2015	2,493,146
In respect of financial year ended 31 December 2015:	
Single tier interim dividend of 0.5 sen per ordinary share, paid on 28 January 2016	1,334,229
	3,827,375

The Directors propose a single tier final dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2015, subject to the approval of shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year,

(a) The authorised share capital of the Company was increased from RM100,000,000 to RM500,000,000 by the creation of an additional 1,600,000,000 ordinary shares of RM0.25 each in the Company.

(b) The issued and fully paid-up share capital of the Company was increased from RM60,000,000 to RM66,709,003 by way of issuance of 26,836,012 new ordinary shares of RM0.25 each pursuant to the exercise of warrants at RM0.25 per ordinary share.

ISSUE OF SHARES AND DEBENTURES (Cont'd)

The newly issued shares rank pari passu in all respects with the existing shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

WARRANTS

On 29 January 2015, the Company issued 120,000,000 warrants pursuant to the bonus issue exercise of the Company. The warrants were constituted by a deed poll dated 16 January 2015 and were listed on Main Market of Bursa Malaysia on 10 February 2015.

As at the end of the financial year, 93,163,988 warrants remained unexercised.

DIRECTORS

The Directors who have held office since the date of the last report are:

Loh Kok Beng
Loh Kok Cheng
Loh Joo Eng
Dr. Kamarudin Bin Ngah
Mohamed Haniffah Bin S.M. Mydin
Yeoh Aik Chuan
Loh Eng Chun

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2015 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	← Number of ordinary shares of RM0.25 each →			
	Balance as at 1.1.2015	Exercised of warrants	Sold	Balance as at 31.12.2015
Shares in the Company				
Direct interests				
Loh Kok Beng	63,679,630	0	0	63,679,630
Loh Kok Cheng	73,857,030	0	0	73,857,030
Loh Joo Eng	1,250,000	625,000	0	1,875,000
Dr. Kamarudin Bin Ngah	4,375	0	0	4,375
Mohamed Haniffah Bin S.M. Mydin	40,000	0	0	40,000
Indirect interests				
Loh Joo Eng #	110,575	5,250	0	115,825

DIRECTORS' INTERESTS (Cont'd)

	Number of warrants			
	Balance as at 1.1.2015	Bought/ Bonus issued	Sold/ Exercised *	Balance as at 31.12.2015
Warrants in the Company				
Direct interests				
Loh Kok Beng	0	36,922,815 ^	(36,922,815)	0
Loh Kok Cheng	0	41,428,515 ^	(34,941,815)	6,486,700
Loh Joo Eng	0	625,000	(625,000) *	0
Dr. Kamarudin Bin Ngah	0	2,187	0	2,187
Mohamed Haniffah Bin S.M. Mydin	0	20,000	(20,000)	0
Indirect interests				
Loh Joo Eng #	0	55,287	(5,250) *	50,037

^ Represented by:

	Number of warrants		
	Bought	Bonus issued	Total acquired
Loh Kok Beng	5,083,000	31,839,815	36,922,815
Loh Kok Cheng	4,500,000	36,928,515	41,428,515

Shares or warrants held by family members by virtue of Section 134(12)(c) of the Companies Act, 1965 in Malaysia.

By virtue of their interests in the ordinary shares of the Company, Loh Kok Beng and Loh Kok Cheng are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

The interest and deemed interests in the ordinary shares and Redeemable Non-Cumulative Preference Shares ('RNCPS') of its non-wholly owned subsidiary, TS Solartech Sdn. Bhd., held by Loh Kok Beng and Loh Kok Cheng were as follows:

	Number of ordinary shares of RM1 each			
	Balance as at 1.1.2015	Converted from RNCPS	Sold	Balance as at 31.12.2015
Shares in a subsidiary				
- TS Solartech Sdn. Bhd.				
Indirect interests				
Loh Kok Beng	10,332,000	107,242,000	0	117,574,000
Loh Kok Cheng	10,332,000	107,242,000	0	117,574,000

DIRECTORS' INTERESTS (Cont'd)

	Number of Redeemable Non-Cumulative Preference Shares of RM1 each			
	Balance as at 1.1.2015	Bought	Converted	Balance as at 31.12.2015
Shares in a subsidiary				
- TS Solartech Sdn. Bhd.				
<u>Indirect interests</u>				
Loh Kok Beng	107,242	0	(107,242)	0
Loh Kok Cheng	107,242	0	(107,242)	0

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company or ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the remuneration received by certain Directors as Directors of the Company and its subsidiaries as disclosed in Note 31 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that no provision for doubtful debts was required; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (Cont'd)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (Cont'd)

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 35 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Loh Kok Beng
Director

Loh Kok Cheng
Director

Penang
1 April 2016

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 39 to 99 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 37 to the financial statements on page 100 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Loh Kok Beng
Director

Loh Kok Cheng
Director

Penang
1 April 2016

Statutory Declaration

I, **Loh Kok Beng**, being the Director primarily responsible for the financial management of Tek Seng Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 39 to 100 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed at Georgetown
in the state of Penang this
1 April 2016

Loh Kok Beng

Before me,

Commissioner for Oaths

Report on the Financial Statements

We have audited the financial statements of Tek Seng Holdings Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 99.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 37 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF: 0206
Chartered Accountants

Koay Theam Hock
2141/04/17 (J)
Chartered Accountant

Penang
1 April 2016

Statements of Financial Position

AS AT 31 DECEMBER 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	**354,401,411**	217,293,381	**0**	0
Trademark	8	**501**	1,359	**0**	0
Investments in subsidiaries	9	**0**	0	**155,543,093**	155,543,093
		354,401,912	217,294,740	**155,543,093**	155,543,093
Current assets					
Inventories	10	**52,965,456**	40,156,027	**0**	0
Trade and other receivables	11	**51,438,601**	32,186,008	**8,357,066**	1,141,945
Current tax assets		**12,258**	45,778	**0**	0
Cash and bank balances	12	**18,023,798**	12,108,023	**8,239**	3,659
		122,440,113	84,495,836	**8,365,305**	1,145,604
TOTAL ASSETS		**476,842,025**	301,790,576	**163,908,398**	156,688,697
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	13	**66,709,003**	60,000,000	**66,709,003**	60,000,000
Retained earnings		**108,401,366**	63,109,164	**93,857,719**	88,305,606
		175,110,369	123,109,164	**160,566,722**	148,305,606
Non-controlling interests		**112,933,645**	38,870,283	**0**	0
TOTAL EQUITY		**288,044,014**	161,979,447	**160,566,722**	148,305,606

The accompanying notes form an integral part of the financial statements.

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
LIABILITIES					
Non-current liabilities					
Trade and other payables	14	9,194,856	11,310,840	0	0
Government fund	15	0	1,000,000	0	0
Borrowings	16	55,611,670	14,687,500	0	0
Deferred tax liabilities	20	4,529,700	2,091,500	0	0
		69,336,226	29,089,840	0	0
Current liabilities					
Trade and other payables	14	66,881,629	68,292,482	3,334,861	8,372,902
Government fund	15	2,000,000	1,000,000	0	0
Borrowings	16	48,819,520	39,960,987	0	0
Current tax liabilities		1,760,636	1,467,820	6,815	10,189
		119,461,785	110,721,289	3,341,676	8,383,091
TOTAL LIABILITIES		188,798,011	139,811,129	3,341,676	8,383,091
TOTAL EQUITY AND LIABILITIES		476,842,025	301,790,576	163,908,398	156,688,697

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	23	**359,516,760**	232,111,243	**10,414,588**	35,290,060
Other operating income	24	**2,969,198**	7,644,316	**0**	0
Changes in inventories of work-in-progress and finished goods		**9,841,273**	1,846,322	**0**	0
Purchase of trading merchandise		**(8,678,162)**	(12,306,762)	**0**	0
Raw materials and consumables used		**(229,308,572)**	(145,036,335)	**0**	0
Depreciation of property, plant and equipment	7	**(25,355,381)**	(18,598,988)	**0**	0
Employee benefits	25	**(25,194,480)**	(18,415,138)	**0**	0
Carriage outwards		**(4,967,883)**	(4,715,033)	**0**	0
Utilities expenses		**(18,649,317)**	(14,375,768)	**0**	0
Other expenses		**(22,231,920)**	(7,053,734)	**(677,399)**	(363,390)
Finance costs	26	**(3,268,551)**	(2,972,748)	**(353,208)**	0
Profit before tax	27	**34,672,965**	18,127,375	**9,383,981**	34,926,670
Tax expense	28	**(6,016,026)**	(6,737,998)	**(4,493)**	(4,489)
Profit for the financial year		**28,656,939**	11,389,377	**9,379,488**	34,922,181
Other comprehensive income, net of tax		**0**	0	**0**	0
Total comprehensive income		**28,656,939**	11,389,377	**9,379,488**	34,922,181
Profit attributable to:					
Owners of the parent		**21,269,342**	12,079,351	**9,379,488**	34,922,181
Non-controlling interests		**7,387,597**	(689,974)	**0**	0
		28,656,939	11,389,377	**9,379,488**	34,922,181
Total comprehensive income attributable to:					
Owners of the parent		**21,269,342**	12,079,351	**9,379,488**	34,922,181
Non-controlling interests		**7,387,597**	(689,974)	**0**	0
		28,656,939	11,389,377	**9,379,488**	34,922,181
Earnings per ordinary share attributable to equity holders of the Company:					
Basic earnings per share	29	**0.09**	0.05		
Diluted earnings per share	29	**0.07**	0.05		

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Group	Note	Share capital RM	Distributable Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2015		60,000,000	63,109,164	123,109,164	38,870,283	161,979,447
Profit for the financial year		0	21,269,342	21,269,342	7,387,597	28,656,939
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive income		0	21,269,342	21,269,342	7,387,597	28,656,939
Transactions with owners						
Redeemable Non-Cumulative Preference Shares ('RNCPS') subscribed by non-controlling interests of a subsidiary	9	0	0	0	94,526,000	94,526,000
Dilution of interest arising from conversion of RNCPS to ordinary shares in a subsidiary	9	0	27,850,235	27,850,235	(27,850,235)	0
Issuance of ordinary shares pursuant to exercise of warrants	13	6,709,003	0	6,709,003	0	6,709,003
Dividends	30	0	(3,827,375)	(3,827,375)	0	(3,827,375)
Total transactions with owners		6,709,003	24,022,860	30,731,863	66,675,765	97,407,628
Balance as at 31 December 2015		66,709,003	108,401,366	175,110,369	112,933,645	288,044,014

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Group	Note	Share capital RM	Distributable Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2014		60,000,000	63,790,209	123,790,209	6,953,259	130,743,468
Profit/(Loss) for the financial year		0	12,079,351	12,079,351	(689,974)	11,389,377
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive income		0	12,079,351	12,079,351	(689,974)	11,389,377
Transactions with owners						
Redeemable Non-Cumulative Preference Shares ('RNCPS') subscribed by non-controlling interests of a subsidiary		0	0	0	6,672,000	6,672,000
Ordinary shares subscribes by non-controlling interests of a subsidiary	9	0	0	0	13,174,602	13,174,602
Dilution of interest arising from deemed disposal of equity interests in a subsidiary	9	0	(12,760,396)	(12,760,396)	12,760,396	0
Total transactions with owners		0	(12,760,396)	(12,760,396)	32,606,998	19,846,602
Balance as at 31 December 2014		60,000,000	63,109,164	123,109,164	38,870,283	161,979,447

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Company	Note	Share capital RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 January 2015		**60,000,000**	**88,305,606**	**148,305,606**
Profit for the financial year		**0**	**9,379,488**	**9,379,488**
Other comprehensive income, net of tax		**0**	**0**	**0**
Total comprehensive income		**0**	**9,379,488**	**9,379,488**
Transactions with owners				
Issuance of ordinary shares pursuant to exercise of warrants	**13**	**6,709,003**	**0**	**6,709,003**
Dividends	**30**	**0**	**(3,827,375)**	**(3,827,375)**
Total transactions with owners		**6,709,003**	**(3,827,375)**	**2,881,628**
Balance as at 31 December 2015		**66,709,003**	**93,857,719**	**160,566,722**
Balance as at 1 January 2014		60,000,000	53,383,425	113,383,425
Profit for the financial year		0	34,922,181	34,922,181
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	34,922,181	34,922,181
Balance as at 31 December 2014		60,000,000	88,305,606	148,305,606

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**34,672,965**	18,127,375	**9,383,981**	34,926,670
Adjustments for:					
Amortisation of trademark	8	**858**	858	**0**	0
Bad debts written off		**0**	19,400	**0**	0
Depreciation of property, plant and equipment	7	**25,355,381**	18,598,988	**0**	0
Dividend income from subsidiaries		**0**	0	**(10,070,023)**	(35,200,060)
Finance costs	26	**3,268,551**	2,972,748	**353,208**	0
Gain on disposal of property, plant and equipment		**(23,676)**	(126,279)	**0**	0
Property, plant and equipment written off	7	**19,455**	28,954	**0**	0
Net unrealised (gain)/loss on foreign exchange		**(2,239,917)**	544,798	**0**	0
Interest income		**(11,208)**	(2,362)	**(254,565)**	0
Operating profit/(loss) before working capital changes		**61,042,409**	40,164,480	**(587,399)**	(273,390)
Increase in inventories		**(12,809,429)**	(9,762,966)	**0**	0
(Increase)/Decrease in trade and other receivables		**(16,862,760)**	5,220,328	**(7,215,121)**	45,670,627
(Decrease)/Increase in trade and other payables		**(5,575,668)**	33,357,175	**(6,372,270)**	(25,024,781)
Net cash generated from/(used in)operations		**25,794,552**	68,979,017	**(14,174,790)**	20,372,456
Interest received		**11,208**	2,362	**254,565**	0
Interest paid		**(3,286,882)**	(2,972,748)	**(353,208)**	0
Tax paid		**(3,251,490)**	(3,679,959)	**(7,867)**	(4,489)
Net cash from/(used in) operating activities		**19,267,388**	62,328,672	**(14,281,300)**	20,367,967
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received from subsidiaries		**0**	0	**10,070,023**	35,200,060
Purchase of property, plant and equipment	7(b)	**(28,342,810)**	(54,236,706)	**0**	0
Proceeds from disposal of property, plant and equipment		**24,482**	230,000	**0**	0
Acquisition of additional RNCPS in a subsidiary		**0**	0	**0**	(55,582,000)
Net cash (used in)/from investing activities		**(28,318,328)**	(54,006,706)	**10,070,023**	(20,381,940)

The accompanying notes form an integral part of the financial statements.

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	30	**(2,493,146)**	0	**(2,493,146)**	0
Drawdown of short term bank loans		**123,923,935**	159,658,927	**0**	0
Repayments of:					
- short term bank loans		**(134,049,746)**	(175,405,874)	**0**	0
- term loan		**(3,750,000)**	(3,762,336)	**0**	0
Proceeds from issuance of shares pursuant to exercise of warrants	13	**6,709,003**	0	**6,709,003**	0
Subscribed by non-controlling interests of a subsidiary company:					
- ordinary shares	9	**0**	13,174,602	**0**	0
- RNCPS	9	**6,825,000**	6,672,000	**0**	0
Net cash (used in) /from financing activities		**(2,834,954)**	337,319	**4,215,857**	0
Net (decrease)/increase in cash and cash equivalents		**(11,885,894)**	8,659,285	**4,580**	(13,973)
Effects of exchange rate changes on cash and cash equivalents		**706,489**	25,735	**0**	0
Cash and cash equivalents at beginning of financial year		**11,594,116**	2,909,096	**3,659**	17,632
Cash and cash equivalents at end of financial year	12(b)	**414,711**	11,594,116	**8,239**	3,659

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at Plot 159, MK 13, Jalan Perindustrian Bukit Minyak 7, Bukit Minyak Industrial Park, 14000 Bukit Mertajam, Penang.

The consolidated financial statements for the financial year ended 31 December 2015 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 1 April 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company as set out on pages 39 to 99 have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act, 1965 in Malaysia.

However, Note 37 to the financial statements as set out on page 100 has been prepared in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of the financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;

(b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect its returns.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 Basis of consolidation (Cont'd)

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;

(b) Rights arising from other contractual agreements; and

(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions are also eliminated.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4 Property, plant and equipment and depreciation (Cont'd)

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Long term leasehold land is amortised equally over the lease period of 60 years.

Freehold land has an unlimited useful life and is not depreciated. Capital work-in-progress represents machinery under installation and factory building under construction and is stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings and factory buildings	2%
Office equipment, furniture and fittings	8% - 10%
Plant and machinery	5% - 10%
Motor vehicles	16% - 20%
Electrical installation	10%

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.5 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.5 Leases and hire purchase (Cont'd)

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

4.6 Investments in subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.7 Intangible assets

Intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other operating expenses line item.

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors; there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the carrying amount may be impaired. Such intangible assets are not amortised. Their useful lives are reviewed each period to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.7 Intangible assets (Cont'd)

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

Trademark

Expenditure on acquired trademark is capitalised and amortised using the straight line method over its estimated useful life of a period of eight (8) years. Trademark is not revalued and is shown at cost less accumulated amortisation and any accumulated impairment losses.

4.8 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries), inventories and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segments*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out basis for all inventories other than solar cells which uses the weighted average basis. The cost of raw materials comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct costs and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other operating income or other expenses.

However, derivatives that are linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.10 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents consist of cash on hand, bank balances, deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.10 Financial instruments (Cont'd)

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other operating income or other expenses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.10 Financial instruments (Cont'd)

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the share retirement method.

Where the share retirement method is applied, the nominal value of the shares repurchased shall be cancelled by a debit to the share capital account. An amount equivalent to the nominal value of the shares repurchased shall be transferred to a capital redemption reserve.

The consideration, including any acquisition cost and premium or discount arising from the shares repurchased, shall be adjusted directly to the share premium account or any other suitable reserve. In the circumstance where there is no or insufficient share premium, the consideration, or its balance thereof, shall be adjusted to any other suitable reserve.

The shares cancelled and the adjustments made to share premium or reserves shall be shown as a movement in the share capital account and the share premium or reserve account respectively.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

4.11 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account. If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.12 Borrowing costs

All borrowing costs are recognised to profit or loss in the period in which they are incurred.

4.13 Income taxes

Income taxes include all taxes on taxable profit. Income taxes also include other taxes such as withholding taxes and real property gains taxes payable on the disposal of properties, if any.

Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profits.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset, is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) The same taxable entity; or

(ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.14 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.14 Provisions (Cont'd)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.15 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.16 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4.17 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.17 Foreign currencies (Cont'd)

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when the significant risk and rewards of ownership of the goods have been transferred to the customer and where the Group retains no continuing managerial involvement over the goods, which coincides with the delivery of goods and services and acceptance by customers.

(b) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(c) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(d) Management fee

Management fees are recognised when services are rendered.

4.19 Government fund

Government fund is recognised in the financial statements when there is reasonable assurance that:

(a) The Group would comply with the conditions attached to the fund; and

(b) The fund would be received.

Government fund is obtained from the Northern Corridor Implementation Authority ('NCIA') Malaysia as a soft loan and is in respect of assistance given by NCIA to finance the acquisition of plant and machineries. The Group classified such interest free Government fund in accordance with MFRS 139 *Financial Instruments: Recognition and Measurements*.

4.20 Operating segments

Operating segments are defined as components of the Group that:

(a) Engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) Whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group's Chief Executive Officer) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) For which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.20 Operating segments (Cont'd)

An operating segment may engage in business activities for which it has yet to earn revenue.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

(i) The combined reported profit of all operating segments that did not report a loss; and

(ii) The combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.21 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.22 Fair value measurements

The fair value of an asset or a liability, (except for lease transactions) is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.22 Fair value measurements (Cont'd)

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title	Effective Date
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to MFRSs *Annual Improvements 2010 – 2012 Cycle*	1 July 2014
Amendments to MFRSs *Annual Improvements 2011 – 2013 Cycle*	1 July 2014

There is no material impact upon the adoption of these Amendments during the financial year.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Title	Effective Date
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	Deferred
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to MFRS 101 *Disclosure Initiative*	1 January 2016
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements to 2012-2014 Cycle*	1 January 2016
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no changes in estimates during the reporting period and at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

(a) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(b) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation and useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in the factors mentioned above. Changes in these factors could impact the useful lives and the residual values of the assets; therefore future depreciation charges could be revised.

(b) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(c) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 34 to the financial statements.

(d) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on an assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

6.3 Key sources of estimation uncertainty (Cont'd)

(e) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

(f) Impairment of assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its carrying amount. This evaluation is subject to factors such as market performance, economic and political situation of the country.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value in use. The value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect its income and cash flows. Judgement has also been used to determine the discount rate for cash flows and the future growth of the business.

(g) Impairment of investments in subsidiaries and amounts owing by subsidiaries

The Company reviews the investments in subsidiaries for impairment when there is an indication of impairment and assesses the impairment of receivables on the amounts owing by subsidiaries when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiaries and amounts owing by subsidiaries are assessed by reference to the value in use of the respective subsidiaries.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiaries.

(h) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures financial instruments at fair value are disclosed in Note 33 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2015 RM	Additions RM	Reclassification RM	Disposals RM	Written off RM	Depreciation charges for the financial year RM	Balance as at 31.12.2015 RM
Carrying amount							
Long term leasehold land	12,547,436	0	0	0	0	(243,245)	12,304,191
Freehold land	258,352	0	0	0	0	0	258,352
Buildings and factory buildings	61,787,817	28,064,447	0	0	0	(1,818,059)	88,034,205
Office equipment, furniture and fittings	166,296	401,778	0	0	(5,136)	(85,814)	477,124
Plant and machinery	91,111,160	105,093,043	49,861,329	(804)	(14,317)	(22,671,204)	223,379,207
Motor vehicles	1,367,202	100,000	0	(2)	(2)	(537,059)	930,139
Electrical installation	1	0	0	0	0	0	1
Capital work-in-progress	50,055,117	28,824,404	(49,861,329)	0	0	0	29,018,192
	217,293,381	162,483,672	0	(806)	(19,455)	(25,355,381)	354,401,411

	← Cost RM	At 31.12.15 Accumulated depreciation RM	Carrying amount RM →
Long term leasehold land	14,529,032	2,224,841	12,304,191
Freehold land	258,352	0	258,352
Buildings and factory buildings	98,935,323	10,901,118	88,034,205
Office equipment, furniture and fittings	1,976,017	1,498,893	477,124
Plant and machinery	349,132,042	125,752,835	223,379,207
Motor vehicles	4,941,628	4,011,489	930,139
Electrical installation	48,435	48,434	1
Capital work-in-progress	29,018,192	0	29,018,192
	498,839,021	144,437,610	354,401,411

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Balance as at 1.1.2014 RM	Additions RM	Reclassification RM	Disposals RM	Written off RM	Depreciation charges for the financial year RM	Balance as at 31.12.2014 RM
Carrying amount							
Long term leasehold land	12,790,681	0	0	0	0	(243,245)	12,547,436
Freehold land	258,352	0	0	0	0	0	258,352
Buildings and factory buildings	61,385,432	1,550,564	370,000	(103,721)	0	(1,414,458)	61,787,817
Office equipment, furniture and fittings	267,076	10,000	0	0	(28,954)	(81,826)	166,296
Plant and machinery	104,471,263	2,643,513	190,000	0	0	(16,193,616)	91,111,160
Motor vehicles	1,861,745	171,300	0	0	0	(665,843)	1,367,202
Electrical installation	1	0	0	0	0	0	1
Capital work-in-progress	753,788	49,861,329	(560,000)	0	0	0	50,055,117
	181,788,338	54,236,706	0	(103,721)	(28,954)	(18,598,988)	217,293,381

	← At 31.12.14 → Cost RM	Accumulated depreciation RM	Carrying amount RM
Long term leasehold land	14,529,032	1,981,596	12,547,436
Freehold land	258,352	0	258,352
Buildings and factory buildings	70,870,876	9,083,059	61,787,817
Office equipment, furniture and fittings	1,763,072	1,596,776	166,296
Plant and machinery	204,209,304	113,098,144	91,111,160
Motor vehicles	4,910,457	3,543,255	1,367,202
Electrical installation	48,435	48,434	1
Capital work-in-progress	50,055,117	0	50,055,117
	346,644,645	129,351,264	217,293,381

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) The carrying amount of the property, plant and equipment of the Group under hire purchase at the end of the reporting period are as follows:

	Group	
	2015	2014
	RM	RM
Plant and machinery	**46,439,862**	0

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 19 to the financial statements.

(b) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2015	2014
	RM	RM
Purchase of property, plant and equipment	**162,483,672**	54,236,706
Financed by hire purchase arrangement	**(46,439,862)**	0
Financed by issuance of Redeemable Non-Cumulative Preference Shares ('RNCPS') by a subsidiary (Note 9)	**(87,701,000)**	0
Cash payments on purchase of property, plant and equipment	**28,342,810**	54,236,706

(c) As at the end of the reporting period, long term leasehold land and factory buildings with a carrying amount of RM33,276,548 (2014: RM33,927,605) have been charged to a bank for credit facilities granted to the Group as disclosed in Note 18 to the financial statements.

8. TRADEMARK

Group	Balance as at 1.1.2015 RM	Amortisation charges for the financial year RM	Balance as at 31.12.2015 RM
Carrying amount			
Trademark	**1,359**	**(858)**	**501**

	At 31.12.15		
	Cost RM	Accumulated amortisation RM	Carrying amount RM
Trademark	**16,865**	**16,364**	**501**

8. TRADEMARK (Cont'd)

Group	Balance as at 1.1.2014 RM	Amortisation charges for the financial year RM	Balance as at 31.12.2014 RM
Carrying amount			
Trademark	2,217	(858)	1,359

	At 31.12.14		
	Cost RM	Accumulated amortisation RM	Carrying amount RM
Trademark	16,865	15,506	1,359

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM	2014 RM
At cost		
Unquoted shares	**155,543,093**	155,543,093

The details of the subsidiaries, all incorporated in Malaysia, are as follows:

Name of company	Equity interest held 2015	Equity interest held 2014	Principal activities
Tek Seng Sdn. Bhd.	**100%**	100%	Trading of polyvinyl chloride ('PVC') products and photovoltaic products such as solar cells, solar panels and solar modules
Wangsaga Industries Sdn. Bhd.	**100%**	100%	Manufacturing of PVC related products
Pelangi Segi Sdn. Bhd.	**100%**	100%	Trading of PVC products
Double Grade Non-Woven Industries Sdn. Bhd.	**100%**	100%	Manufacturing of Polypropylene ('PP') non-woven related products and letting of properties
TS Solartech Sdn. Bhd.	**50.69%**	68.09%	Manufacturing and sales of photovoltaic products such as solar cells, solar panels or solar modules

All subsidiaries are audited by BDO Malaysia.

(a) During the financial year,

(i) A subsidiary of the Group, TS Solartech Sdn. Bhd. ('TS Solartech') issued 87,701 Redeemable Non-Cumulative Preference Shares ('RNCPS') of RM1 each at an issue price of RM1,000 per RNCPS, comprising RM1 nominal value and RM999 premium. This is to satisfy the acquisition of two (2) units of solar cells turnkey line from a shareholder of the subsidiary for a total consideration of RM87,701,000.

9. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) During the financial year (Cont'd),

(ii) TS Solartech issued and allotted 6,825 RNCPS of RM1 each at an issue price of RM1,000 per RNCPS, comprising RM1 nominal value and RM999 premium to a shareholder.

(iii) Equity interest of the Company in TS Solartech was reduced from 68.09% to 50.69% pursuant to the conversion of all existing RNCPS of RM1 each in TS Solartech into new ordinary shares of RM1 each in TS Solartech at a conversion ratio of 1,000 ordinary shares of TS Solartech for each RNCPS held. The conversion had resulted in a dilution of the equity interest of the Company in TS Solartech which is recognised as a transfer of RM27,850,235 to the retained earnings of the Group.

(b) In the previous financial year,

(i) The Company acquired additional 55,582 RNCPS of TS Solartech for a cash consideration of RM55,582,000.

(ii) Equity interest of the Company in TS Solartech was reduced from 86.1% to 68.09% pursuant to the issuance of an additional 3,174,603 ordinary shares of RM1 each to a non-controlling interest ('NCI') at an issue price of RM4.15 per ordinary share, comprising RM1 nominal amount and RM3.15 premium. The issued and paid up share capital of TS Solartech was increased from RM12,000,000 to RM15,174,603. This has resulted in a dilution of equity interest of the Company amounted to RM12,760,396.

(c) The subsidiary of the Group that has material non-controlling interests ('NCI') is as follows:

	TS Solartech Sdn. Bhd.	
	2015	**2014**
NCI percentage of ownership interest and voting interest	**49.31%**	31.91%
Carrying amount of NCI (RM)	**112,933,645**	38,870,283
Profit/(Loss) allocated to NCI (RM)	**7,387,597**	(689,974)

(d) The summarised financial information before intra-group elimination of the subsidiary that has material NCI as at the end of each reporting period are as follows:

	TS Solartech Sdn. Bhd.	
	2015	**2014**
	RM	**RM**
Assets and liabilities		
Non-current assets	**290,869,606**	146,400,255
Current assets	**63,123,226**	31,449,375
Non-current liabilities	**(53,869,026)**	(1,000,000)
Current liabilities	**(71,095,932)**	(55,037,400)
Net assets	**229,027,874**	121,812,230

9. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(d) The summarised financial information before intra-group elimination of the subsidiary that has material NCI as at the end of each reporting period are as follows: (Cont'd)

	TS Solartech Sdn. Bhd.	
	2015	2014
	RM	RM
Results		
Revenue	**182,249,367**	46,299,070
Profit/(Loss) for the financial year	**12,689,642**	(3,639,812)
Total comprehensive income/(loss)	**12,689,642**	(3,639,812)
Cash flows from/(used in) operating activities	**14,917**	(15,360,453)
Cash flow used in investing activity	**(26,274,810)**	(51,408,987)
Cash flows from financing activities	**6,825,000**	75,428,602
Net (decrease)/increase in cash and cash equivalents	**(19,434,893)**	8,659,162
Dividends paid to NCI	**N/A**	N/A

10. INVENTORIES

	Group	
	2015	2014
	RM	RM
At cost		
Raw materials	**19,436,738**	19,993,209
Work-in-progress	**10,250,011**	3,797,741
Finished goods	**19,754,080**	16,365,077
Consumables	**3,524,627**	0
	52,965,456	40,156,027

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade receivables				
Third parties	**31,174,368**	26,039,017	**0**	0
Shareholder of a subsidiary	**9,545,599**	14,264	**0**	0
	40,719,967	26,053,281	**0**	0

11. TRADE AND OTHER RECEIVABLES (Cont'd)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Other receivables				
Third parties	**1,325,563**	4,000	**0**	0
Amounts owing by subsidiaries	**0**	0	**8,357,066**	1,141,945
	1,325,563	4,000	**8,357,066**	1,141,945
Loans and receivables	**42,045,530**	26,057,281	**8,357,066**	1,141,945
Deposits and prepayments				
Deposits	**2,659,010**	5,944,173	**0**	0
Advance payment to suppliers	**6,482,390**	0	**0**	0
Prepayments	**251,671**	184,554	**0**	0
	9,393,071	6,128,727	**0**	0
	51,438,601	32,186,008	**8,357,066**	1,141,945

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days (2014: 30 to 120 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Amounts owing by subsidiaries represent advances which are unsecured, bearing a weighted average interest of 3.49% (2014: Nil%) per annum and payable upon demand in cash and cash equivalents.

(c) Included in the deposits of the Group are amounts paid for the purchase of property, plant and equipment amounting to RM2,519,667 (2014: RM5,871,534).

(d) The currency exposure profile of loans and receivables are as follows:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Ringgit Malaysia	**25,357,103**	22,370,696	**8,357,066**	1,141,945
US Dollar	**16,688,427**	3,595,870	**0**	0
EURO	**0**	90,715	**0**	0
	42,045,530	26,057,281	**8,357,066**	1,141,945

11. TRADE AND OTHER RECEIVABLES (Cont'd)

(e) The ageing analysis of trade receivables of the Group are as follows:

	Group	
	2015	2014
	RM	RM
Neither past due nor impaired	**21,364,968**	16,367,414
Past due, but not impaired		
1 to 30 days	**6,399,634**	5,016,976
31 to 60 days	**5,216,097**	2,289,324
61 to 90 days	**3,289,256**	1,379,491
More than 91 days	**4,450,012**	1,000,076
	19,354,999	9,685,867
	40,719,967	26,053,281

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired amounting to RM19,354,999 (2014: RM9,685,867) 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.

(f) Information on financial risks of trade and other receivables is disclosed in Note 34 to the financial statements.

12. CASH AND BANK BALANCES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	**18,023,798**	11,790,093	**8,239**	3,659
Deposit with a licensed bank	**0**	317,930	**0**	0
	18,023,798	12,108,023	**8,239**	3,659

12. CASH AND BANK BALANCES (Cont'd)

(a) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Ringgit Malaysia	**2,874,579**	755,245	**8,239**	3,659
US Dollar	**15,073,325**	11,307,760	**0**	0
Singapore Dollar	**20,500**	32,380	**0**	0
EURO	**55,394**	12,638	**0**	0
	18,023,798	12,108,023	**8,239**	3,659

(b) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	**18,023,798**	11,790,093	**8,239**	3,659
Deposit with a licensed bank (not more than three months)	**0**	317,930	**0**	0
Bank overdrafts (Note 16)	**(17,609,087)**	(513,907)	**0**	0
	414,711	11,594,116	**8,239**	3,659

(c) Information on financial risks of cash and bank balances is disclosed in Note 34 to the financial statements.

13. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM0.25 each				
Authorised				
Balance as at 1 January	**400,000,000**	100,000,000	**400,000,000**	100,000,000
Created during the year	**1,600,000,000**	400,000,000	**0**	0
Balance as at 31 December	**2,000,000,000**	500,000,000	**400,000,000**	100,000,000
Issued and fully paid				
Balance as at 1 January	**240,000,000**	60,000,000	**240,000,000**	60,000,000
Issued for cash pursuant to exercise of warrants	**26,836,012**	6,709,003	**0**	0
Balance as at 31 December	**266,836,012**	66,709,003	**240,000,000**	60,000,000

13. SHARE CAPITAL (Cont'd)

(a) During the financial year,

(i) The authorised share capital of the Company was increased from RM100,000,000 to RM500,000,000 by the creation of an additional 1,600,000,000 ordinary shares of RM0.25 each in the Company.

(ii) The issued and fully paid-up share capital of the Company was increased from RM60,000,000 to RM66,709,003 by way of issuance of 26,836,012 new ordinary shares of RM0.25 each pursuant to the exercise of warrants at RM0.25 per ordinary share.

(b) Warrants

The warrants of 120,000,000 issued pursuant to the bonus issue exercise of the Company were constituted by a deed poll dated 16 January 2015 ('Deed Poll'). The warrants were listed on the Main Market of Bursa Malaysia on 10 February 2015. The main features of the warrants are as follows:

(i) Each warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share of the Company at the exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.

(ii) The exercise price of each warrant has been fixed at RM0.25, subject to adjustments under certain circumstances in accordance with the provision of the Deed Poll.

(iii) The expiry date of warrants shall be the day falling immediately before the fifth (5th) anniversary of the date of issue of the warrants, whereupon any warrant, which has not been exercised will lapse and cease thereafter to be valid for any purpose.

As at the end of the financial year, 93,163,988 warrants remained unexercised.

(c) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Non-current liability				
Amounts owing to a Director	**9,194,856**	11,310,840	**0**	0
Current liabilities				
Trade payables				
Third parties	**22,315,238**	11,023,780	**0**	0
Shareholder of a subsidiary	**332,817**	0	**0**	0
	22,648,055	11,023,780	**0**	0

14. TRADE AND OTHER PAYABLES (Cont'd)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Other payables				
Other payables				
- Third parties	**36,610,568**	7,726,638	**4,454**	823
- Shareholder of a subsidiary	**0**	44,692,829	**0**	0
- Amounts owing to subsidiaries	**0**	0	**1,813,950**	8,221,779
Dividend payable	**1,334,229**	0	**1,334,229**	0
Accruals	**6,288,027**	4,848,485	**182,228**	150,300
Deposits	**750**	750	**0**	0
	44,233,574	57,268,702	**3,334,861**	8,372,902
	66,881,629	68,292,482	**3,334,861**	8,372,902
	76,076,485	79,603,322	**3,334,861**	8,372,902

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 days (2014: 30 to 60 days).

(b) Amount owing to a Director bears a weighted average interest rate of 3.52% (2014: Nil%) per annum and is unsecured, and not payable within the next twelve (12) months.

(c) Amounts owing to subsidiaries represent advances which are unsecured, bearing a weighted average interest of 3.41% (2014: Nil%) per annum and payable upon demand in cash and cash equivalents.

(d) The currency exposure profile of trade and other payables are as follows:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Ringgit Malaysia	**27,527,570**	66,019,835	**3,334,861**	8,372,902
US Dollar	**47,944,690**	11,416,028	**0**	0
EURO	**274,185**	2,167,459	**0**	0
Taiwan Dollar	**330,040**	0	**0**	0
	76,076,485	79,603,322	**3,334,861**	8,372,902

(e) Information on financial risks of trade and other payables is disclosed in Note 34 to the financial statements.

15. GOVERNMENT FUND

	Group	
	2015	2014
	RM	RM
Non-current liability		
Government fund	**0**	1,000,000
Current liability		
Government fund	**2,000,000**	1,000,000

(a) The Government fund is obtained from the Northern Corridor Implementation Authority, Malaysia as a soft loan. It is unsecured, interest-free and repayable on or before 31 December 2016.

(b) The Government fund is denominated in RM.

(c) Information on financial risks of Government fund is disclosed in Note 34 to the financial statements.

16. BORROWINGS

	Group	
	2015	2014
	RM	RM
Non-current liabilities		
Secured		
Term loan (Note 18)	**10,937,500**	14,687,500
Hire purchase creditor (Note 19)	**44,674,170**	0
	55,611,670	14,687,500
Current liabilities		
Secured		
Short term bank loans (Note 17)	**25,354,690**	35,290,058
Term loan (Note 18)	**4,138,691**	4,157,022
Hire purchase creditor (Note 19)	**1,717,052**	0
Bank overdrafts	**17,609,087**	513,907
	48,819,520	39,960,987
Total borrowings		
Short term bank loans (Note 17)	**25,354,690**	35,290,058
Term loan (Note 18)	**15,076,191**	18,844,522
Hire purchase creditor (Note 19)	**46,391,222**	0
Bank overdrafts	**17,609,087**	513,907
	104,431,190	54,648,487

(a) Bank overdrafts of the Group are secured by:

(i) corporate guarantee executed by the Company; and

(ii) personal deposits placed by the Directors, Loh Kok Beng and Loh Kok Cheng, with the local financial institution.

16. BORROWINGS (Cont'd)

(b) The currency exposure profile of borrowings are as follows:

	Group	
	2015	2014
	RM	RM
Ringgit Malaysia	**58,039,968**	49,024,935
US Dollar	**46,391,222**	5,623,552
	104,431,190	54,648,487

17. SHORT TERM BANK LOANS

	Group	
	2015	2014
	RM	RM
Bankers' acceptances	**25,354,690**	29,666,506
Onshore foreign currency loan	**0**	4,400,302
Revolving credit	**0**	1,223,250
	25,354,690	35,290,058

(a) Short term bank loans of the Group are secured by corporate guarantee executed by the Company.

(b) Information on financial risks of borrowings is disclosed in Note 34 to the financial statements.

18. TERM LOAN

(a) Term loan of the Group is secured by:

(i) legal charges on certain long term leasehold land and factory buildings of the Group (Note 7); and

(ii) corporate guarantee executed by the Company.

(b) The term loan is repayable in ninety six (96) monthly instalments from January 2012.

(c) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 34 to the financial statements.

19. HIRE PURCHASE CREDITOR

	Group 2015 RM
Minimum hire purchase payments:	
- not later than one (1) year	**2,160,148**
- later than one (1) year but not later than five (5) years	**20,737,420**
- later than five (5) years	**28,945,982**
Total minimum hire purchase payments	**51,843,550**
Less: Future interest charges	**(5,452,328)**
Present value of hire purchase creditor	**46,391,222**
Repayable as follows:	
Current liabilities	
- not later than one (1) year	**1,717,052**
Non-current liabilities	
- later than one (1) year but not later than five (5) years	**17,438,987**
- later than five (5) years	**27,235,183**
	44,674,170
	46,391,222

Information on financial risks of hire purchase creditor is disclosed in Note 34 to the financial statements.

20. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group 2015 RM	Group 2014 RM
Balance as at 1 January	**2,091,500**	(456,000)
Recognised in profit or loss (Note 28)	**2,438,200**	2,547,500
Balance as at 31 December	**4,529,700**	2,091,500
Presented after appropriate offsetting:		
Deferred tax assets, net	**(2,369,500)**	0
Deferred tax liabilities, net	**6,899,200**	2,091,500
	4,529,700	2,091,500

20. DEFERRED TAX LIABILITIES (Cont'd)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment	
	Group	
	2015	2014
	RM	RM
Balance as at 1 January	**2,091,500**	861,500
Recognised in profit or loss	**4,807,700**	1,230,000
Balance as at 31 December	**6,899,200**	2,091,500

Deferred tax assets of the Group

	Reinvestment allowances	
	Group	
	2015	2014
	RM	RM
Balance as at 1 January	**0**	(1,317,500)
Recognised in profit or loss	**(2,369,500)**	1,317,500
Balance as at 31 December	**(2,369,500)**	0

(c) The amounts of temporary differences calculated at the applicable tax rate for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2015	2014
	RM	RM
Unused tax losses	**1,935,900**	2,214,300
Unabsorbed capital allowances	**0**	3,741,000
	1,935,900	5,955,300

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiary would be sufficient against which the deductible temporary differences could be utilised.

The deductible temporary differences do not expire under the current tax legislation.

21. CAPITAL COMMITMENTS

	Group 2015 RM	Group 2014 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	**16,378,835**	17,857,678

22. CONTINGENT LIABILITIES

	Company 2015 RM	Company 2014 RM
Unsecured		
Corporate guarantees given to licensed banks for banking facilities granted to subsidiaries (Notes 16, 17 and 18)	**145,590,200**	142,123,250
Corporate guarantees given to suppliers of subsidiaries	**14,163,600**	6,990,000

The Directors are of the view that the chances of the financial institutions and suppliers to call upon the corporate guarantee are remote. Accordingly, the fair values of the above corporate guarantees are negligible.

23. REVENUE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of goods	**359,516,760**	232,111,243	**0**	0
Dividend income from subsidiaries	**0**	0	**10,070,023**	35,200,060
Management fee from subsidiaries	**0**	0	**90,000**	90,000
Interest received from subsidiaries	**0**	0	**254,565**	0
	359,516,760	232,111,243	**10,414,588**	35,290,060

24. OTHER OPERATING INCOME

	Group 2015 RM	Group 2014 RM
Bad debts recovered	**50**	300
Interest income	**11,208**	2,362
Gain on disposal of property, plant and equipment	**23,676**	126,279
Realised gain on foreign exchange	**12,780**	570,771
Unrealised gain on foreign exchange	**2,312,902**	59,604
Discount from a supplier	**0**	6,885,000
Income from sale of solar energy	**474,436**	0
Others	**134,146**	0
	2,969,198	7,644,316

25. EMPLOYEE BENEFITS

	Group 2015 RM	Group 2014 RM
Wages, salaries and bonus	**22,074,871**	16,470,860
Contributions to defined contribution plan	**1,910,240**	1,374,953
Social security contributions	**234,475**	157,059
Other benefits	**974,894**	412,266
	25,194,480	18,415,138

Included in employee benefits of the Group are Executive Directors' remuneration amounting to RM2,478,078 (2014: RM1,876,196).

26. FINANCE COSTS

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Interest expense on:				
- bank overdrafts	**467,760**	24,959	**0**	0
- short term bank loans	**1,449,774**	1,729,073	**0**	0
- term loan	**995,155**	1,178,940	**0**	0
- amount owing to a Director	**319,568**	0	**0**	0
- amounts owing to subsidiaries	**0**	0	**353,208**	0
Letter of credits charges	**36,294**	39,776	**0**	0
	3,268,551	2,972,748	**353,208**	0

27. PROFIT BEFORE TAX

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax is arrived at after charging:				
Amortisation of trademark (Note 8)	**858**	858	**0**	0
Auditors' remuneration:				
- statutory audits	**90,000**	80,600	**7,000**	5,500
- other services	**11,500**	31,000	**11,500**	6,000
Bad debts written off	**0**	19,400	**0**	0
Directors' remuneration				
- fees paid by the Company	**175,000**	144,000	**175,000**	144,000
- other emoluments paid by subsidiaries	**2,478,078**	1,876,196	**0**	0
Loss on foreign exchange				
- realised	**3,661,221**	83,378	**0**	0
- unrealised	**72,985**	604,402	**0**	0
Property, plant and equipment written off (Note 7)	**19,455**	28,954	**0**	0
Rental of plant and machinery	**365,893**	259,029	**0**	0
Rental of premises	**44,984**	16,400	**0**	0

28. TAX EXPENSE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current tax expense based on profit for the financial year	**3,504,136**	3,280,786	**4,159**	4,159
Underprovision of income tax in prior years	**73,690**	909,712	**334**	330
	3,577,826	4,190,498	**4,493**	4,489
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	**2,239,800**	2,387,700	**0**	0
Underprovision in prior years	**198,400**	159,800	**0**	0
	2,438,200	2,547,500	**0**	0
	6,016,026	6,737,998	**4,493**	4,489

The Malaysian income tax is calculated at the statutory tax rate of twenty-five percent (25%) (2014: 25%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate will be reduced to twenty-four percent (24%) for the fiscal year of assessment 2016 onwards.

28. TAX EXPENSE (Cont'd)

The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before tax	**34,672,965**	18,127,375	**9,383,981**	34,926,670
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	**8,668,241**	4,531,844	**2,345,995**	8,731,668
Tax effects in respect of:				
Non-allowable expenses	**1,801,862**	284,505	**175,670**	22,506
Non-taxable income	**(581,604)**	(27,863)	**(2,517,506)**	(8,750,015)
Utilisation of previously unrecognised deferred tax assets	**(4,019,400)**	0	**0**	0
Effect of changes in tax rate on deferred tax	**(125,163)**	0	**0**	0
Deferred tax assets not recognised	**0**	880,000	**0**	0
	5,743,936	5,668,486	**4,159**	4,159
Underprovision in prior years				
- deferred tax	**198,400**	159,800	**0**	0
- income tax	**73,690**	909,712	**334**	330
	6,016,026	6,737,998	**4,493**	4,489

29. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015	2014
	RM	RM
Profit attributable to equity holders of the parent	**21,269,342**	12,079,351
Weighted average number of ordinary shares in issue (units)	**249,961,444**	240,000,000
Basic earnings per ordinary share	**0.09**	0.05

29. EARNINGS PER SHARE (Cont'd)

(b) Diluted earnings per ordinary share

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group 2015 RM
Profit attributable to equity holders of the parent	21,269,342
Weighted average number of ordinary shares in issue (units)	303,280,803
Diluted earnings per ordinary share	0.07
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share (units)	249,961,444
Effect of dilution arising from unexercised warrants (units)	53,319,359
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share (units)	303,280,803

Diluted earnings per share for financial year ended 31 December 2014 was the same as basic earnings per share as there was no dilutive potential ordinary shares.

30. DIVIDENDS

	2015	
	Dividend per share sen	Amount of dividend RM
A single tier final dividend paid in respect of financial year ended 31 December 2014	1.0	2,493,146
An single tier interim dividend paid in respect of financial year ended 31 December 2015	0.5	1,334,229
	1.5	3,827,375

The Directors propose a single tier final dividend of 1.5 sen per ordinary share in respect of the current financial year ended 31 December 2015, subject to the approval of shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, would be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2016.

31. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

31. RELATED PARTY DISCLOSURES (Cont'd)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Subsidiaries:				
Dividends received	**0**	0	**10,070,023**	35,200,060
Interest received	**0**	0	**254,565**	0
Management fee	**0**	0	**90,000**	90,000
Shareholder of a subsidiary:				
Purchase of goods	**18,047,837**	4,447,926	**0**	0
Sale of goods	**124,872,096**	13,428	**0**	0
Purchase of property, plant and equipment	**43,955,055**	44,692,829	**0**	0

The related party transactions described above were undertaken on mutually agreed and negotiated terms.

Information regarding outstanding balances arising from related party transactions as at 31 December 2015 are disclosed in Notes 11 and 14 to the financial statements.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of Directors and other key management personnel during the financial year were as follows:

	Group	
	2015	2014
	RM	RM
Short term employee benefits	**2,209,157**	1,715,796
Contributions to defined contribution plans	**268,921**	160,400
	2,478,078	1,876,196

32. OPERATING SEGMENTS

Tek Seng Holdings Berhad 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.

Tek Seng Holdings Berhad 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.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors.

32. OPERATING SEGMENTS (Cont'd)

	PVC Sheeting RM	PP Non-Woven RM	PVC Leather RM	Solar RM	Others RM	Total RM
2015						
Revenue						
Total revenue	153,261,618	12,298,433	5,805,320	185,248,913	28,129,973	384,744,257
Inter-segment revenue	(22,334,175)	(1,412,750)	(1,200)	(54,632)	(1,424,740)	(25,227,497)
Revenue from external customers	130,927,443	10,885,683	5,804,120	185,194,281	26,705,233	359,516,760
Interest income	975	81	43	9,910	199	11,208
Finance costs	(1,858,963)	(154,560)	(82,409)	(793,447)	(379,172)	(3,268,551)
Net finance expense	(1,857,988)	(154,479)	(82,366)	(783,537)	(378,973)	(3,257,343)
Depreciation	(7,066,812)	(587,555)	(313,278)	(15,946,321)	(1,441,415)	(25,355,381)
Amortisation	(858)	0	0	0	0	(858)
Segment profit before income tax	16,006,718	1,330,844	709,591	13,360,926	3,264,886	34,672,965
Income tax expense	(4,353,375)	(361,952)	(192,989)	(219,753)	(887,957)	(6,016,026)
Segment assets	90,283,585	7,506,436	4,002,345	356,634,542	18,415,117	476,842,025
Segment liabilities	47,123,015	3,917,943	2,089,002	126,056,384	9,611,667	188,798,011
Additions to non-current assets	1,660,035	138,020	73,591	160,273,429	338,597	162,483,672

32. OPERATING SEGMENTS (Cont'd)

	PVC Sheeting RM	PP Non-Woven RM	PVC Leather RM	Solar RM	Others RM	Total RM
2014						
Revenue						
Total revenue	164,342,662	14,055,130	6,361,626	48,008,673	36,770,763	269,538,854
Inter-segment revenue	(30,329,787)	(4,100,610)	0	(592,508)	(2,404,706)	(37,427,611)
Revenue from external customers	134,012,875	9,954,520	6,361,626	47,416,165	34,366,057	232,111,243
Interest income	314	23	15	1,930	80	2,362
Finance costs	(2,140,252)	(158,979)	(101,598)	(23,077)	(548,842)	(2,972,748)
Net finance expense	(2,139,938)	(158,956)	(101,583)	(21,147)	(548,762)	(2,970,386)
Depreciation	(7,459,293)	(554,079)	(354,094)	(8,318,671)	(1,912,851)	(18,598,988)
Amortisation	(858)	0	0	0	0	(858)
Segment profit/(loss) before income tax	15,441,684	1,147,013	733,021	(3,154,184)	3,959,841	18,127,375
Income tax expense	(4,800,932)	(356,615)	(227,901)	(121,407)	(1,231,143)	(6,737,998)
Segment assets	174,243,273	12,942,847	8,271,373	61,650,403	44,682,680	301,790,576
Segment liabilities	80,722,032	5,996,059	3,831,896	28,560,907	20,700,235	139,811,129
Additions to non-current assets	2,051,763	152,406	97,398	51,408,987	526,152	54,236,706

32. OPERATING SEGMENTS (Cont'd)

(a) Reconciliation of reportable segments' profit or loss to the Group's profit for the financial year is as follows:

	Group	
	2015	2014
	RM	RM
Profit for the financial year		
Total profit for reportable segments	**34,672,965**	18,127,375
Tax expense	**(6,016,026)**	(6,737,998)
Profit for the financial year per consolidated statement of profit or loss and other comprehensive income	**28,656,939**	11,389,377

(b) Geographical information

The manufacturing facilities and sales offices of the Group are based in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

Segment assets are based on the geographical location of the assets of the Group.

	Group	
	2015	2014
	RM	RM
Revenue from external customers in:		
Taiwan	**140,477,631**	32,087
Malaysia	**115,699,969**	105,428,502
Singapore	**28,357,275**	31,797,678
Indonesia	**22,553,844**	23,601,506
Yemen	**8,909,580**	12,661,837
Myanmar	**8,319,531**	9,661,907
China	**6,309,668**	9,886,516
South Africa	**1,544,692**	1,607,011
Nigeria	**1,187,099**	5,052,825
Others	**26,157,471**	32,381,374
	359,516,760	232,111,243
Non-current assets		
Malaysia	**354,401,912**	217,294,740

32. OPERATING SEGMENTS (Cont'd)

(c) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of Group revenue:

	Group	
	2015	2014
	RM	RM
Solar Segment		
Customer A	**124,872,096**	0
Customer B	**0**	29,177,071

33. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial years ended 31 December 2015 and 31 December 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group has a target gearing ratio of ten percent (10%) to sixty percent (60%) determined as the proportion of net debt to equity plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group	
	2015	2014
	RM	RM
Loans and borrowings	**104,431,190**	54,648,487
Trade and other payables	**76,076,485**	79,603,322
Government fund	**2,000,000**	2,000,000
Total liabilities	**182,507,675**	136,251,809
Less: Cash and bank balances	**(18,023,798)**	(11,790,093)
Net debt	**164,483,877**	124,461,716
Total capital	**175,110,369**	123,109,164
Net debt	**164,483,877**	124,461,716
Equity plus net debt	**339,594,246**	247,570,880
Gearing ratio	**48%**	50%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than 40 million. The Company has complied with this requirement during the financial year ended 31 December 2015.

The Group is not subject to any externally imposed capital requirement.

33. FINANCIAL INSTRUMENTS (Cont'd)

(b) Categories of financial instruments

	Loans and receivables			
	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial assets				
Trade and other receivables (excluding deposits and prepayments)	**42,045,530**	26,057,281	**8,357,066**	1,141,945
Cash and bank balances	**18,023,798**	12,108,023	**8,239**	3,659
	60,069,328	38,165,304	**8,365,305**	1,145,604

	Other financial liabilities			
	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial liabilities				
Borrowings	**104,431,190**	54,648,487	**0**	0
Trade and other payables	**76,076,485**	79,603,322	**3,334,861**	8,372,902
Government fund	**2,000,000**	2,000,000	**0**	0
	182,507,675	136,251,809	**3,334,861**	8,372,902

(c) Determination of fair values

Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair values and whose carrying amounts are at reasonable approximation of fair values

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables, borrowings and government fund, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

The carrying amounts of the current position of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Hire purchase creditor

The fair value of hire-purchase creditor is estimated based on the future contractual cash flows discounted at current market interest rates available for similar financial instruments and of the same remaining maturities.

(iii) Non-current amount owing to a Director

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing at the end of each reporting period.

33. FINANCIAL INSTRUMENTS (Cont'd)

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below.

Financial instrument	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Financial liability			
Amount owing to a Director	Discounted cash flows method	Discount rate (2015: 3.65%) (2014: 6.20%)	The higher the discount rate, the lower the fair value of the amount owing to a Director would be.

The following table sets out the financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

Group	Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM
2015					
Financial liabilities					
Other financial liabilities					
- Amount owing to a Director	**0**	**0**	**8,871,063**	**8,871,063**	**9,194,856**
- Hire purchase creditor	**0**	**45,381,296**	**0**	**45,381,296**	**46,391,222**
	0	**45,381,296**	**8,871,063**	**54,252,359**	**55,586,078**
2014					
Financial liability					
Other financial liability					
- Amount owing to a Director	0	0	10,650,508	10,650,508	11,310,840

33. FINANCIAL INSTRUMENTS (Cont'd)

(e) The following table shows the sensitivity analysis for the Level 3 fair value measurements:

	Group	
	2015	2014
	RM	RM
Profit after tax		
Discount rate		
- Increase by 0.5% (2014: 0.5%)	**(41,282)**	(49,909)
- Decrease by 0.5% (2014: 0.5%)	**41,676**	50,381

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The overall financial risk management objective of the Group is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on its financial performance and positions. The Group is mainly exposed to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures are detailed below:

(i) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major international institutions and reputable organisations that the Group has dealt with for numerous years. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month, extending up to four (4) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

At the end of each reporting period, maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(i) Credit risk (Cont'd)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	Group			
	2015		2014	
	RM	% of total	RM	% of total
By country:				
Malaysia	**26,098,336**	**64%**	22,728,511	87%
Taiwan	**9,567,059**	**23%**	14,264	*
Philippines	**0**	**0%**	150,158	1%
Singapore	**4,604,023**	**11%**	954,696	4%
United Arab Emirates	**0**	**0%**	141,226	*
Myanmar	**240,575**	**1%**	1,269,908	5%
Others	**209,974**	**1%**	794,518	3%
	40,719,967	**100%**	26,053,281	100%

* Amount is less than 1%

At the end of each reporting period,

(i) approximately twenty-three percent (23%) (2014: less than 1%) of the trade receivables of the Group was due from a shareholder of a subsidiary of the Group.

(ii) one hundred percent (100%) (2014: 100%) of the receivables of the Company was due from its subsidiaries.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 11 to the financial statements.

Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 11 to the financial statements.

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group. In addition, the Group strives to maintain available banking facilities at a reasonable level to meet its business needs.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(ii) Liquidity and cash flow risk (Cont'd)

The table below summarises the maturity profile of the liabilities of the Group at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
As at 31 December 2015				
Group				
Financial liabilities				
Trade and other payables	**66,881,629**	**9,516,676**	**0**	**76,398,305**
Loans and borrowings	**49,985,139**	**32,745,804**	**28,945,982**	**111,676,925**
Government fund	**2,000,000**	**0**	**0**	**2,000,000**
Total undiscounted financial liabilities	**118,866,768**	**42,262,480**	**28,945,982**	**190,075,230**
Company				
Financial liability				
Trade and other payables	**3,334,861**	**0**	**0**	**3,334,861**
Total undiscounted financial liability	**3,334,861**	**0**	**0**	**3,334,861**
As at 31 December 2014				
Group				
Financial liabilities				
Trade and other payables	68,292,482	11,310,840	0	79,603,322
Loans and borrowings	40,902,855	16,557,098	0	57,459,953
Government fund	1,000,000	1,000,000	0	2,000,000
Total undiscounted financial liabilities	110,195,337	28,867,938	0	139,063,275
Company				
Financial liability				
Trade and other payables	8,372,902	0	0	8,372,902
Total undiscounted financial liability	8,372,902	0	0	8,372,902

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The income and operating cash flows of the Group are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from the borrowings and deposits with a licensed bank of the Group and is managed through the use of fixed and floating rates instruments. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates. The deposits of the Group are placed at fixed rates and management endeavours to obtain the best rate available in the market. The Group does not use derivative financial instruments to hedge this risk.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(iii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
At 31 December 2015									
Fixed rate									
Hire purchase creditor	19	2.25	(1,717,052)	(4,197,529)	(4,305,674)	(4,413,819)	(4,521,965)	(27,235,183)	(46,391,222)
Floating rates									
Amount owing to a Director	14	3.52	0	(9,194,856)	0	0	0	0	(9,194,856)
Bankers' acceptances	17	4.43	(25,354,690)	0	0	0	0	0	(25,354,690)
Bank overdrafts	16	3.79	(17,609,087)	0	0	0	0	0	(17,609,087)
Term loan	18	5.83	(4,138,691)	(3,750,000)	(3,750,000)	(3,437,500)	0	0	(15,076,191)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(iii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk (Cont'd):

Group	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
At 31 December 2014									
Fixed rate									
Deposit with a licenced bank	12	2.45	317,930	0	0	0	0	0	317,930
Floating rates									
Bankers' acceptances	17	4.62	(29,666,506)	0	0	0	0	0	(29,666,506)
Revolving credit	17	2.00	(1,223,250)	0	0	0	0	0	(1,223,250)
Onshore foreign currency loan	17	1.53	(4,400,302)	0	0	0	0	0	(4,400,302)
Bank overdrafts	16	8.02	(513,907)	0	0	0	0	0	(513,907)
Term loan	18	5.81	(4,157,022)	(3,750,000)	(3,750,000)	(3,750,000)	(3,437,500)	0	(18,844,522)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(iii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Company that are exposed to interest rate risk:

Company	Note	Weighted average effective interest rate %	Within 1 year RM	Total RM
At 31 December 2015				
Floating rates				
Amount owing by subsidiaries	11	3.49	8,357,066	8,357,066
Amount owing to subsidiaries	14	3.41	(1,813,950)	(1,813,950)

<u>Sensitivity analysis for interest rate risk</u>

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of each reporting period changed by fifty (50) basis points with all other variables held constant:

Group		Profit after tax 2015 RM	Profit after tax 2014 RM
Deposits with a licensed bank	- 50 basis points higher	0	1,192
	- 50 basis points lower	0	(1,192)
Bankers' acceptances			
	- 50 basis points higher	(95,080)	(111,249)
	- 50 basis points lower	95,080	111,249
Onshore foreign currency loan	- 50 basis points higher	0	(16,501)
	- 50 basis points lower	0	16,501
Revolving credit	- 50 basis points higher	0	(4,587)
	- 50 basis points lower	0	4,587
Bank overdrafts	- 50 basis points higher	(66,034)	(1,927)
	- 50 basis points lower	66,034	1,927
Term loan	- 50 basis points higher	(56,536)	(70,667)
	- 50 basis points lower	56,536	70,667
Amount owing to a Director	- 50 basis points higher	(34,481)	0
	- 50 basis points lower	34,481	0

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(iii) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk (Cont'd)

		Profit after tax	
		2015	2014
Company		RM	RM
Amount owing by subsidiaries	- 50 basis points higher	**31,339**	0
	- 50 basis points lower	**(31,339)**	0
Amount owing to subsidiaries	- 50 basis points higher	**(6,802)**	0
	- 50 basis points lower	**6,802**	0

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Transactional currency exposures arise from sales to Asian, South African and Middle East customers. These sales are priced in Ringgit Malaysia but invoiced in USD currency. The Group also makes purchases of raw materials from China, Taiwan and Singapore. The Group has no hedging policy and does not make use of forward-currency contracts.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the profit net of tax of the Group to reasonable possible change in the USD, SGD, EURO and TWD exchange rate against the functional currency of the Group, with all other variables held constant.

		Group Profit net of tax	
		2015	2014
		RM	RM
USD/RM	- Strengthened by 3% (2014: 3%)	**(1,407,919)**	(48,059)
	- Weakened by 3% (2014: 3%)	**1,407,919**	48,059
SGD/RM	- Strengthened by 3% (2014: 3%)	**461**	729
	- Weakened by 3% (2014: 3%)	**(461)**	(729)
EURO/RM	- Strengthened by 3% (2014: 3%)	**(4,923)**	(46,442)
	- Weakened by 3% (2014: 3%)	**4,923**	46,442
TWD/RM	- Strengthened by 3% (2014: 3%)	**(7,426)**	0
	- Weakened by 3% (2014: 3%)	**7,426**	0

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 10 February 2015, the Company completed the bonus issue of 120,000,000 free warrants on the basis of one (1) free warrant for every two (2) existing ordinary shares of RM0.25 each held in the Company, with the listing of 120,000,000 warrants on the Main Market of Bursa Malaysia Securities Berhad.

(b) On 5 June 2015, the Board of Directors of TS Solartech Sdn. Bhd. ('TS Solartech') proposed to vary the terms of the Redeemable Non-Cumulative Preference Shares ('RNCPS') to facilitate the conversion of all existing RNCPS comprising 216,780 RNCPS issue at an issue price of RM1,000 each into 216,780,000 new TS Solartech shares at a conversion ratio of 1,000 TS Solartech shares for each RNCPS held. The proposed conversion was completed on 1 July 2015.

36. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 29 January 2016, the Company proposed to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company. The private placement was completed on 25 February 2016 . As a result, a total of 27,301,600 new ordinary shares of RM0.25 each in the Company was issued.

37. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS

The retained earnings as at the end of the reporting period may be analysed as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings of the Company and its subsidiaries:				
- Realised	**126,655,521**	234,304,218	**93,857,719**	88,305,606
- Unrealised	**(2,289,783)**	(2,636,298)	**0**	0
	124,365,738	231,667,920	**93,857,719**	88,305,606
Less:				
Consolidation adjustments	**(15,964,372)**	(168,558,756)	**0**	0
Total retained earnings	**108,401,366**	63,109,164	**93,857,719**	88,305,606

List of Properties

	Location/Address	Date of Acquisition	Description and Existing Use	Approximate Land/ Built-up Area	Age of Building / Tenure	Carrying Amount as at 31 Dec 2015
1.	Plot 159, Jalan Perindustrian Bukit Minyak 7, Taman Perindustrian Bukit Minyak, 14000 Bukit Mertajam. (H.S. (D) 46613, Lot 395, Mukim 13, Seberang Perai Tengah, Penang)	03 May 2000	1-storey factory (attached with 4-storey production area) cum 2-storey office block / Manufacturing and office use Owner occupied	Land area = 27,351.55 sq. Metre Built-up area = 19,822 sq. Metre	14 years old / Leasehold 60 years expiring on 11 Mar 2061	Land = RM2,653,939 Building = RM9,867,154
2.	Plot 160, Jalan Perindustrian Bukit Minyak 7, Taman Perindustrian Bukit Minyak, 14000 Bukit Mertajam. (H.S. (D) 48999, PT 429, Mukim 13, Seberang Perai Tengah, Penang)	12 Dec 2002	1-storey factory (attached with 4-storey production area) / Manufacturing and Warehouse Owner occupied	Land area = 17,494.55 sq. Metre Built-up area = 10,425 sq. Metre	13 years old / Leasehold 60 years expiring on 25 Aug 2063	Land = RM1,825,150 Building = RM9,443,917
3.	Plot 162(b), Jalan Perindustrian Bukit Minyak 7, Taman Perindustrian Bukit Minyak, 14000 Bukit Mertajam. (H.S.(D) 53381, PT 793, Mukim 13, Seberang Perai Tengah, Penang)	1 Jun 2005	1-storey factory/ Warehouse Owner occupied	Land area = 15,784.28 sq. Metre Built-up area = 5,280 sq. Metre	10 year old/ Leasehold 60 years expiring on 25 Aug 2063	Land = RM1,705,012 Building = RM7,781,376
4.	43, Jalan Mas Jaya 2, Kawasan Perindustrian Mas Jaya, Selangor Darul Ehsan. (H.S. (D) 69154, PT 27606, Mukim Cheras, Daerah Langat, Selangor)	1 Jun 1995	1 1/2-Storey warehouse / Warehouse Owner occupied	Land area = 328 sq. Metre Built-up area = 273 sq. Metre	20 years old / Freehold	Land = RM258,352 Building = RM115,628
5.	77-14-5, Menara Belfield Condominium, Jalan Talalla, Off Jalan Maharajalela, 50460 Kuala Lumpur (Parcel No. B1-13A, erected on part of land under Certificate of Title No. 7564, Lot 393, Section 69, Kuala Lumpur)	28 Jan 1997	Apartment / Hostel Owner occupied	Built-up area = 98.47 sq. Metre	18 years old/ Freehold	Building = RM173,521
6.	Plot 320, Jalan Perindustrian Bukit Minyak 8, Penang Science Park, Bukit Minyak, Mukim 13, Seberang Perai Tengah, 14100 Pulau Pinang.	21 Feb 2011	4-Storey Factory / Warehouse Owner occupied (Phase I)	Land area = 32,586.91 sq. Metre Built-up area = 13,640.44 sq. Metre	5 years old / Leasehold 60 years	Land = RM6,120,090 Building = RM60,794,850
			3-Storey Factory / Warehouse Owner occupied (Phase II)	Built-up area = 24,328.46 sq. Metre	Capital work-in-progress	Building = RM28,280,897

Statistics on Shareholdings

AS AT 31 MARCH 2016

Authorised Share Capital	:	RM500,000,000
Issued Capital	:	309,291,062 Units
Paid-Up Capital	:	RM77,322,765.50
Class of Shares	:	Ordinary Shares of RM0.25 each
Voting Rights	:	1 Vote per ordinary share

Analysis of Shareholdings

No. of Holders	Size of Holdings	Total Holdings	% of Total Issued Capital
131	less than 100 shares	5,928	#
240	100 to 1,000 shares	138,550	0.04
1,593	1,001 to 10,000 shares	8,375,502	2.71
661	10,001 to 100,000 shares	22,151,550	7.16
132	100,001 to less than 5% of issued shares	141,082,872	45.62
2	5% and above of issued shares	137,536,660	44.47
2,759		309,291,062	100.00

Negligible

Thirty (30) Largest Securities Account Holders as at 31 March 2016

(without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name	No. of Shares	% of Total Issued Capital
1	LOH KOK CHENG	73,857,030	23.88
2	LOH KOK BENG	63,679,630	20.59
3	SOON SEOK CHOO	12,824,740	4.15
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB ISLAMIC SMALL CAP FUND	8,279,200	2.68
5	CHANG, JUNG-CHEN	7,557,741	2.44
6	CHONG AH SUAN	7,225,300	2.34
7	TEOH THEAN HAI	7,160,325	2.32
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	6,853,960	2.22
9	HSU CHOU, YU-LING	6,542,566	2.12
10	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	6,341,800	2.05
11	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	5,518,100	1.78
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB-PRINCIPAL SMALL CAP FUND (240218)	4,517,800	1.46
13	KUMPULAN WANG SIMPANAN GURU-GURU	4,000,000	1.29
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN)(AFFIN HWNG SM CF)	3,166,900	1.02
15	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR PHEIM ASEAN EQUITY FUND (TCSB)	3,005,900	0.97
16	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	2,219,200	0.72
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	2,219,200	0.72

Thirty (30) Largest Securities Account Holders as at 31 March 2016 (Cont'd)
(without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name	No. of Shares	% of Total Issued Capital
18	JONY RAW @ RAW JONY	1,971,000	0.64
19	LOH JOO ENG	1,875,000	0.61
20	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	1,582,000	0.51
21	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DG)	1,500,000	0.48
22	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG SIOK WAN (MARGIN)	1,373,900	0.44
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG SOKE HUN (E-BBB/RLU)	1,340,000	0.43
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG SOKE HUN (E-BBB/RLU)	1,300,000	0.42
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI SHIAK CHAI (470810)	1,295,000	0.42
26	LOH LOO NGOH	1,283,250	0.41
27	LOH LOO GUAT	1,250,000	0.40
28	HO POAY CHIEW	1,250,000	0.40
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR LEMBAGA TABUNG ANGKATAN TENTERA (210232)	1,215,000	0.39
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIA HONG @ GAN CHIA HONG (E-TMR)	1,200,000	0.39
	TOTAL	**243,404,542**	**78.70**

Substantial Shareholdings

Substantial Shareholders	No. of ordinary shares of RM0.25 each held Direct Interest	%	Deemed Interest	%
Loh Kok Beng	63,679,630	20.59	–	–
Loh Kok Cheng	73,857,030	23.88	–	–

Directors' Shareholdings

Name of Directors	No. of ordinary shares of RM0.25 each held Direct Interest	%	Deemed Interest		%
Loh Kok Beng	63,679,630	20.59	–		–
Loh Kok Cheng	73,857,030	23.88	–		–
Loh Joo Eng	1,875,000	0.61	115,825	N1	0.04
Dr. Kamarudin Bin Ngah	4,375	#	–		–
Tuan Haji Mohamed Haniffah Bin S.M. Mydin	40,000	0.01	–		–
Yeoh Aik Chuan	–	–	–		–
Loh Eng Chun	–	–	–		–

Note :
(N1) Deemed interested by virtue of Section 6A of the Companies Act 1965 held through spouse, son and daughter.
Negligible

Statistics on Warrantholdings

AS AT 31 MARCH 2016

Number of outstanding warrants	:	78,010,538 Units
Exercise period	:	The exercise period is any time within a period of 5 years from the date of issue up to the expiry date of 09 February 2020
Exercise price	:	RM0.25 each
Warrant Entitlement	:	Each warrant entitles the registered holder during the Exercise period to subscribe for one new ordinary share of RM0.25 each
Number of warrant holders as at 31 March 2016	:	1,755

Distribution of warrant holders

No. of Holders	Size of Holdings	Total Holdings	% of Total Warrantholdings
237	less than 100 warrants	9,458	0.01
308	100 to 1,000 warrants	203,916	0.26
807	1,001 to 10,000 warrants	3,741,725	4.80
323	10,001 to 100,000 warrants	11,571,787	14.83
77	100,001 to less than 5% of issued warrants	37,183,427	47.67
3	5% and above of issued warrants	25,300,225	32.43
1,755		78,010,538	100.00

Thirty (30) Largest Securities Account Holders as at 31 March 2016

(without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name	No. of Warrants	% of Total Warrant-holdings
1	CITIGROUP NOMINEES (ASING) SDN BHD CEP FOR PHEIM SICAV-SIF	13,513,525	17.32
2	LOH KOK CHENG	6,486,700	8.32
3	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG SOKE HUN (E-BBB/RLU)	5,300,000	6.79
4	TEOH THEAN HAI	3,580,177	4.59
5	NG THONG YANG	3,260,000	4.18
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR CB INDUSTRIAL PRODUCT HOLDING BHD (A/C 229) (211669)	1,701,925	2.18
7	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)	1,200,000	1.54
8	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR PROGRESSIVE INSURANCE BERHAD (A/C231)	1,164,700	1.49
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR AZMAN BIN HASHIM (A/C238-754326)	1,144,625	1.47
10	CHANG, JUNG-CHEN	1,082,300	1.39
11	CHONG AH SUAN	1,032,600	1.32
12	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SEE KWAN (AL0089)	1,000,000	1.28
13	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK CHEW LENG	1,000,000	1.28
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG SOKE HUN (E-BBB/RLU)	955,000	1.22
15	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KON MEI PHIN (AK0030)	900,000	1.15
16	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	858,175	1.10
17	NG HOE TIAN	845,300	1.08

Thirty (30) Largest Securities Account Holders as at 31 March 2016 (Cont'd)

(without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name	No. of Warrants	% of Total Warrant-holdings
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR BENTA WAWASAN SDN BHD (A/C 95-230135)	691,850	0.89
19	TEOH LEE LIN	650,025	0.83
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIA HONG @ GAN CHIA HONG (E-TMR)	600,000	0.77
21	ILI LIYANA BINTI MOHD NADZARUDDIN	599,000	0.77
22	TAN CHIN TIANG	598,600	0.77
23	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	591,200	0.76
24	FRANCIS CHAI KIM LUNG	557,200	0.71
25	LIM FONG LEE	550,000	0.71
26	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD SHAH BIN MUSTAFFAR	511,000	0.66
27	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HO PHEA KEAT (007)	470,000	0.60
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR BANDAR RAYA GROUP RETIREMENT BENEFIT SCHEME (A/C 056) (211843)	462,000	0.59
29	LOH BEE LENG	460,000	0.59
30	TEH KEE HENG	420,500	0.54
	TOTAL	**52,186,402**	**66.90**

Substantial Warrantholdings

Substantial Warrantholders	No. of warrant held Direct Interest	%	Deemed Interest	%
CITIGROUP NOMINEES (ASING) SDN BHD CEP FOR PHEIM SICAV-SIF	13,513,525	17.32	–	–
LOH KOK CHENG	6,486,700	8.32	–	–
PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG SOKE HUN (E-BBB/RLU)	5,300,000	6.79	–	–

Directors' Warrantholdings

Name of Directors	No. of warrant held Direct Interest	%	Deemed Interest		%
Loh Kok Beng	–	–	–		–
Loh Kok Cheng	6,486,700	8.32	–		–
Loh Joo Eng	–	–	50,037	N1	0.06
Dr. Kamarudin Bin Ngah	2,187	#	–		–
Tuan Haji Mohamed Haniffah Bin S.M. Mydin	–	–	–		–
Yeoh Aik Chuan	–	–	–		–
Loh Eng Chun	–	–	–		–

Note :
(N1) Deemed interested by virtue of Section 6A of the Companies Act 1965 held through spouse and son.
\# Negligible

Additional Compliance Information

Non-Audit Fees

During the year, non-audit fees amounting to RM11,500 were paid by the Company and its subsidiaries to the Company's External Auditors and its affiliates as professional fees.

Share Buybacks

The Company does not have a share buy-back programme in place.

Variations in Results

There were no profit estimates or unaudited financial results released which differ by 10% of more from the audited results.

Profit Guarantee

There were no profit guarantee given by the Company or its subsidiaries for the financial year ended 31 December 2015.

Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year ended 31 December 2015.

Depository Receipt Programme

The Company does not have any depository receipt programme during the financial year ended 31 December 2015.

Share and Share Options, Warrants or Convertible Securities

On 10 February 2015, the Company issued 120,000,000 free warrants on the basis of one (1) free warrant for every two (2) existing ordinary shares of RM0.25 each in the Company held by the shareholders as at 29 January 2015. The exercise period commenced on and including the date of issuance of the warrants and it will lapsed within five (5) years from the date of issuance i.e. 09 February 2020.

As at 31 December 2015, 26,836,012 warrants had been converted to ordinary shares at a conversion price of RM0.25 each.

Utilisation of Proceeds

For the financial year ended 31 December 2015, the total proceeds raised by the Company from the exercise of the Warrants was RM6,709,003. The proceeds was utilised for working capital used to finance the Group's day to day operations. These expenses included payments for purchases of raw materials, utility bills and staff costs.

Recurrent Related Party Transactions

The breakdown of the aggregate value of the recurrent related party transactions entered into by TS Solartech Sdn Bhd pursuant to the shareholders' mandate are as follows:

Transacting Party (N1)	Related Party (N2)	Nature of Transactions	Actual Value Transacted from 13.01.2015 to 31.12.2015
			RM'000
TS Solartech	SEC	TS Solartech supplies solar cells to SEC	128,034
TS Solartech	SEC	TS Solartech purchases silicon wafers from SEC	9,593
TS Solartech	SEC	TS Solartech purchases conductor paste from SEC	10,247
			147,874

Notes

(N1) TS Solartech Sdn Bhd ("TS Solartech"), a 50.69% owned subsidiary of the Company.

(N2) Solartech Energy Corp. ("SEC") is a company incorporated in Republic of China, Taiwan is a major shareholder of TS Solartech with direct equity interest of 42.12%.

Material Contracts

Save as disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group within two (2) years immediately preceding the 31 December 2015:

i) Memorandum of Understanding ("MOU") dated 11 September 2014 entered between TS Solartech Sdn Bhd ("TS Solartech") and Solartech Energy Corp. ("SEC") and announced to Bursa Securities on 11 September 2014 for the purpose of a strategic alliance between the parties whereby SEC is proposing to invest in TS Solartech. The MOU shall lapse if the parties are unable to finalise the terms of the proposed investment; and

ii) Subscription Agreement dated 13 November 2014 made between TS Solartech, TSHB and SEC in respect of the proposed issuance of 3,174,603 ordinary shares of RM1.00 each in TS Solartech to SEC for a total cash consideration of RM13,174,602 ("Issuance"). The Issuance was completed on 1 December 2014.

iii) Shareholders Agreement dated 2 December 2014, entered between TSHB, TS Solartech and SEC in respect of the agreement to enter into certain commitments, i.e. promotion of TS Solartech's business and finance of the business and to regulate their rights as shareholders of TS Solartech.

Notice of Fourteenth Annual General Meeting

NOTICE IS HEREBY GIVEN that the 14th Annual General Meeting ("AGM") of Tek Seng Holdings Berhad ("the Company") will be held at Laurel II Ballroom, Level 1, Evergreen Laurel Hotel of 53, Persiaran Gurney, 10250 Penang on Friday, 20 May 2016 at 9.30 a.m. for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of Directors and Auditors thereon. **Please refer to Note 6**

2. To re-elect the following Directors who retire by rotation in accordance with Article 86 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

   i) Tuan Haji Mohamed Haniffah Bin S.M. Mydin **Resolution 1**

   ii) Mr. Yeoh Aik Chuan **Resolution 2**

3. To approve the payment of a Single Tier Final Dividend of 1.5 sen per ordinary share of RM0.25 each for the financial year ended 31 December 2015. **Resolution 3**

4. To approve the increase and payment of Directors' Fees for the financial year ended 31 December 2015. **Resolution 4**

5. To re-appoint Messrs. BDO as auditors of the Company to hold office until the next AGM of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

As Special Business:

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

   "That, subject always to the provisions of the Companies Act, 1965, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and/or any other regulatory authorities, the authority be and is hereby given for TS Solartech Sdn Bhd, a 50.69% subsidiary of the Company to enter into recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate") as set out in Section 2.4 of the circular to shareholders in relation to the Proposed Shareholders' Mandate provided that such transactions are in the ordinary course of business which are necessary for the day-to-day operations on terms not more favourable to Solartech Energy Corp., the related party than those generally available to the public and are not to the detriment of the minority shareholders and that such authority shall continue to be in force until:

   (a) the conclusion of the next AGM of the Company following the AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at the AGM, the authority is renewed;

   (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

   (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

   whichever is the earlier;

   And that, the Executive Directors of the Company be and are hereby authorised to complete and do all such acts including executing any documents as may be required to give full effect to such transactions authorised by this resolution." **Resolution 6**

As Special Business: (Cont'd)

7. **PROPOSED CONTINUATION IN OFFICE BY TUAN HAJI MOHAMED HANIFFAH BIN S.M. MYDIN AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

   "That, authority be and is hereby given to Tuan Haji Mohamed Haniffah Bin S.M. Mydin who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company." **Resolution 7**

8. **PROPOSED CONTINUATION IN OFFICE BY DR. KAMARUDIN BIN NGAH AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

   "That, authority be and is hereby given to Dr. Kamarudin Bin Ngah who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company." **Resolution 8**

9. **PROPOSED RENEWAL OF GENERAL MANDATE FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

   "That, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant government regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares to be issued." **Resolution 9**

10. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 14th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 12 May 2016. Only a depositor whose name appears on the Record of Depositors as at 12 May 2016 shall be entitled to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board,

LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Company Secretaries

Penang
Date : 28 April 2016

NOTES ON APPOINTMENT OF PROXY

1. *A proxy may but need not be a member of the Company.*

2. *For a proxy to be valid, the Proxy Form, duly completed must be deposited at the registered office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.*

3. *A member shall be entitled to appoint one (1) or more proxies to attend and vote instead of him at the same meeting and where a member appoints two (2) or more proxies to vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*

4. *Where a member is an Exempt Authorized Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds.*

5. *In the case of a corporate member, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*

EXPLANATORY NOTE ON ORDINARY BUSINESS

6. *Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders of the Company. Hence, Agenda 1 is not put forward for voting.*

EXPLANATORY NOTES ON SPECIAL BUSINESS

7. *The Resolution 6, if passed, will allow TS Solartech Sdn. Bhd., a 50.69% owned subsidiary of the Company to enter into recurrent transactions involving the interests of a related party, Solartech Energy Corp. which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company. Further information of the Renewal of Shareholders' Mandate is set out in the Circular to Shareholders dated 28 April 2016 which has been dispatched together with the Company's Annual Report for the financial year ended 31 December 2015.*

8. *The Resolutions 7 and 8, if passed, will allow the Independent Non-Executive Directors to be retained and continue to act as Independent Non-Executive Directors to fulfill the requirements of paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities and to be in line with the recommendation 3.3 of the Malaysian Code of Corporate Governance 2012. The details of justifications are set out in the Company's Annual Report for the financial year ended 31 December 2015.*

9. *The Resolution 9, if passed, will allow the Directors to allot and issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.*

   As at the date of notice of 14th AGM, 27,301,600 ordinary shares of RM0.25 each were issued and allotted pursuant to the general mandate granted at the last AGM of the Company. The total proceeds of RM28,939,696.00 had been utilized by the Group for its capital expenditure, working capital requirements, repayment of bank borrowings as well as to defray the expenses relating to the placement of shares.

   The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

Notice of Dividend Entitlement

NOTICE IS ALSO HEREBY GIVEN that a Single Tier Final Dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2015, if approved, will be paid on 11 July 2016 to shareholders registered in the Record of Depositors of the Company on 15 June 2016.

A depositor shall qualify for entitlement only in respect of:

a. Shares transferred into the depositor's securities account before 4.00 p.m. on 15 June 2016 in respect of ordinary transfers; and

b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board,

LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Company Secretaries

Penang
Date : 28 April 2016

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Proxy Form

TEK SENG HOLDINGS BERHAD (579572-M)
(Incorporated in Malaysia)

CDS Account No.	

*I/ We ....
[Full Name in Block Letters (I/C No./ Passport No./ Company No.)]

of ....
(Address)

being a * member / members of the abovenamed Company, hereby appoint ....

....
[Full Name in Block Letters (I/C No./ Passport No./ Company No.)]

of ....
(Address)

or failing whom, the Chairman as *my/our proxy to vote for *me/us on *my/our behalf at the 14th Annual General Meeting of the Company, to be held at Laurel II Ballroom, Level 1, Evergreen Laurel Hotel of 53, Persiaran Gurney, 10250 Penang on Friday, 20 May 2016 at 9.30 a.m. and at any adjournment thereof.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To re-elect Tuan Haji Mohamed Haniffah Bin S.M. Mydin as a director.		
2	To re-elect Mr. Yeoh Aik Chuan as a director.		
3	To approve the payment of a single tier final dividend.		
4	To approve the increase and payment of directors' fees.		
5	To re-appoint Messrs. BDO as auditors of the Company.		
6	To obtain a renewal and new shareholders' mandate for recurrent related party transactions.		
7	To re-appoint Tuan Haji Mohamed Haniffah Bin S.M. Mydin as Independent Non-Executive Director.		
8	To re-appoint Dr. Kamarudin Bin Ngah as Independent Non-Executive Director.		
9	To authorise the directors to issue shares pursuant to Section 132D of Companies Act, 1965.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this .... day of ...., 2016.

No. of shares held	

....
Signature of Member(s)

Notes :

1. *A proxy may but need not be a member of the Company.*
2. *For a proxy to be valid, this form, duly completed must be deposited at the registered office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.*
3. *A member shall be entitled to appoint one (1) or more proxies to attend and vote instead of him at the same meeting and where a member appoints two (2) or more proxies to vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*
4. *Where a member is an Exempt Authorized Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds.*
5. *In the case of a corporate member, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
6. *In respect of deposited securities, only a depositor whose name appear on the Record of Depositors on 12 May 2016 shall be eligible to attend the meeting or appoint proxies to attend and/or vote on his/her behalf.*

* *Strike out whichever is not desired.*

PLEASE FOLD HERE

AFFIX
STAMP
HERE

THE COMPANY SECRETARY
TEK SENG HOLDINGS BERHAD (579572-M)
51-21-A, MENARA BHL BANK,
JALAN SULTAN AHMAD SHAH,
10050 PENANG

PLEASE FOLD HERE

TEK SENG HOLDINGS BERHAD (579572-M)
Plot 159, MK 13, Jalan Perindustrian Bukit Minyak 7,
Bukit Minyak Industrial Park, 14000 Bukit Mertajam,
S.P.T., Pulau Pinang, Malaysia.

Tel : 604-507 5808 (Hunting Lines)

www.tekseng.com.my