

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	AS AT END OF CURRENT QUARTER	(As per Audited A/Cs) AS AT PRECEDING FINANCIAL YEAR ENDED
	31.3.2011	31.12.2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	671,898	661,915
Investment properties	15,170	15,219
Prepaid land lease payments	43,504	43,781
Goodwill on consolidation	28,222	28,222
Intangible assets	70,629	70,817
Biological assets	156,861	144,159
Investment in associate	9,338	9,359
Investment in jointly controlled entity	2,712	2,741
Investment securities	4,642	4,183
Deferred tax assets	-	50
	1,002,976	980,446
Current assets		
Inventories	182,303	172,334
Trade receivables	89,831	107,575
Other receivables	33,970	32,852
Tax recoverable	9,956	11,574
Cash and bank balances	231,288	234,348
	547,348	558,683
TOTAL ASSETS	1,550,324	1,539,129

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011 (cont'd)

	AS AT END OF CURRENT QUARTER	(As per Audited A/Cs) AS AT PRECEDING FINANCIAL YEAR ENDED
	31.3.2011	31.12.2010
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	219,007	219,007
Share premium	45,708	45,708
Treasury shares	(7,514)	(7,502)
Other reserves	1,352	975
Retained earnings	837,901	825,237
	1,096,454	1,083,425
Minority interest	9,202	7,253
Total equity	1,105,656	1,090,678
Non-current liabilities		
Long term borrowings	68,832	67,338
Deferred tax liabilities	62,868	62,492
Retirement benefit obligations	1,970	2,071
Land premium payable	1,299	2,819
	134,969	134,720
Current liabilities		
Trade payables	38,325	40,744
Other payables	18,782	19,844
Short term borrowings	248,889	250,452
Current tax payable	2,105	1,526
Land premium payable	1,520	1,087
Retirement benefit obligations	78	78
	309,699	313,731
Total liabilities	444,668	448,451
TOTAL EQUITY AND LIABILITIES	1,550,324	1,539,129

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	156,768	177,662	156,768	177,662
Cost of sales	(122,166)	(159,756)	(122,166)	(159,756)
Gross Profit	<u>34,602</u>	<u>17,906</u>	<u>34,602</u>	<u>17,906</u>
Administrative expenses	(6,265)	(8,028)	(6,265)	(8,028)
Selling and distribution expenses	(10,816)	(12,218)	(10,816)	(12,218)
Operating profit/(loss)	<u>17,521</u>	<u>(2,340)</u>	<u>17,521</u>	<u>(2,340)</u>
Other income	1,836	3,624	1,836	3,624
Other expenses	(373)	(739)	(373)	(739)
Finance costs	(2,540)	(1,805)	(2,540)	(1,805)
Share of profit of associate	168	284	168	284
Share of (loss)/profit of jointly controlled entity	(29)	29	(29)	29
Profit/(loss) before tax	<u>16,583</u>	<u>(947)</u>	<u>16,583</u>	<u>(947)</u>
Taxation	(3,720)	(1,037)	(3,720)	(1,037)
Profit/(loss) for the period	<u>12,863</u>	<u>(1,984)</u>	<u>12,863</u>	<u>(1,984)</u>
Other comprehensive income, net of tax:				
Net gain on available-for-sale financial asset				
- Gain on fair value changes	366	219	366	219
- Transfer to profit or loss upon disposal	(83)	73	(83)	73
Foreign currency translation	94	(976)	94	(976)
Other comprehensive income/(loss), net of tax	<u>377</u>	<u>(684)</u>	<u>377</u>	<u>(684)</u>
Total comprehensive income/(loss) for the period	<u>13,240</u>	<u>(2,668)</u>	<u>13,240</u>	<u>(2,668)</u>
Profit/(loss) attributable to:				
Equity holders of the parent	12,664	(1,949)	12,664	(1,949)
Minority interest	199	(35)	199	(35)
Profit/(loss) for the period	<u>12,863</u>	<u>(1,984)</u>	<u>12,863</u>	<u>(1,984)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	13,041	(2,633)	13,041	(2,633)
Minority interest	199	(35)	199	(35)
Total comprehensive income/(loss) for the period	<u>13,240</u>	<u>(2,668)</u>	<u>13,240</u>	<u>(2,668)</u>
Earnings/(loss) per share attributable to equity holders of the parent:				
Basic, for profit/(loss) for the period (sen)	<u>2.91</u>	<u>(0.45)</u>	<u>2.91</u>	<u>(0.45)</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011**

	Note	←————— Attributable to Equity Holders of the Parent —————→					Total RM'000	Minority Interest RM'000	Total Equity RM'000	
		Share Capital RM'000	Share Premium RM'000	←————— Non-Distributable —————→		Distributable				
				Treasury Shares RM'000	Translation Reserves RM'000	Other Reserves RM'000	Retained Earnings RM'000			
Quarter ended 31 March 2011										
Balance as at 1 January 2011		219,007	45,708	(7,502)	472	503	825,237	1,083,425	7,253	1,090,678
Total comprehensive income for the period		-	-	-	94	283	12,664	13,041	199	13,240
<i>Transactions with owners</i>										
Addition of investment in subsidiaries by minority									1,750	1,750
Purchase of treasury shares	7			(12)				(12)		(12)
<hr/>										
Balance as at 31 March 2011		219,007	45,708	(7,514)	566	786	837,901	1,096,454	9,202	1,105,656

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	←————— Attributable to Equity Holders of the Parent —————→						Total RM'000	Minority Interest RM'000	Total Equity RM'000
	←————— Non-Distributable			—————→ Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Translation Reserves RM'000	Other Reserves RM'000	Retained Earnings RM'000			
Quarter ended 31 December 2010									
Balance as at 1 January 2010	219,007	45,708	(7,479)	1,201	-	805,768	1,064,205	6,637	1,070,842
Effects of adopting FRS 139	-	-	-	-	(127)	(1,795)	(1,922)	(20)	(1,942)
As restated	219,007	45,708	(7,479)	1,201	(127)	803,973	1,062,283	6,617	1,068,900
Total comprehensive (loss)/income for the period	-	-	-	(729)	630	31,046	30,947	(364)	30,583
Transactions with owners									
Addition of investment in a subsidiary by minority	-	-	-	-	-	-	-	1,000	1,000
Purchase of treasury shares	-	-	(23)	-	-	-	(23)	-	(23)
Dividends paid	-	-	-	-	-	(9,782)	(9,782)	-	(9,782)
Balance as at 31 December 2010	219,007	45,708	(7,502)	472	503	825,237	1,083,425	7,253	1,090,678

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2011**

	CURRENT YEAR TO DATE 31.3.2011	PRECEDING CORRESPONDING YEAR TO DATE 31.3.2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	16,583	(947)
Adjustments for non cash flow items:		
Depreciation/amortisation	9,377	9,443
Gain on disposal of investments	(83)	(26)
Loss on disposal of property, plant & equipment	3	-
Other non-cash items	(127)	(583)
Operating profit before working capital changes	25,753	7,887
Changes in working capital :		
Net decrease in current assets	6,657	40,323
Net decrease in current liabilities	(3,568)	(10,427)
Payment of retirement benefit	(152)	-
Taxation paid	(1,083)	(2,819)
Net cash generated from operating activities	27,607	34,964
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	(11,301)	-
Additional investment by minority	1,750	1,000
Biological assets expenditure	(11,717)	(12,880)
Land premium paid	(1,087)	(1,087)
Proceeds from disposal of property, plant & equipment	352	-
Proceeds from disposal of investment securities	249	239
Purchase of investment securities	(345)	(321)
Purchase of property, plant & equipment	(7,525)	(11,240)
Timber rights paid	(802)	(678)
Net dividend received from associates	189	-
Net dividend received from investment securities	31	31
Net cash used in investing activities	(30,206)	(24,936)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/drawdown of bank borrowings	(8,217)	4,184
Purchase of treasury shares	(12)	(12)
Net cash (used in)/generated from financing activities	(8,229)	4,172
Net (decrease)/increase in cash and cash equivalents	(10,828)	14,200
Effects of exchange rate changes	64	(607)
Net cash and cash equivalents at the beginning of the period	207,709	161,066
Net cash and cash equivalents at the end of the period	196,945	174,659
For Cashflow purposes, net cash and cash equivalents include the following:-		
Cash and bank balances	231,288	187,506
Less: Bank overdraft	(34,343)	(12,847)
Cash and cash equivalents	196,945	174,659

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Notes

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (øFRSö) 134: Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of the Bursa Malaysia Securities Berhad (øBursa Securitiesö).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

2. Changes in Accounting Policies

The significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group's audited financial statements for the year ended 31 December 2010, except that the Group has adopted the new / revised standards mandatory for annual periods beginning on or after 1 January 2011 that have an impact on the Group, detailed below:

FRSs, Amendments to FRSs and Interpretations

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for the First-time Adopters (Revised)
Amendment to FRS 1	Additional Exemptions for First-time Adopters
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Improving Disclosures about Financial Instruments
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRSs	Improvements to FRSs (2010)

2. Changes in Accounting Policies (Cont'd)

FRSs, Amendments to FRSs and Interpretations (Cont'd)

Other than disclosed below, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

a) FRS 3: Business Combinations (Revised)

FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post-acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

b) FRS 127: Consolidated and Separate Financial Statements (Revised)

FRS 127 (Revised) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes to FRS 127 (Revised) prospectively and therefore, there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for its future transactions or arrangements.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

4. Comments about Seasonal or Cyclical Factors

There were no recurrent or cyclical events that would affect the Group's operations.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current quarter.

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter under review.

7. Issuances and Repayments of Debt and Equity Securities, Share Buy-Backs, Share Cancellations, Shares Held as Treasury Shares and Resale of Treasury Shares

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter.

During the current quarter, the Company repurchased 10,000 of its issued ordinary shares from the open market at an average cost of RM1.19 per share. The total consideration paid for the repurchase, including the transaction costs was RM11,987 and this was financed by internally generated funds. All of these shares repurchased are being retained as treasury shares.

As at 31 March 2011, the number of shares bought back and retained as treasury shares amounted to 3,281,000 shares, derived as follows:-

	Par value	No. of shares
As at 1 January 2011	RM0.50	3,271,000
Share buyback in March 2011	RM0.50	10,000
As at 31 March 2011	RM0.50	<u>3,281,000</u>

8. Dividends

At the forthcoming Annual General Meeting, a final dividend of 6% gross per share less 25% Malaysian Income Tax on 438,013,388 ordinary shares less shares bought back and held as treasury shares amounting to a dividend payable of RM9.782 million (2.25 sen net per share) in respect of the financial year ended 31 December 2010 will be proposed for shareholders' approval.

The financial statements for the current financial quarter do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the current financial year.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

No interim dividend has been proposed or paid for the quarter under review.

9. Segmental Reporting for the Period Ended 31 March 2011

	Revenue RM'000	Profit Before Taxation RM'000
Timber	121,115	12,933
Manufacturing	22,752	1,874
Trading	12,199	1,575
Others	702	201
	<u>156,768</u>	<u>16,583</u>

10. Valuations of Property, Plant and Equipment

There has been no valuation undertaken for the Group's property, plant and equipment since the last annual financial statements.

11. Material Subsequent Events

There were no material events subsequent to the current financial period ended 31 March 2011 other than that disclosed in Note 22.

12. Changes in Composition of the Group

- (i) During the quarter under review, the Group via its wholly-owned subsidiary, Winning Plantation Sdn. Bhd. had acquired 1,500,000 ordinary shares of RM1.00 each, representing 100% of the entire issued and paid-up capital of Borneo Agro-Industries Sdn. Bhd. (öBorneo Agroö) for a total cash consideration of RM11,821,264.

Borneo Agro owns a piece of provisional lease land situated at Kuala Baram, Miri for palm oil plantation purpose. It is strategically situated adjacent to the Group's existing palm oil estate at Batang Baram District, Miri.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

12. Changes in Composition of the Group (Cont'd)

The fair value of the identifiable assets and liabilities as at the date of acquisition were:

	Fair Value	Carrying
	RM'000	Amount
		RM'000
Property, plant and equipment	11,379	698
Tax recoverable	9	9
Cash and bank balances	594	594
	11,982	1,301
Trade and other payables	(87)	(87)
Net identifiable assets	11,895	1,214
Fair value of net identifiable assets	11,895	
Less: Minority interests	-	
Group's interest in fair value of net identifiable assets	11,895	
Goodwill on acquisition	-	
Cost of business combination	11,895	

(ii) During the quarter under review, the following dormant subsidiaries received a notice issued by the Companies Commission Malaysia under Section 308 (2) of the Companies Act, 1965 for de-register of their names and are pending National Gazette:

1. Flexitronics Packaging Corporation Sdn. Bhd. (500283-D); and
2. General Gomma (M) Sdn. Bhd. (38696-P)

(iii) As announced by the Company on 16 March 2011, GAW Marketing Sdn. Bhd. (36382-P) (GAWMö), which under the member's voluntary winding up, had duly convened its Final Meeting on 15 March 2011 and on 16 March 2011 the Liquidator had lodged a return Relating to the Final Meeting with the Companies Commission of Malaysia and the Official Receiver, upon expiration of 3 months of the lodgement GAWM will be dissolved.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

13. Contingent Liabilities

As at the date of this announcement, there were no material changes in the contingent liabilities since the last annual balance sheet as at 31 December 2010.

14. Capital Commitments

	31-03-2011	31-12-2010
	RM'000	RM'000
Approved and contracted for		
Acquisition of a subsidiary	-	11,821
Approved but not contracted for		
Property, plant and equipment	-	225
	<u>-</u>	<u>225</u>

15. Review of Results

For the quarter under review, the Group's turnover was RM156.7 million as compared to RM177.7 million in the 1Q2010, representing a decrease of RM21.0 million (11.8%). However, the Group pre-tax profits increased by 1851.6% to RM16.6 million as compared to 1Q2010 loss of RM0.947 million. This is mainly attributed to the timber division.

Quarter 1, 2011

Timber

For the current quarter, the Group's timber division registered a turnover of RM121.1 million, representing a decrease of 18.2% or RM26.9 million as compared with RM147.9 million in the 1Q2010. The decrease in revenue is due to the drop in log production by approximately 34.0% caused by the bad weather condition experienced in Sarawak since the second half of 2010. This gave rise to a shortage of log supply in the industry which also resulted to lower production volume in the plywood mills. Plywood volumes were 22.1% lower than 1Q2010.

15. Review of Results (Cont'd)

Quarter 1, 2011 (Cont'd)

Timber (Cont'd)

During this quarter, cost of production increased by approximately 20% which saw a similar increase in average selling prices of the Group's timber products. The main cost component that caused the increase in cost of production were royalty rate for logs and costs directly related to rise in oil prices, mainly; fuel, transportation and glue costs. The prolonged shortage of logs and the sudden surge of demand in timber products from Japan after the March 2011 earthquake and tsunami also caused the rise in average selling prices of timber products. The average selling prices for both logs and plywood increased by approximately 58% and 20.5% respectively compared to 1Q2010. Accordingly, the division recorded pre-tax profits of RM12.9 million as compared to pre-tax loss of RM1.2 million recorded in 1Q2010, an increase of 1175.0%. The Group's key export markets for round logs were India (84%), China (13%) and the remaining 4% to Asian countries. The Group's key plywood markets for the quarter in review were Japan (88%), and Taiwan (12%).

Non-Timber Manufacturing and Trading

The non-timber manufacturing and trading division recorded a turnover of RM34.9 million for the quarter under review when compared to 4Q2010's turnover of RM30.8 million, an increase of RM4.1 million. It recorded a pre-tax profit of RM3.4 million as compared to pre-tax profit of RM0.8 million registered in 4Q2010. The increase in both turnover and pre-tax profit was mainly due to improvement in both local and overseas demand and a more favourable product mix.

16. Material Changes for the Quarter Reported on as Compared with the Preceding Quarter

Quarter 1, 2011

Timber

The timber division's turnover for 1Q2011 was RM121.1 million as compared to RM149.6 million in 4Q2010, representing a decrease of 19.1% or RM28.6 million. Despite the decrease in revenue, the division still recorded pre-tax profits of RM12.9 million, a 4.4% drop in profits compared to 4Q2010 of RM13.5 million pre-tax profits. This is mainly due to overall increase in cost of production for the division caused by the recent increase in oil prices and royalty rate for logs.

16. Material Changes for the Quarter Reported on as Compared with the Preceding Quarter (Cont'd)

Quarter 1, 2011 (Cont'd)

Non-Timber Manufacturing and Trading

The non-timber manufacturing and trading division recorded a turnover of RM34.9 million in 1Q2011 as compared with RM29.0 million in 1Q2010, representing an increase of 20%.

Despite the rising raw materials costs and strengthening of Malaysian Ringgit, this quarter under review still registered a higher pre-tax profit of RM3.4 million as compared with RM0.6 million in 1Q2010, this was mainly due to better margins in product mix and in tandem with an increase in turnover.

17. Current Year Prospects

Quarter 1, 2011

Timber

Demand for new homes in Japan showed signs of recovery before the nation's strongest earthquake on March 11, with housing starts gaining for nine straight months, the longest streak since 1996. However, the economy took a bigger hit than anticipated, with a trade deficit in April as exports tumbled at the fastest pace in 18 months on supply chain disruptions. Factory output dropped by 15.3 percent from February and household spending plunged 8.5 percent from a year earlier. Housing starts dropped for the first time in 10 months to 63,419 units and are expected to continue to fall as developers withhold sales of some of its projects. Despite the above, increased demand for certain plywood products is expected to remain strong as temporary homes are being built to house the more than 100,000 people displaced from their homes arising from the earthquake and tsunami. The Japanese government is also expected to announce its second budget for reconstruction after the approval of its first 4 trillion yen (USD 49 billion) budget this month which the Group believes would further strengthen the demand for timber products.

The quarter in review saw continued bad weather condition which hampered log production and consequently reduced plywood production. In the last few weeks, Sarawak's weather condition has improved which makes log harvesting activities a lot of more conducive. Accordingly, barring unforeseen circumstances, the Group expects production volume in its plywood mills to increase in the coming quarters.

17. Current Year Prospects (Cont'd)

Quarter 1, 2011 (Cont'd)

Timber (Cont'd)

The recent renewed concerns over the state of economies of Greece, Ireland and Portugal coupled with the geopolitical tension in the Middle East have reignited worries of yet another slowdown in the world's major economies. There are also concerns that Greece will probably default on its debt with Ireland and Portugal following suit. In light of the current events, the Group will remain cautious of the prospect of the timber industry and shall continue to strive to maintain the quality of its premium plywood products and maintain a formidable presence in the industry.

Non-Timber Manufacturing and Trading

The performance of non-timber division continued to show recovery with improved results in 1Q2011 as a result of better product mix and increased demand in overseas markets despite the several uncertainties in global financial and economic crises.

The Group anticipated the remaining year of 2011 continued to be challenging amid the fears about Greece's finances and Europe spreading debt crisis. These events may add further pressure to the ongoing global economy recovery.

Barring unforeseen circumstances, the Group will continue to maintain its competitive advantage by streamlining its supply chain, focusing on its core products and strengthening branding, provide quality assurance and service to deliver differentiation to the customers.

18. Profit Forecast or Profit Guarantee

The Company has not provided any profit forecast or profit guarantee.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

19. Taxation

	Current Quarter 31-03-2011 RM'000	Current Year To-Date 31-03-2011 RM'000
Taxation based on results for the period:		
Current	3,294	3,294
Deferred taxation	426	426
	3,720	3,720

The Group's lower effective tax rate in the quarter under review was due to the utilisation of reinvestment allowances claims, unabsorbed capital allowances and double deduction incentives granted to certain subsidiaries.

20. Sale of Unquoted Investments and/ or Properties

There was no sale of unquoted investments/properties for the current quarter and the financial period under review.

21. Purchase/Disposal of Quoted Securities

a) Disposal of quoted securities

	Current Quarter 31-03-2011 RM'000	Current Year To-Date 31-03-2011 RM'000
Total proceeds from disposals	249	249
Profit on disposals	83	83

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

21. Purchase/Disposal of Quoted Securities (Cont'd)

b) Total purchases of quoted securities

	Current Quarter 31-03-2011 RM'000	Current Year To-Date 31-03-2011 RM'000
Total costs of purchases	345	345

c) The Group's total investments in quoted securities as at 31 March 2011:-

	As at 31.03.2011 RM'000
At cost	4,486
At book value	4,442
At market value	4,442

22. Status of Corporate Proposals and Developments

There are no other outstanding proposals that have been announced but pending completion, except for the following:

Joint Venture with Yayasan Islam Negeri Kedah (YINK)

The High Court allowed W T K's claim against YINK. The Company's legal advisor has on 16 May 2011 extracted the sealed copies of the judgement from the Court to serve on the Defendant's solicitor in due course.

23. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 31 March 2011 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings	103,781	145,108	248,889
Long-term borrowings	68,456	376	68,832
	172,237	145,484	317,721

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

24. Fair Value Changes of Financial Liabilities

There were no gains/(losses) arising from fair value changes in financial liabilities of the Group during the current quarter under review.

25. Off Balance Sheet Financial Instruments

The Group has no other financial instruments with off balance sheet risks as at the date of this announcement.

26. Realised and Unrealised Profits/(Losses) Disclosure

The breakdown of the realised and unrealised profits/(losses) of the Group are as follows:

	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of W T K Holdings Berhad and its subsidiaries:		
- Realised	945,343	934,969
- Unrealised	(62,069)	(61,708)
	883,274	873,261
Total share of retained profits from associated companies:		
- Realised	7,733	7,854
- Unrealised	(124)	(224)
Total share of retained profits from jointly controlled entities:		
- Realised	486	506
- Unrealised	-	9
	891,369	881,406
Less: Consolidation adjustments	(53,468)	(56,169)
Total Group retained profits as per consolidated accounts	837,901	825,237

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

27. Material Litigation

There is no material litigation against the Group as at the date of this announcement.

28. Earnings per Share (EPS)

Basic earnings per Share

The calculation of basic earnings per share for the cumulative period is based on the profit attributable to ordinary equity holders of the parent amounting to RM12.664 million and the weighted average numbers of ordinary shares outstanding during the period of 434,739,055 shares after taking into the effects of share buy back of the Group.

Diluted (loss) / earnings per Share

The Group does not have any financial instruments or other contracts that may entitle its holder to ordinary shares that would give rise to the dilution in its basic (loss) / earnings per share.

BY ORDER OF THE BOARD

NG KAM MAY (MAICSA 7020575)
COMPANY SECRETARY
Date: 30 May 2011