

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2011

| | AS AT END OF CURRENT QUARTER | (As per Audited A/Cs) AS AT PRECEDING FINANCIAL YEAR ENDED |
|---|---------------------------------|--|
| | 30.6.2011 | 31.12.2010 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 674,018 | 661,915 |
| Investment properties | 15,121 | 15,219 |
| Prepaid land lease payments | 43,227 | 43,781 |
| Goodwill on consolidation | 28,222 | 28,222 |
| Intangible assets | 70,629 | 70,817 |
| Biological assets | 167,352 | 144,159 |
| Investment in associate | 9,802 | 9,359 |
| Investment in jointly controlled entity | 2,587 | 2,741 |
| Investment securities | 4,436 | 4,183 |
| Deferred tax assets | - | 50 |
| | 1,015,394 | 980,446 |
| Current assets | | |
| Inventories | 229,073 | 172,334 |
| Trade receivables | 77,326 | 107,575 |
| Other receivables | 31,189 | 32,852 |
| Tax recoverable | 9,738 | 11,574 |
| Cash and bank balances | 238,002 | 234,348 |
| | 585,328 | 558,683 |
| TOTAL ASSETS | 1,600,722 | 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 30 JUNE 2011 (cont'd)

| | AS AT END OF CURRENT QUARTER | (As per Audited A/Cs) AS AT PRECEDING FINANCIAL YEAR ENDED |
|--|---|---|
| | 30.6.2011 | 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 | 1,848 | 975 |
| Retained earnings | 859,679 | 825,237 |
| | 1,118,728 | 1,083,425 |
| Minority interest | 7,114 | 7,253 |
| Total equity | 1,125,842 | 1,090,678 |
| Non-current liabilities | | |
| Long term borrowings | 74,548 | 67,338 |
| Deferred tax liabilities | 64,955 | 62,492 |
| Retirement benefit obligations | 1,886 | 2,071 |
| Land premium payable | 1,299 | 2,819 |
| | 142,688 | 134,720 |
| Current liabilities | | |
| Trade payables | 40,436 | 40,744 |
| Other payables | 20,096 | 19,844 |
| Short term borrowings | 267,171 | 250,452 |
| Current tax payable | 2,891 | 1,526 |
| Land premium payable | 1,520 | 1,087 |
| Retirement benefit obligations | 78 | 78 |
| | 332,192 | 313,731 |
| Total liabilities | 474,880 | 448,451 |
| TOTAL EQUITY AND LIABILITIES | 1,600,722 | 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 30 JUNE 2011**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|--|---|---|
| | CURRENT YEAR QUARTER 30.6.2011 | PRECEDING YEAR CORRESPONDING QUARTER 30.6.2010 | CURRENT YEAR TO DATE 30.6.2011 | PRECEDING YEAR CORRESPONDING PERIOD 30.6.2010 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 176,638 | 191,017 | 333,406 | 368,679 |
| Cost of sales | (131,479) | (164,653) | (253,645) | (324,409) |
| Gross Profit | <u>45,159</u> | <u>26,364</u> | <u>79,761</u> | <u>44,270</u> |
| Administrative expenses | (6,169) | (5,692) | (12,434) | (13,720) |
| Selling and distribution expenses | (11,801) | (12,905) | (22,617) | (25,123) |
| Operating profit | <u>27,189</u> | <u>7,767</u> | <u>44,710</u> | <u>5,427</u> |
| Other income | 2,003 | 3,934 | 3,839 | 7,558 |
| Other expenses | (147) | (218) | (520) | (957) |
| Finance costs | (2,713) | (2,291) | (5,253) | (4,096) |
| Share of profit of associate | 464 | 544 | 632 | 828 |
| Share of (loss)/profit of jointly controlled entity | (125) | 26 | (154) | 55 |
| Profit before tax | <u>26,671</u> | <u>9,762</u> | <u>43,254</u> | <u>8,815</u> |
| Taxation | <u>(5,203)</u> | <u>(2,699)</u> | <u>(8,923)</u> | <u>(3,736)</u> |
| Profit for the period | <u>21,468</u> | <u>7,063</u> | <u>34,331</u> | <u>5,079</u> |
| Other comprehensive income, net of tax: | | | | |
| Net gain on available-for-sale financial asset | | | | |
| - Gain/(loss) on fair value changes | 54 | (194) | 420 | 25 |
| - Transfer to profit or loss upon disposal | (73) | (237) | (156) | (164) |
| Foreign currency translation | 515 | (106) | 609 | (1,082) |
| Other comprehensive income/(loss), net of tax | <u>496</u> | <u>(537)</u> | <u>873</u> | <u>(1,221)</u> |
| Total comprehensive income for the period | <u>21,964</u> | <u>6,526</u> | <u>35,204</u> | <u>3,858</u> |
| Profit attributable to: | | | | |
| Equity holders of the parent | 21,317 | 7,089 | 33,981 | 5,140 |
| Minority interest | 151 | (26) | 350 | (61) |
| Profit for the period | <u>21,468</u> | <u>7,063</u> | <u>34,331</u> | <u>5,079</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the parent | 21,813 | 6,552 | 34,854 | 3,919 |
| Minority interest | 151 | (26) | 350 | (61) |
| Total comprehensive income for the period | <u>21,964</u> | <u>6,526</u> | <u>35,204</u> | <u>3,858</u> |
| Earnings per share attributable to equity holders of the parent: | | | | |
| Basic, for profit for the period (sen) | <u>4.90</u> | <u>1.63</u> | <u>7.82</u> | <u>1.18</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)
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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 30 June 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 | - | - | - | (1,082) | (139) | 5,140 | 3,919 | (61) | 3,858 |
| Transactions with owners | | | | | | | | | |
| Addition of investment in a subsidiary by minority | - | - | - | - | - | - | - | 1,000 | 1,000 |
| Purchase of treasury shares | - | - | (12) | - | - | - | (12) | - | (12) |
| Dividends paid | - | - | - | - | - | (9,782) | (9,782) | - | (9,782) |
| Balance as at 30 June 2010 | 219,007 | 45,708 | (7,491) | 119 | (266) | 799,331 | 1,056,408 | 7,556 | 1,063,964 |

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)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2011

| | CURRENT YEAR TO DATE 30.6.2011 | PRECEDING CORRESPONDING YEAR TO DATE 30.6.2010 |
|--|---|---|
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 43,254 | 8,815 |
| Adjustments for non cash flow items: | | |
| Depreciation/amortisation | 18,904 | 18,053 |
| Gain on disposal of investments | (156) | (78) |
| Gain on disposal of property, plant & equipment | - | (1,044) |
| Other non-cash items | (359) | (1,154) |
| Operating profit before working capital changes | 61,643 | 24,592 |
| Changes in working capital : | | |
| Net (increase)/decrease in current assets | (24,923) | 72,568 |
| Net decrease in current liabilities | (147) | (5,004) |
| Payment of retirement benefit | (288) | (78) |
| Taxation paid | (3,206) | (3,454) |
| Net cash generated from operating activities | 33,079 | 88,624 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of a subsidiary | (11,303) | - |
| Additional investment in subsidiary | (1,778) | - |
| Additional investment by minority | 1,750 | 1,000 |
| Biological assets expenditure | (21,167) | (25,419) |
| Land premium paid | (1,087) | (1,087) |
| Proceeds from disposal of property, plant & equipment | 563 | 2,615 |
| Proceeds from disposal of investment securities | 599 | 1,116 |
| Purchase of investment securities | (434) | (321) |
| Purchase of property, plant & equipment | (18,179) | (27,596) |
| Timber rights paid | (1,803) | (1,479) |
| Net dividend received from jointly controlled entity | - | 300 |
| Net dividend received from associates | 189 | - |
| Net dividend received from investment securities | 63 | 38 |
| Net cash used in investing activities | (52,587) | (50,833) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown/(repayment) of bank borrowings | 17,381 | (1,570) |
| Purchase of treasury shares | (12) | (12) |
| Net cash generated from/(used in) financing activities | 17,369 | (1,582) |
| Net (decrease)/increase in cash and cash equivalents | (2,139) | 36,209 |
| Effects of exchange rate changes | 382 | (674) |
| 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 | 205,952 | 196,601 |
| For Cashflow purposes, net cash and cash equivalents include the following:- | | |
| Cash and bank balances | 238,002 | 209,778 |
| Less: Bank overdraft | (32,050) | (13,177) |
| Cash and cash equivalents | 205,952 | 196,601 |

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)
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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.

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.

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.

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.

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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.

As at 30 June 2011, the number of shares bought back and retained as treasury shares amounted to 3,281,000 shares.

8. Dividends

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 was approved during the Annual General Meeting held on 28 June 2011. The said dividend was paid on 1 August 2011.

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

9. Segmental Reporting for the Period Ended 30 June 2011

| | Revenue RM'000 | Profit Before Taxation RM'000 |
|---------------|---------------------------|--|
| Timber | 258,831 | 35,292 |
| Manufacturing | 47,501 | 3,089 |
| Trading | 24,154 | 2,733 |
| Others | 2,920 | 2,140 |
| | <u>333,406</u> | <u>43,254</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 30 June 2011 other than that disclosed in Note 22.

12. Changes in Composition of the Group

There were no other changes in the composition of the Group for the financial period ended 30 June 2011 except for the following:

- (i) As announced by the Company on 7 June 2011, the dormant subsidiary namely Flexitronics Packaging Corporation Sdn. Bhd. had been duly struck off its name pursuant to Section 308 of the Companies Act, 1965. (öCAö).
- (ii) On 23 June 2011, the Company announced that Splendid Trend Sdn. Bhd., another dormant subsidiary company had applied to the Companies Commission Malaysia to strike off its name pursuant to Section 308 of the CA.
- (iii) During the quarter under review, the Company had increased its effective equity interest in its subsidiary company, General Aluminium Works (M) Sdn. Bhd. from 87.15% to 93.40% following the transfer of shares from PFM Capital Holdings Sdn. Bhd.

The increase has no significant impact to the Group during the quarter under review and financial period to date.

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.

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14. Capital Commitments

| | Current Year To-Date 30-06-2011 RM'000 | Preceding Year 31-12-2010 RM'000 |
|--|---|---|
| Approved and contracted for | | |
| Acquisition of a subsidiary | - | 11,821 |
| Approved but not contracted for | | |
| Property, plant and equipment | - | 225 |
| | - | 12,046 |

15. Review of Results

For the quarter under review, the Group's turnover was RM176.6 million as compared to RM191.0 million in the 2Q2010, representing a decrease of RM14.4 million (7.5%). However, the Group recorded pre-tax profit of RM26.7 million as compared to 2Q2010 of RM9.8 million, an increase of RM16.9 million (172.4%). This is mainly attributed to the timber division.

Quarter 2, 2011

Timber

For the current quarter, the Group's timber division registered a turnover of RM137.7 million, representing a decrease of 13.1% or RM20.7 million as compared with RM158.4 million in the 2Q2010, with pre-tax profits of RM22.3 million compared to 2Q2010 of RM6.5 million (243.1%). This is mainly due to the overall increase in selling prices of timber products arising from the acute log shortages experienced since beginning of this year.

On a year-to-date (YTD) basis, the timber division registered a turnover of RM258.8 million, representing a decrease of 15.5%, as compared to the previous corresponding period of RM306.3 million. This is mainly attributed to the decrease in logs and plywood sales volume of 24.8% and 28.1% respectively. However, the division recorded a profit of RM35.2 million, representing an increase of 564.2% compared to RM5.3 million registered in the previous corresponding period. This is due to the extremely wet weather condition experienced since beginning of the year and as such, hampered log production.

15. Review of Results (Cont'd)

Quarter 2, 2011 (Cont'd)

Timber (Cont'd)

On a year-on-year (YOY) basis, average round log prices increased by approximately 49.1% compared to prices registered in 2Q2010, whilst sales volume decreased by 13.0% compared to 2Q2010. On a YTD basis, average round log prices increased by 54.1% whilst volume decreased by 24.8%. The Group's key export markets for round logs is India (87%), Japan (3%), Vietnam (5%), and the remaining 5% exported to Asian countries including Taiwan, South Korea and Hong Kong.

As for the Group's plywood division, sales volume for the quarter in review decreased 33.1% as compared with 2Q2010, whilst, average selling prices increased by 33.9% as compared to 2Q2010. On a YTD basis, average plywood prices were higher by 27.0% whilst volume decreased 28.1%. The Group's key plywood markets for the quarter in review were Japan (91%) and Taiwan (9%).

Non-Timber Manufacturing and Trading

The non-timber manufacturing and trading division recorded a turnover of RM36.7 million for the quarter under review when compared to turnover of RM34.9 million registered in 1Q2011. The increase of RM1.8 million was due to improvement in export sales in foil products.

However, the pre-tax profit recorded was RM1.0 million lower when compared to RM3.4 million reported in 1Q2011. The decline in pre-tax profit was caused by soaring raw material costs and strengthening of Malaysia Ringgit.

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

Quarter 2, 2011

Timber

The Group's timber division registered a turnover of RM137.7 million, an increase of RM16.6 million (13.7%) as compared to 1Q2011, with pre-tax profits of RM22.3 million compared to RM12.9 million. This is mainly due to the increased in demand for timber products arising from the April earthquake and tsunami in Japan amidst the already tight log supply situation.

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

Quarter 2, 2011 (Cont'd)

Non-Timber Manufacturing and Trading

The non-timber manufacturing and trading division recorded a turnover of RM36.7 million in 2Q2011 compared to RM31.9 million in 2Q2010, representing an increase of 15%.

Despite the rising raw materials costs and strengthening of Malaysian Ringgit, this quarter under review still registered a pre-tax profit of RM2.4 million as compared to RM2.3 million reported in 2Q2010, this was mainly due to the improvement in export sales in foil products.

17. Current Year Prospects

Quarter 2, 2011

Timber

The first half of 2011 saw an improvement in selling prices for timber products compared to last year. Whilst prices have eased from its high, the Group expect prices to stay firm due to the anticipated reconstruction by the Japanese government arising from the earthquake and tsunami experienced in April this year.

The continued European sovereign debt crisis and the recent credit rating agency Standard & Poor's downgrade of the United States credit rating have reignited worries of yet another slowdown in the world's major economies. Germany's economic growth slowed to a near standstill in the second quarter of this year is yet another unexpected blow to the crisis-hit eurozone. The surprisingly sharp deceleration in activity in Europe's largest economy hit overall eurozone growth and intensified fears about the global slowdown. It also threatened to complicate the challenge facing the region's policymakers as they seek to combat its escalating debt crisis.

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.

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17. Current Year Prospects (Cont'd)

Quarter 2, 2011 (Cont'd)

Non-Timber Manufacturing and Trading

The performance of non-timber division continued to show positive results in 2Q2011 was mainly driven by the improvement in overseas demand despite the soaring material costs and strengthening of Malaysia Ringgit.

Going forward, the Group foresees the market remains challenging and fears that there is an increased risk of a global recession resulting from the downgrade of US Debtsøcredit rating and continued concerns of European sovereign debts crisis. The Group expects a slower trade growth in 2H2011.

18. Profit Forecast or Profit Guarantee

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

19. Taxation

| | Current Quarter 30-06-2011 RM'000 | Current Year To-Date 30-06-2011 RM'000 |
|---|--|---|
| Taxation based on results for the period: | | |
| Current | 3,117 | 6,411 |
| Deferred taxation | 2,086 | 2,512 |
| | <u>5,203</u> | <u>8,923</u> |

The Groupø 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.

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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 30-06-2011 RM'000 | Current Year To-Date 30-06-2011 RM'000 |
|-------------------------------|--|---|
| Total proceeds from disposals | <u>350</u> | <u>599</u> |
| Profit on disposals | <u>73</u> | <u>156</u> |

b) Total purchases of quoted securities

| | Current Quarter 30-06-2011 RM'000 | Current Year To-Date 30-06-2011 RM'000 |
|--------------------------|--|---|
| Total costs of purchases | <u>89</u> | <u>434</u> |

c) The Group's total investments in quoted securities as at 30 June 2011:-

| | As at 30.06.2011 RM'000 |
|-----------------|--|
| At cost | 4,298 |
| At book value | 4,236 |
| At market value | <u>4,236</u> |

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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 24 May 2011 served on the Defendant's solicitor for payment.

The Defendant has filed an appeal to the Court of Appeal and is pending hearing.

23. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 30 June 2011 were as follows:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|-----------------------|---------------------------|-----------------------------|-------------------------|
| Short-term borrowings | 108,844 | 158,327 | 267,171 |
| Long-term borrowings | 74,172 | 376 | 74,548 |
| | <u>183,016</u> | <u>158,703</u> | <u>341,719</u> |

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.

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26. Realised and Unrealised Profits/(Losses) Disclosure

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

| | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 |
|---|--|--|
| Total retained profits of W T K Holdings Berhad and its subsidiaries: | | |
| - Realised | 974,831 | 934,969 |
| - Unrealised | (62,573) | (61,708) |
| | 912,258 | 873,261 |
| Total share of retained profits from associated companies: | | |
| - Realised | 8,197 | 7,854 |
| - Unrealised | (124) | (224) |
| Total share of retained profits from jointly controlled entities: | | |
| - Realised | 361 | 506 |
| - Unrealised | - | 9 |
| | 920,692 | 881,406 |
| Less: Consolidation adjustments | (61,013) | (56,169) |
| Total Group retained profits as per consolidated accounts | 859,679 | 825,237 |

27. Material Litigation

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

W T K HOLDINGS BERHAD (10141-M)
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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 RM33.981 million and the weighted average numbers of ordinary shares outstanding during the period of 434,735,721 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: 25 AUGUST 2011