

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2011**

	AS AT END OF CURRENT QUARTER	(As per Audited A/Cs) AS AT PRECEDING FINANCIAL YEAR ENDED
	30.9.2011	31.12.2010
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	671,475	661,915
Investment properties	15,072	15,219
Prepaid land lease payments	40,541	43,781
Goodwill on consolidation	28,222	28,222
Intangible assets	70,539	70,817
Biological assets	180,632	144,159
Investment in associate	9,492	9,359
Investment in jointly controlled entity	2,498	2,741
Investment securities	3,847	4,183
Deferred tax assets	-	50
	1,022,318	980,446
<b>Current assets</b>		
Inventories	259,842	172,334
Trade receivables	94,948	107,575
Other receivables	32,922	32,852
Tax recoverable	10,333	11,574
Cash and bank balances	213,121	234,348
	611,166	558,683
<b>TOTAL ASSETS</b>	<b>1,633,484</b>	<b>1,539,129</b>

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 SEPTEMBER 2011 (cont'd)

	AS AT END OF CURRENT QUARTER	(As per Audited A/Cs) AS AT PRECEDING FINANCIAL YEAR ENDED
	30.9.2011	31.12.2010
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	219,007	219,007
Share premium	45,708	45,708
Treasury shares	(7,570)	(7,502)
Other reserves	1,218	975
Retained earnings	864,361	825,237
	<u>1,122,724</u>	<u>1,083,425</u>
<b>Non-controlling interests</b>	7,227	7,253
<b>Total equity</b>	<u>1,129,951</u>	<u>1,090,678</u>
<b>Non-current liabilities</b>		
Long term borrowings	81,456	67,338
Deferred tax liabilities	63,623	62,492
Retirement benefit obligations	1,864	2,071
Land premium payable	1,299	2,819
	<u>148,242</u>	<u>134,720</u>
<b>Current liabilities</b>		
Trade payables	42,818	40,744
Other payables	18,448	19,844
Short term borrowings	289,066	250,452
Current tax payable	3,361	1,526
Land premium payable	1,520	1,087
Retirement benefit obligations	78	78
	<u>355,291</u>	<u>313,731</u>
<b>Total liabilities</b>	<u>503,533</u>	<u>448,451</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,633,484</u>	<u>1,539,129</u>

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 SEPTEMBER 2011**

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30.9.2011	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2010	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30.9.2011	PRECEDING YEAR CORRESPONDING PERIOD 30.9.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	142,119	184,834	475,525	553,513
Cost of sales	(111,269)	(146,031)	(364,914)	(470,440)
<b>Gross Profit</b>	<b>30,850</b>	<b>38,803</b>	<b>110,611</b>	<b>83,073</b>
Administrative expenses	(5,894)	(6,767)	(18,328)	(20,487)
Selling and distribution expenses	(9,154)	(14,860)	(31,771)	(39,983)
Operating profit	15,802	17,176	60,512	22,603
Other income	2,406	1,346	6,245	8,904
Other expenses	(128)	(520)	(648)	(1,477)
Finance costs	(2,341)	(2,542)	(7,594)	(6,638)
Share of (loss)/profit of associate	(310)	(97)	322	731
Share of (loss)/profit of jointly controlled entity	(89)	(30)	(243)	25
<b>Profit before tax</b>	<b>15,340</b>	<b>15,333</b>	<b>58,594</b>	<b>24,148</b>
Taxation	(764)	(3,139)	(9,687)	(6,875)
<b>Profit for the period</b>	<b>14,576</b>	<b>12,194</b>	<b>48,907</b>	<b>17,273</b>
<b>Other comprehensive income, net of tax:</b>				
Net gain on available-for-sale financial asset				
- (Loss)/gain on fair value changes	(576)	427	(156)	452
- Transfer to profit or loss upon disposal	(48)	(89)	(204)	(253)
Foreign currency translation	(6)	(63)	603	(1,145)
Other comprehensive (loss)/income, net of tax	(630)	275	243	(946)
<b>Total comprehensive income for the period</b>	<b>13,946</b>	<b>12,469</b>	<b>49,150</b>	<b>16,327</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	14,463	12,388	48,444	17,528
Non-controlling interests	113	(194)	463	(255)
<b>Profit for the period</b>	<b>14,576</b>	<b>12,194</b>	<b>48,907</b>	<b>17,273</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	13,833	12,663	48,687	16,582
Non-controlling interests	113	(194)	463	(255)
<b>Total comprehensive income for the period</b>	<b>13,946</b>	<b>12,469</b>	<b>49,150</b>	<b>16,327</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit for the period (sen)	3.33	2.85	11.14	4.03

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 30 SEPTEMBER 2011**

Note	←————— Attributable to Equity Holders of the Parent —————→						Total RM'000	Non- controlling Interests 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			
<b>Quarter ended 30 September 2011</b>									
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/(loss) for the period	-	-	-	603	(360)	48,444	48,687	463	49,150
<b>Transactions with owners</b>									
Addition of investment in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	1,750	1,750
Dilution of interest in non-controlling interests	-	-	-	-	-	461	461	(2,239)	(1,778)
Purchase of treasury shares	-	-	(68)	-	-	-	(68)	-	(68)
Dividends paid	-	-	-	-	-	(9,781)	(9,781)	-	(9,781)
<b>Balance as at 30 September 2011</b>	<b>219,007</b>	<b>45,708</b>	<b>(7,570)</b>	<b>1,075</b>	<b>143</b>	<b>864,361</b>	<b>1,122,724</b>	<b>7,227</b>	<b>1,129,951</b>

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	Non- controlling Interests 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				
<b>Quarter ended 30 September 2010</b>									
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	-	-	-	(1,145)	199	17,528	16,582	(255)	16,327
<b>Transactions with owners</b>									
Addition of investment in a subsidiary by non-controlling interests	-	-	-	-	-	-	-	1,000	1,000
Purchase of treasury shares	-	-	(23)	-	-	-	(23)	-	(23)
Dividends paid	-	-	-	-	-	(9,782)	(9,782)	-	(9,782)
<b>Balance as at 30 September 2010</b>	<b>219,007</b>	<b>45,708</b>	<b>(7,502)</b>	<b>56</b>	<b>72</b>	<b>811,719</b>	<b>1,069,060</b>	<b>7,362</b>	<b>1,076,422</b>

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 30 SEPTEMBER 2011**

	<b>CURRENT YEAR TO DATE 30.9.2011</b>	<b>PRECEDING CORRESPONDING YEAR TO DATE 30.9.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	58,594	24,148
Adjustments for non cash flow items:		
Depreciation/amortisation	29,567	27,248
Gain on disposal of investments	(204)	(196)
Gain on disposal of property, plant & equipment	57	345
Other non-cash items	(155)	333
Operating profit before working capital changes	87,859	51,878
Changes in working capital :		
Net (increase)/decrease in current assets	(72,416)	101,126
Net decrease/(increase) in current liabilities	587	(15,159)
Payment of retirement benefit	(362)	(110)
Taxation paid	(5,426)	(2,429)
Net cash generated from operating activities	10,242	135,306
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of a subsidiary	(11,303)	-
Additional investment in subsidiary	(1,778)	-
Additional investment by non-controlling interests	1,750	1,000
Biological assets expenditure	(33,392)	(37,455)
Land premium paid	(1,087)	(1,087)
Proceeds from disposal of property, plant & equipment	778	4,146
Proceeds from disposal of investment securities	845	1,965
Purchase of investment securities	(665)	(321)
Purchase of property, plant & equipment	(25,865)	(38,798)
Timber rights paid	(2,703)	(2,299)
Net dividend received from jointly controlled entity	-	300
Net dividend received from associates	189	-
Net dividend received from investment securities	92	82
Net cash used in investing activities	(73,139)	(72,467)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	44,395	4,162
Dividend paid	(9,781)	(9,782)
Purchase of treasury shares	(68)	(23)
Net cash generated from/(used in) financing activities	34,546	(5,643)
Net (decrease)/increase in cash and cash equivalents	(28,351)	57,196
Effects of exchange rate changes	368	(793)
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	179,726	217,469
For Cashflow purposes, net cash and cash equivalents include the following:-		
Cash and bank balances	213,121	237,823
Less: Bank overdraft	(33,395)	(20,354)
Cash and cash equivalents	179,726	217,469

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 (“FRS”) 134: Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

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 non-controlling interests to be absorbed by the non-controlling interests 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.



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

---

**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 50,000 of its issued ordinary shares from the open market at an average cost of RM1.11 per share. The total consideration paid for the repurchase, including the transaction costs was RM55,453 and this was financed by internally generated funds. All of these shares repurchased are being retained as treasury shares.

As at 30 September 2011, the number of shares bought back and retained as treasury shares amounted to 3,331,000 shares, derived as follows:-

	<b>Par value</b>	<b>No. of shares</b>
As at 1 January 2011	RM0.50	3,271,000
Share buyback in March 2011	RM0.50	10,000
Share buyback in August 2011	RM0.50	10,000
Share buyback in September 2011	RM0.50	40,000
As at 30 September 2011	RM0.50	<u>3,331,000</u>

**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 RM9.781 million (2.25 sen net per share) in respect of the financial year ended 31 December 2010 was paid on 1 August 2011.

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

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

---

**9. Segmental Reporting for the Period Ended 30 September 2011**

	<b>Revenue RM'000</b>	<b>Profit Before Taxation RM'000</b>
Timber	363,728	47,852
Manufacturing	72,858	5,107
Trading	35,297	4,086
Others	3,642	1,549
	<u>475,525</u>	<u>58,594</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 September 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 during the current quarter under review except that the Company had on 26 September 2011 announced that General Gomma (M) Sdn. Bhd., a dormant subsidiary had been duly struck off its name pursuant to Section 308 of the Companies Act, 1965.

**13. Contingent Liabilities**

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

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

---

**14. Capital Commitments**

	<b>Current Year To-Date 30-09-2011 RM'000</b>	<b>Preceding Year 31-12-2010 RM'000</b>
<b>Approved and contracted for</b>		
Acquisition of a subsidiary	-	11,821
<b>Approved but not contracted for</b>		
Property, plant and equipment	-	225
	-	12,046

**15. Review of Results**

For the quarter under review, the Group's turnover was RM142.1 million as compared to RM184.8 million in the 3Q2010, representing a decrease of RM42.7 million (23.1%), with pre-tax profit of RM15.3 million which is similar to 3Q2010 was RM15.3 million. This is mainly due to the timber division.

*Quarter 3, 2011*

**Timber**

For the current quarter, the Group's timber division registered a turnover of RM104.9 million, representing a decrease of 31.0% or RM47.1 million as compared with RM152.0 million in the 3Q2010. The lower turnover is due to lower log production which also affected the production volume of the division downstream products. Pre-tax profits decreased by 14.3% or RM2.1 million to RM12.6 million when compared to RM14.7 million registered in the 3Q2010. On a year-on-year basis, the drop in profits is less than the drop in turnover. This is mainly due to the higher selling prices of timber products in the quarter under review.

On a year-to-date (YTD) basis, the timber division registered a turnover of RM363.7 million, representing a decrease of 20.7%, as compared to the previous year corresponding period of RM458.4 million. However, the division recorded a net profit before tax of RM47.9 million, an increase of 138.3% when compared with RM20.1 million registered in the previous corresponding period. This is due to the bad weather condition experienced during the first half of 2011 which hampered log production, consequently resulted in an increase in average selling prices of timber products.

**15. Review of Results (Cont'd)**

*Quarter 3, 2011 (Cont'd)*

**Timber (Cont'd)**

On a year-on-year (YOY) basis, average round log prices increased approximately 5.0% compared to prices registered in 3Q2010, with, sales volume down by 24.6%. On a YTD basis, average round log prices are higher by approximately 35.3%, whilst volume decreased by 24.7%. The Group's key export markets for round logs is India (78%), China (10%), Japan (5%), Vietnam (5%) and the remaining 2% exported to Taiwan and other Asian countries.

As for the Group's plywood division, sales volume for the quarter in review was down by 39.4% as compared to 3Q2010. Average selling prices were up by 18.5% as compared to 3Q2010. On a YTD basis, average plywood prices were higher by 24.1% and volume down by 31.6%. The Group's key plywood markets for the quarter in review were Japan (75%) and Taiwan (25%).

**Non-Timber Manufacturing and Trading**

The non-timber manufacturing and trading division recorded a turnover of RM36.5 million in 3Q2011 as compared with RM31.9 million in 3Q2010, representing an increase of 14% or RM4.6 million in turnover. This is mainly due to continued surge in overseas demand in foil products.

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

*Quarter 3, 2011*

**Timber**

The Group's timber division registered a turnover of RM104.9 million, a decrease of RM32.8 million from that of 2Q2011 (RM137.7 million). Consequently, its pre-tax profits decreased from RM22.4 million to RM12.6 million, a decrease of RM9.8 million (43.8%). Although weather condition improved compared to the preceding quarter, orders from the sector's traditional market, Japan, slowed as congestion at its major ports continued.

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

*Quarter 3, 2011 (Cont'd)*

**Non-Timber Manufacturing and Trading**

The turnover for non-timber manufacturing and trading division is flat at RM36.5 million for the quarter under review when compared to 2Q2011's turnover of RM36.7 million.

Increase in pre-tax profit to RM3.3 million when compared to RM2.3 million registered in 2Q2011 was largely due to higher productivity of foil products resulting lower production costs and better margins.

**17. Current Year Prospects**

*Quarter 3, 2011*

**Timber**

Housing starts in Japan, a major market for tropical hardwood timber products, dropped 10.8% in September as demand slowed after the government ended its subsidies for building energy-saving homes recently. However, after three quarters of contraction, the Japanese economy grew 1.5 percent in the three months ended September 2011. The improved gross domestic product (GDP) figures comes mainly on the back of higher exports and demand from the private sector. Since December 2010, the economy has been contracting and took a further beating after the earthquake and tsunami in March 2011. The damage and devastation brought by the earthquake and tsunami shattered crucial component supply chains, forcing companies to shut down factories, slowing the nation's output and exports. The Japanese government has in recent times, passed stimulus packages of over USD 150 billion to help restore supply chains and make up lost output. As such, although timber prices have eased from its high (recorded in second quarter 2011), timber prices are expected to stay firm at current levels despite the drop in Japan's September housing starts.

Although latest growth numbers in Japan are encouraging, there are rising concerns about the fallout of European debt turmoil on the Asian economies. With Italy's bond yields at critical levels, it is likely for Italy to become the fourth European country that would need bailout. Italy alone presents 17 percent of Euro GDP, almost three times bigger than Greece, Ireland and Portugal put together. There are fears that the Europe's bailout fund will not be able to fund the amount needed to bailout debt-crippled Italy from its current debt commitments. Coupled with recent development in Italy, Spain and France, there are renewed fears that Britain could also be dragged into recession despite a positive 2011 third quarter expansion in its GDP.

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

---

**17. Current Year Prospects (Cont'd)**

*Quarter 3, 2011 (Cont'd)*

**Timber (Cont'd)**

In light of the renewed concerns on the world major economies and calls for further economic aids in Europe, 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**

Non-timber division continued posting good results in 3Q2011 was mainly driven by continued surge in export sales giving better margins and improved product mix.

Going forward, the Group foresees the market remains challenging as the situation in Europe will remain unstable with the debts crisis now spreading to Italy, Spain and France, raising more worries in economic contraction leading to probable global recession. Hence, the Group remains cautious and expects a slower growth in 4Q2011.

**18. Profit Forecast or Profit Guarantee**

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

**19. Taxation**

	<b>Current Quarter 30-09-2011 RM'000</b>	<b>Current Year To-Date 30-09-2011 RM'000</b>
Taxation based on results for the period:		
Current taxation		
- Current year	2,226	8,437
- Prior years	(129)	71
Deferred taxation		
- Current year	(826)	1,686
- Prior years	(507)	(507)
	764	9,687

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

---

**19. Taxation (Cont'd)**

The Group's effective tax rate is lower in the quarter under review was due to the carried forward 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

	<b>Current Quarter 30-09-2011 RM'000</b>	<b>Current Year To-Date 30-09-2011 RM'000</b>
Total proceeds from disposals	246	845
Profit on disposals	48	204

b) Total purchases of quoted securities

	<b>Current Quarter 30-09-2011 RM'000</b>	<b>Current Year To-Date 30-09-2011 RM'000</b>
Total costs of purchases	231	665

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

	<b>As at 30-09-2011 RM'000</b>
At cost	3,502
At book value	3,647
At market value	3,647

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

---

**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 September 2011 were as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short-term borrowings	105,440	183,626	289,066
Long-term borrowings	81,080	376	81,456
	<u>186,520</u>	<u>184,002</u>	<u>370,522</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.



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

---

**26. Realised and Unrealised Profits/(Losses) Disclosure**

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

	<b>As at 30.09.2011 RM'000</b>	<b>As at 31.12.2010 RM'000</b>
Total retained profits of W T K Holdings Berhad and its subsidiaries:		
- Realised	978,533	934,969
- Unrealised	(61,004)	(61,708)
	<u>917,529</u>	<u>873,261</u>
Total share of retained profits from associated companies:		
- Realised	7,887	7,854
- Unrealised	(124)	(224)
Total share of retained profits from jointly controlled entities:		
- Realised	272	506
- Unrealised	-	9
	<u>925,564</u>	<u>881,406</u>
Less: Consolidation adjustments	(61,203)	(56,169)
Total Group retained profits as per consolidated accounts	<u><u>864,361</u></u>	<u><u>825,237</u></u>

**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 RM48.44 million and the weighted average numbers of ordinary shares outstanding during the period of 434,733,499 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  
COMPANY SECRETARY  
KUALA LUMPUR  
Date: 29 NOVEMBER 2011