

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	AS AT END OF CURRENT QUARTER	(As per Audited A/Cs) AS AT PRECEDING FINANCIAL YEAR ENDED
	31.12.2011	31.12.2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	667,192	661,915
Investment properties	17,353	15,219
Prepaid land lease payments	39,665	43,781
Goodwill on consolidation	28,222	28,222
Intangible assets	70,449	70,817
Biological assets	191,853	144,159
Investment in associate	8,926	9,359
Investment in jointly controlled entity	2,070	2,741
Investment securities	3,849	4,183
Deferred tax assets	387	50
	1,029,966	980,446
Current assets		
Inventories	228,702	172,334
Trade receivables	89,595	107,575
Other receivables	32,874	32,852
Tax recoverable	12,368	11,574
Cash and bank balances	223,581	234,348
	587,120	558,683
TOTAL ASSETS	1,617,086	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)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 (cont'd)

	AS AT END OF CURRENT QUARTER	(As per Audited A/Cs) AS AT PRECEDING FINANCIAL YEAR ENDED
	31.12.2011	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	(7,570)	(7,502)
Other reserves	1,664	975
Retained earnings	883,607	825,237
	1,142,416	1,083,425
Non-controlling interests	7,210	7,253
Total equity	1,149,626	1,090,678
Non-current liabilities		
Long term borrowings	90,507	67,338
Deferred tax liabilities	65,557	62,492
Retirement benefit obligations	1,799	2,071
Land premium payable	1,299	2,819
	159,162	134,720
Current liabilities		
Trade payables	45,357	40,744
Other payables	20,299	19,844
Short term borrowings	238,358	250,452
Current tax payable	2,672	1,526
Land premium payable	1,520	1,087
Retirement benefit obligations	92	78
	308,298	313,731
Total liabilities	467,460	448,451
TOTAL EQUITY AND LIABILITIES	1,617,086	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.

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

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31.12.2011	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2010	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31.12.2011	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	210,618	180,157	686,143	733,670
Cost of sales	(167,585)	(148,662)	(532,499)	(619,102)
Gross Profit	<u>43,033</u>	<u>31,495</u>	<u>153,644</u>	<u>114,568</u>
Administrative expenses	(7,989)	(6,173)	(26,317)	(26,660)
Selling and distribution expenses	(13,640)	(11,512)	(45,411)	(51,495)
Operating profit	<u>21,404</u>	<u>13,810</u>	<u>81,916</u>	<u>36,413</u>
Other income:				
- Dividend income	-	30	64	45
- Rental income	47	118	190	292
- Interest income	104	221	311	363
- Others	2,636	2,568	8,467	10,427
	<u>2,787</u>	<u>2,937</u>	<u>9,032</u>	<u>11,127</u>
Other expenses	(295)	(156)	(943)	(919)
Finance costs	(2,697)	(2,812)	(10,291)	(9,450)
Share of (loss)/profit of associate	(566)	(68)	(244)	663
Share of loss of jointly controlled entity	(28)	(25)	(271)	-
	<u>20,605</u>	<u>13,686</u>	<u>79,199</u>	<u>37,834</u>
Profit before tax	<u>20,605</u>	<u>13,686</u>	<u>79,199</u>	<u>37,834</u>
Taxation	(1,376)	(277)	(11,063)	(7,152)
Profit for the period	<u>19,229</u>	<u>13,409</u>	<u>68,136</u>	<u>30,682</u>
Other comprehensive income, net of tax:				
Net gain on available-for-sale financial asset				
- Gain on fair value changes	412	627	256	1,079
- Transfer to profit or loss upon disposal	(48)	(196)	(252)	(449)
Foreign currency translation	82	416	685	(729)
Other comprehensive income/(loss), net of tax	<u>446</u>	<u>847</u>	<u>689</u>	<u>(99)</u>
Total comprehensive income for the period	<u>19,675</u>	<u>14,256</u>	<u>68,825</u>	<u>30,583</u>
Profit attributable to:				
Equity holders of the parent	19,246	13,518	67,690	31,046
Non-controlling interests	(17)	(109)	446	(364)
Profit for the period	<u>19,229</u>	<u>13,409</u>	<u>68,136</u>	<u>30,682</u>
Total comprehensive income attributable to:				
Equity holders of the parent	19,692	14,365	68,379	30,947
Non-controlling interests	(17)	(109)	446	(364)
Total comprehensive income for the period	<u>19,675</u>	<u>14,256</u>	<u>68,825</u>	<u>30,583</u>
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	<u>4.43</u>	<u>3.11</u>	<u>15.57</u>	<u>7.14</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.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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			
Quarter ended 31 December 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 year	-	-	-	685	4	67,690	68,379	446	68,825
Transactions with owners									
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	8	-	(68)	-	-	-	(68)	-	(68)
Dividends paid	9	-	-	-	-	(9,781)	(9,781)	-	(9,781)
Balance as at 31 December 2011	219,007	45,708	(7,570)	1,157	507	883,607	1,142,416	7,210	1,149,626

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.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	←————— Attributable to Equity Holders of the Parent —————→						→	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Non-Distributable		Distributable				
	RM'000	RM'000	Treasury Shares	Translation Reserves	Other Reserves	Retained Earnings	RM'000	RM'000	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 year	-	-	-	(729)	630	31,046	30,947	(364)	30,583
Transactions with owners									
Addition of investment in a subsidiary by non-controlling interests	-	-	-	-	-	-	-	1,000	1,000
Purchase of treasury shares	-	-	(23)	-	-	-	(23)	-	(23)
Dividends paid	9	-	-	-	-	(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.

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

	CURRENT YEAR TO DATE 31.12.2011	PRECEDING CORRESPONDING YEAR TO DATE 31.12.2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	79,199	37,834
Adjustments for non cash flow items:		
Adjustment for:		
- Share of results in an associate	244	(663)
- Share of results in jointly controlled entity	271	-
Allowance for doubtful debts	239	510
Amortisation	5,078	5,067
Bad debts recovered	-	(24)
Bad debts written off	6	291
Depreciation	34,288	30,773
Loss on disposal of property, plant and equipment	34	197
Gross dividends	(157)	(185)
Impairment losses on investment securities	-	1,451
Impairment losses on investment in jointly controlled entity	400	-
Interest expense	10,291	9,450
Interest income	(698)	(514)
Inventories written off	23	57
Net fair value gain on disposal of available-for-sale financial assets	(252)	(449)
Property, plant and equipment written off	72	21
Retirement benefit obligations	206	212
Reversal of impairment losses on receivables	(3)	(1,566)
Reversal of inventories written down	(21)	-
Unrealised (gain)/loss on foreign exchange	(15)	65
Operating profit before working capital changes	129,205	82,527
Changes in working capital :		
Net (increase)/decrease in current assets	(37,801)	84,383
Net decrease/(increase) in current liabilities	5,065	(6,418)
Payment of retirement benefit	(464)	(133)
Interest paid	(9,275)	(8,495)
Interest received	698	77
Taxation paid	(7,968)	(4,160)
Net cash generated from operating activities	79,460	147,781

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2011 (cont'd)

	CURRENT YEAR TO DATE 31.12.2011	PRECEDING CORRESPONDING YEAR TO DATE 31.12.2010
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	(9,650)	-
Additional investment in subsidiary	(1,778)	-
Additional investment by non-controlling interests	1,750	1,000
Biological assets expenditure	(43,555)	(47,860)
Interest received	-	393
Land premium paid	(1,087)	646
Proceeds from disposal of property, plant & equipment	1,708	4,288
Proceeds from disposal of investment securities	1,362	1,805
Purchase of investment securities	(772)	(345)
Purchase of property, plant & equipment	(33,369)	(50,622)
Timber rights paid	(3,603)	(3,241)
Net dividend received from jointly controlled entity	-	300
Net dividend received from associates	189	-
Net dividend received from investment securities	128	150
	<u> </u>	<u> </u>
Net cash used in investing activities	<u>(88,677)</u>	<u>(93,486)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of hire purchase	2,263	1,242
Drawdown of term loans	27,345	23,214
Drawdown of trade financing facilities	716,852	636,664
Repayment of hire purchase	(7,150)	(9,027)
Repayment of term loans	(5,592)	(5,970)
Repayment of trade financing facilities	(737,357)	(642,537)
Dividend paid	(9,781)	(9,782)
Interest paid	(1,016)	(955)
Interest received	-	44
Purchase of treasury shares	(68)	(23)
	<u> </u>	<u> </u>
Net cash generated used in financing activities	<u>(14,504)</u>	<u>(7,130)</u>
Net (decrease)/increase in cash and cash equivalents	(23,721)	47,165
Effects of exchange rate changes	503	(522)
Net cash and cash equivalents at the beginning of the year	207,709	161,066
	<u> </u>	<u> </u>
Net cash and cash equivalents at the end of the year	<u>184,491</u>	<u>207,709</u>
For Cashflow purposes, net cash and cash equivalents include the following:-		
Cash and bank balances	223,581	234,348
Less: Bank overdraft	(39,090)	(26,639)
	<u> </u>	<u> </u>
Cash and cash equivalents	<u>184,491</u>	<u>207,709</u>

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.

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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 (“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. Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

3. Malaysian Financial Reporting Standards (Cont'd)

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

4. Auditors' Report on Preceding Annual Financial Statements

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

5. Comments about Seasonal or Cyclical Factors

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

6. 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.

7. Changes in Estimates

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

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8. 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 31 December 2011, the number of shares bought back and retained as treasury shares amounted to 3,331,000 shares.

9. Dividends

The following dividends were paid during the current and previous corresponding quarter:

	31-12-2011	31-12-2010
Final dividend for the financial year	31 December 2010	31 December 2009
Approved and declared on	28 June 2011	25 June 2010
Date paid	1 August 2011	12 August 2010
Number of ordinary shares on which dividends were paid ('000)	434,732	434,752
Amount per share	3.00 sen	3.00 sen
Net dividend paid (RM'000)	9,781	9,782

At the forthcoming Annual General Meeting, a final dividend, of 8.5% 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 RM13.856 million in respect of the financial year ended 31 December 2011 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 financial year ending 31 December 2012.

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10. Segmental Reporting for the Period Ended 31 December 2011

	Revenue RM'000	Profit Before Taxation RM'000
Timber	537,064	65,122
Manufacturing	97,113	7,112
Trading	47,542	5,629
Others	4,424	1,336
	<u>686,143</u>	<u>79,199</u>

11. 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.

12. Material Subsequent Events

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

13. Changes in Composition of the Group

There were no other changes in the composition of the Group during the current quarter under review.

14. 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.

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15. Capital Commitments

	Current Year To-Date 31-12-2011 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

16. Review of Results

For the quarter under review, the Group's turnover was RM210.6 million as compared to RM180.2 million in the 4Q2010, representing an increase of RM30.4 million (16.8%). The Group's pre-tax profit was RM20.5 million as compared to RM13.7 million in the 4Q2010, representing an increase of RM6.8 million (49.6 %). This is mainly attributed to the timber division.

Quarter 4, 2011

Timber

For the current quarter, the Group's timber division registered a turnover of RM173.3 million, representing an increase of 16.6% or RM24.7 million as compared with RM148.6 million in the 4Q2010. Its pre-tax profit stood at RM17.3 million in the current quarter, reflecting an increase of 28.1% or RM3.8 million when compared to RM13.5 million registered in the 4Q2010. This is mainly due to the better weather condition experienced during this quarter as compared to 4Q2010.

On a year-to-date (YTD) basis, the timber division registered a turnover of RM537.0 million, representing a decrease of 11.5%, as compared to the previous corresponding period of RM606.9 million. The division recorded pre-tax profit of RM65.1 million compared to a pre-tax profit of RM33.5 million registered in the previous corresponding period. The continued abnormal wet weather condition experienced in the first half 2011 and Japan earthquake and tsunami in March 2011 contributed to the increase in timber prices.

16. Review of Results (Cont'd)

Quarter 4, 2011 (Cont'd)

Timber (Cont'd)

On a year-on-year (YOY) basis, average round log prices decreased 3.5% compared to prices registered in 4Q2010, whilst sales volume increased by 29.1%. The increase in sales volume was due to better weather condition experienced during the fourth quarter 2011 as compared to fourth quarter 2010. On a YTD basis, average round log prices increased 24.2% whilst volume decreased by 13.5%. The prolonged bad weather condition which started during the third quarter 2010 has caused log production volume to drop significantly in the first half 2011. The Group's key export markets for round logs were India (75%), China (12%) and the remaining 13% exported to other Asean countries.

As for the Group's plywood division, sales volume for the quarter in review decreased by 4.2% compared to 4Q2010 whilst average selling prices increased by 10.8%. On a YTD basis, average plywood prices were higher by 20.6%, whilst sales volume decreased by 24.8%. As with log sales volume, the bad weather condition experienced during the first half 2011 has resulted in log shortage for the production of plywood. The Group's key plywood markets for the quarter in review were Japan (81%) and Taiwan (19%).

Non-Timber Manufacturing and Trading

The non-timber manufacturing and trading division recorded a turnover of RM36.5 million as compared with RM30.8 million in 4Q2010, representing an increase of 18.5% or RM5.7 million. This is mainly due to continued surge in overseas demand in foil products.

The pre-tax profit recorded an increase of RM2.7 million or 337.5% when compared to RM0.8 million registered in 4Q2010 as a result of increase mainly in export sales in foil products.

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

Quarter 4, 2011

Timber

The material changes for the quarter reported on as compared with the preceding quarter arose from both timber and non-timber manufacturing and trading division. The timber division recorded an increase in turnover of RM173.3 million as compared to 4Q2010's turnover of RM148.6 million, with pre-tax profit of RM17.3 million when compared to 4Q2010's pre-tax profit of RM13.5 million. This is mainly attributed by increase in sales of plywood products.

Non-Timber Manufacturing and Trading

The turnover for non-timber manufacturing and trading division remains unchanged at RM36.5 million as compared to that of 3Q2011, however the pre-tax profit improved marginally from RM3.4 million to RM3.5 million, representing an increase of 2.9%. This is mainly attributed to an increase in sales of better margin products.

18. Current Year Prospects

Quarter 4, 2011

Timber

Total housing starts in Japan in 2011 were up by 2.6% to 834,117. The recovery in housing starts was concentrated in populated areas like the Tokyo metropolitan area where housing starts jumped 30% over the previous year. With the continued measures taken by the Japanese government to stimulate the housing sector in the country, 2012 housing starts is estimated to be about 850,000 units to 900,000 units. Demand for timber products in the coming quarters is expected to be firm as restoration and reconstruction works in the quake hit areas gathers momentum.

Japan's economy shrank on an annualized 2.3% in the fourth quarter 2011, contracting for the fourth in five as exports and manufacturing faltered amid weak overseas demand, the strong yen and flooding in Thailand which caused disruption in supply chain for some Japanese factories which rely on Thai-made parts. The contraction in the fourth quarter 2011 GDP may prove to be a temporary setback to the economy as overseas demand revives production. With the increase in exports and production in December 2011 and prospect for greater demand related to continuing disaster reconstruction and signs of strength in the US economy, Japan's economy is expected to recover and expand from the first quarter of 2012.

18. Current Year Prospects (Cont'd)

Quarter 4, 2011 (Cont'd)

Timber (Cont'd)

The Group also expects to grow its round logs market share and dominance in India as the country continues to grow its economy and its infrastructure requirements. With the expected continuing growth in Japan and India economy, being the Group's major importing countries for his timber products, timber prices should stay firm in the following quarters.

Despite the recent approval of a second bailout of 130 billion euros in aid to the debt-stricken Greece which is expected to help prevent a contagion and spur optimism that the Eurozone debt crisis will be contained, the Group remain cautious of the prospect of the timber industry and shall continue to strive to maintain the quality of its premium plywood products and its formidable presence in the industry.

Non-Timber Manufacturing and Trading

Non-timber division continued showing good results in 4Q2011. This was mainly driven by both tapes and foil products with better product mix giving improved margins.

The global economic outlook has improved but it remains fragile, the Group foresees and expects a slower growth during the first half of 2012.

19. Profit Forecast or Profit Guarantee

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

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20. Taxation

	Current Quarter 31-12-2011 RM'000	Current Year To-Date 31-12-2011 RM'000
Taxation based on results for the period:		
Current taxation		
- Current year	1,854	10,291
- Prior years	(2,026)	(1,955)
Deferred taxation		
- Current year	1,804	3,490
- Prior years	(256)	(763)
	1,376	11,063

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the year.

The effective tax rate of the Group for the current quarter and financial year was lower than the statutory tax rate of the respective year was due to the carried forward of reinvestment allowances claims, unabsorbed capital allowances and double deduction incentives granted to certain subsidiaries.

21. 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.

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 to-date it is still pending hearing.

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23. Group Borrowings and Debt Securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings	111,108	127,250	238,358
Long-term borrowings	90,131	376	90,507
	201,239	127,626	328,865

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. Notes to the Statement of Comprehensive Income

	Current Quarter 31-12-2011 RM'000	Current Year To-date 31-12-2011 RM'000
Net profit for the period/year is arrived at after charging:		
Amortisation	1,266	5,078
Depreciation	8,533	34,288
Impairment loss on receivables	(20)	239
Bad debts written off	3	6
Inventories written off	4	23
Impairment loss on investment in jointly controlled entity	400	400
Loss on disposal of property, plant and equipment	-	34
and crediting:		
Gain on foreign exchange	213	698
Hire of machinery	371	1,594
Gain on disposal of property, plant and equipment	32	-

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27. Realised and Unrealised Profits/(Losses) Disclosure

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

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of W T K Holdings Berhad and its subsidiaries:		
- Realised	999,255	934,969
- Unrealised	(62,709)	(61,708)
	936,546	873,261
 Total share of retained profits from associated companies:		
- Realised	7,337	7,854
- Unrealised	(140)	(224)
 Total share of retained profits from jointly controlled entities:		
- Realised	244	506
- Unrealised	-	9
	943,987	881,406
Less: Consolidation adjustments	(60,380)	(56,169)
Total Group retained profits as per consolidated accounts	883,607	825,237

28. Material Litigation

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

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29. Earnings per Share (EPS)

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31-12-2011	31-12-2010	31-12-2011	31-12-2010
Profit attributable to the owners of the Company (RM'000)	19,246	13,518	67,690	31,046
Weighted average number of ordinary shares in issue ('000)	434,682	434,749	434,721	434,751
Dilutive potential ordinary shares	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	434,682	434,749	434,721	434,751
Basic EPS (sen)	4.43	3.11	15.57	7.14
Diluted EPS (sen)	4.43	3.11	15.57	7.14

(a) Basic EPS

The basic EPS is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

(b) Diluted EPS

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 FEBRUARY 2012