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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	Unaudited RM'000	Unaudited RM'000 (Restated)	Unaudited RM'000 (Restated)
	30.9.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
ASSETS			
Non-current assets			
Property, plant and equipment	695,560	700,962	706,734
Prepaid land lease payments	41,844	42,674	43,781
Investment properties	35,088	35,266	29,827
Investment in an associate	8,022	8,966	9,359
Investment in jointly controlled entity	1,549	2,078	2,741
Investment securities	2,133	3,849	4,183
Intangible assets	96,821	98,671	99,039
Biological assets	229,571	192,910	144,159
FMU Development Expenditure	16,982	13,360	9,297
Deferred tax assets	58,137	58,905	36,807
	1,185,707	1,157,641	1,085,927
Current assets			
Inventories	189,949	228,091	172,334
Trade receivables	97,183	90,412	107,575
Other receivables	56,149	34,086	32,852
Tax recoverable	13,296	12,398	11,574
Cash and bank balances	203,928	223,919	234,348
	560,505	588,906	558,683
TOTAL ASSETS	1,746,212	1,746,547	1,644,610

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012 (cont'd)

	Unaudited RM'000	Unaudited RM'000 (Restated)	Unaudited RM'000 (Restated)
	30.9.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Retirement benefit obligations	357	351	78
Short term borrowings	192,513	238,569	250,452
Trade payables	51,202	47,710	40,744
Other payables	16,772	19,332	19,844
Land premium payable	433	1,520	1,087
Current tax payable	3,282	2,674	1,526
	264,559	310,156	313,731
Net current assets	295,946	278,750	244,952
Non-current liabilities			
Retirement benefit obligations	1,540	1,540	2,071
Long term borrowings	114,302	90,464	67,338
Deferred tax liabilities	138,248	138,115	114,758
Land premium payable	724	1,299	2,819
	254,814	231,418	186,986
Total liabilities	519,373	541,574	500,717
Net assets	1,226,839	1,204,973	1,143,893
Equity attributable to owners of the parent			
Share capital	219,007	219,007	219,007
Share premium	45,708	45,708	45,708
Treasury shares	(7,735)	(7,570)	(7,502)
Other reserves	1,693	1,057	503
Retained earnings	952,565	931,358	870,178
	1,211,238	1,189,560	1,127,894
Non-controlling interests	15,601	15,413	15,999
Total equity	1,226,839	1,204,973	1,143,893
TOTAL EQUITY AND LIABILITIES	1,746,212	1,746,547	1,644,610

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 NINE MONTHS ENDED 30 SEPTEMBER 2012 - UNAUDITED

	Current quarter		Cumulative quarter	
	Three months ended 30 September		Nine months ended 30 September	
	2012	2011 (Restated)	2012	2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	199,314	142,119	573,051	475,525
Cost of sales	(157,830)	(111,371)	(469,804)	(365,220)
Gross Profit	41,484	30,748	103,247	110,305
Other income	2,868	2,406	7,428	6,245
Other item of expenses				
Selling and distribution expenses	(14,419)	(9,154)	(40,052)	(31,771)
Administrative expenses	(6,059)	(6,022)	(18,809)	(18,976)
Operating profit	23,874	17,978	51,814	65,803
Finance costs	(2,372)	(2,341)	(6,875)	(7,594)
Share of (loss)/profit of an associate	(232)	(310)	(1,032)	322
Share of loss of a jointly controlled entity	(168)	(89)	(529)	(243)
Profit before tax	21,102	15,238	43,378	58,288
Income tax expenses	(3,663)	(756)	(7,928)	(9,663)
Profit for the period	17,439	14,482	35,450	48,625
Other comprehensive income				
Net gain on available-for-sale financial assets				
- Gain/(loss) on fair value changes	3	(576)	233	(156)
- Transfer to profit or loss upon disposal	(30)	(48)	(407)	(204)
Foreign currency translation	63	(6)	675	603
Share of other comprehensive income of an associate	-	-	135	-
Other comprehensive income, net of tax	36	(630)	636	243
Total comprehensive income for the period	17,475	13,852	36,086	48,868
Profit attributable to:				
Owners of the parent	17,239	14,369	35,059	48,162
Non-controlling interests	200	113	391	463
Profit for the period	17,439	14,482	35,450	48,625
Total comprehensive income attributable to:				
Owners of the parent	17,275	13,739	35,695	48,405
Non-controlling interests	200	113	391	463
Total comprehensive income for the period	17,475	13,852	36,086	48,868
Earnings per share attributable to owners of the parent:				
Basic, for profit for the period (sen)	3.97	3.31	8.07	11.08

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 NINE MONTHS ENDED 30 SEPTEMBER 2012 - UNAUDITED

	Attributable to Owners of the Parent								
	Non-Distributable					Distributable			
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign Currency Tranlsation Reserves RM'000	Fair Value Adjustment Reserves RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2012 (restated)	219,007	45,708	(7,570)	685	372	931,358	1,189,560	15,413	1,204,973
Total comprehensive income for the period	-	-	-	675	(39)	35,059	35,695	391	36,086
Transactions with owners									
Repurchase of treasury shares	-	-	(165)	-	-	-	(165)	-	(165)
Dividends paid	-	-	-	-	-	(13,852)	(13,852)	(203)	(14,055)
Balance as at 30 September 2012	219,007	45,708	(7,735)	1,360	333	952,565	1,211,238	15,601	1,226,839
Balance as at 1 January 2011 (restated)	219,007	45,708	(7,502)	-	503	872,587	1,130,303	15,999	1,146,302
Total comprehensive income for the period	-	-	-	603	(360)	48,162	48,405	463	48,868
Transactions with owners									
Addition of investment in a subsidiary by non-controlling interests	-	-	-	-	-	-	-	1,750	1,750
Dilution of interest in non-controlling interest	-	-	-	-	-	1,043	1,043	(2,821)	(1,778)
Repurchase of treasury shares	-	-	(68)	-	-	-	(68)	-	(68)
Dividends paid	-	-	-	-	-	(9,781)	(9,781)	-	(9,781)
Balance as at 30 September 2011(restated)	219,007	45,708	(7,570)	603	143	912,011	1,169,902	15,391	1,185,293

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 NINE MONTHS ENDED 30 SEPTEMBER 2012 - UNAUDITED

	Nine months ended 30 September	
	2012	2011 (Restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,378	58,288
Adjustment for:		
- Share of results of an associate	1,032	(322)
- Share of results of a jointly controlled entity	529	243
Amortisation	3,800	3,812
Bad debts written off	341	3
Depreciation	24,546	26,061
Dividend income	(270)	(110)
Gain on disposal of investments	(407)	(204)
(Gain)/loss on disposal of property, plant and equipment	(118)	57
Interest income	(2,228)	(510)
Interest expense	6,875	7,594
Retirement benefit obligations	150	155
Unrealised loss/(gain) on foreign exchange	97	(172)
Other non-cash items	19	48
Operating profit before working capital changes	77,744	94,943
Changes in working capital :		
Net decrease/(increase) in current assets	8,896	(72,416)
Net increase in current liabilities	929	587
Cash generated from operations	87,569	23,114
Payment of retirement benefit	(144)	(362)
Interest paid	(6,223)	(6,820)
Interest received	2,065	365
Taxation paid	(7,344)	(5,426)
Net cash generated from operating activities	75,923	10,871

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 - UNAUDITED (cont'd)

	Nine months ended 30 September	
	2012	2011
		(Restated)
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	-	(11,303)
Additional investment by non-controlling interests	-	(1,778)
Additional investment in subsidiary	-	1,750
Biological assets expenditure	(33,564)	(33,392)
FMU Development Expenditure	(2,733)	(2,926)
Interest received	163	145
Land premium paid	(1,662)	(1,087)
Proceeds from disposal of property, plant and equipment	813	778
Proceeds from disposal of investment securities	2,293	845
Purchase of investment securities	(343)	(665)
Purchase of property, plant and equipment	(17,288)	(22,939)
Timber rights paid	(1,120)	(2,703)
Net dividend received from an associate	47	189
Net dividend received from investment securities	269	92
Net cash used in investing activities	(53,125)	(72,994)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interests	(203)	-
Dividend paid to owners of the parent	(13,852)	(9,781)
Drawdown of term loans	23,000	15,846
Drawdown of trade financing facilities	493,204	438,390
Interest paid	(652)	(774)
Repayment of hire purchase	(2,339)	(3,940)
Repayment of term loans	(2,634)	(7,033)
Repayment of trade financing facilities	(521,930)	(398,868)
Repurchase of treasury shares	(165)	(68)
Net cash (used in)/generated from financing activities	(25,571)	33,772
Net decrease in cash and cash equivalents	(2,773)	(28,351)
Effects of exchange rate changes	474	368
Net cash and cash equivalents at the beginning of the year	184,660	207,709
Net cash and cash equivalents at the end of the period	182,361	179,726
For Cashflow purposes, net cash and cash equivalents include the following:-		
Cash and bank balances	203,928	213,121
Less: Bank overdraft	(21,567)	(33,395)
Cash and cash equivalents	182,361	179,726

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

1. Corporate information

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 29 November 2012.

2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

The condensed consolidated interim financial statements, for the period ended 30 September 2012, have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"). These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by International Accounting Standards Board. For period up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Company registered office at Lot No. 25(AB), 25th Floor, UBN Tower, No. 10, Jalan P. Ramlee, 50250 Kuala Lumpur.

The condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ('MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated 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 year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in the financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 3 below. These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

3. Significant accounting policies and applications of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statement are consistent with those of the audited year financial statements for the year ended 31 December 2011 except as discussed below:

a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition
The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisition prior to the date of transition,

i) the classification of former business combinations under FRS is maintained;
ii) there is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
iii) the carrying amount of goodwill recognised under FRS is not adjusted.

b) Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

3. Significant accounting policies and applications of MFRS 1 (cont'd)

b) Property, plant and equipment (cont'd)

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116, Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amount of its freehold land, leasehold land and certain plant and machinery at date of transition as its deemed cost. The surplus arising from the revaluations amounted to RM54,116,000. Deferred tax of RM15,509,000 arising from the surplus of revaluations has been provided for at the date of transition. The resulting adjustments of RM38,607,000 after the provision for deferred taxation was credited to retained earnings.

In the previous year, the Group measured its investment properties at cost. At the date of transition to MFRS, the Group elected to regard the revalued amount of its building at date of transition as its deemed cost. The surplus arising from the revaluation of RM14,608,000 was credited to retained earnings.

c) Under FRS, the Group recognized translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM472,000 (30 September 2011: RM472,000; 31 December 2011: RM472,000) were adjusted against retained earnings.

d) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided on Page 10 to Page 14.

e) Early adoption of MFRS 141 - Agriculture

The Group has early adopted MFRS 141- Agriculture which becomes operative for annual financial statements beginning on or after 1 January 2013. The early adoption of the standard has no impact on the current quarter as the Group's agriculture activities is at its infancy stage. The carrying amount of the Biological Assets in the Statement of Financial Position approximates fair value.

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 - unaudited

3 Significant accounting policies and application of MFRS 1 (cont'd)

(i) Reconciliation of equity as at 1 January 2011

	FRS as at 1.1.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 1.1.2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	652,618	54,116	706,734
Prepaid land lease payments	43,781	-	43,781
Investment properties	15,219	14,608	29,827
Investment in an associate	9,359	-	9,359
Investment in jointly controlled entity	2,741	-	2,741
Investment securities	4,183	-	4,183
Intangible assets	99,039	-	99,039
Biological assets	144,159	-	144,159
FMU Development Expenditure	9,297	-	9,297
Deferred tax assets	36,807	-	36,807
	1,017,203	68,724	1,085,927
Current assets			
Inventories	172,334	-	172,334
Trade receivables	107,575	-	107,575
Other receivables	32,852	-	32,852
Tax recoverable	11,574	-	11,574
Cash and bank balances	234,348	-	234,348
	558,683	-	558,683
TOTAL ASSETS	1,575,886	68,724	1,644,610
EQUITY AND LIABILITIES			
Current liabilities			
Retirement benefit obligations	78	-	78
Short term borrowings	250,452	-	250,452
Trade payables	40,744	-	40,744
Other payables	19,844	-	19,844
Land premium payable	1,087	-	1,087
Current tax payable	1,526	-	1,526
	313,731	-	313,731
Net current assets	244,952	-	244,952
Non-current liabilities			
Retirement benefit obligations	2,071	-	2,071
Long term borrowings	67,338	-	67,338
Deferred tax liabilities	99,249	15,509	114,758
Land premium payable	2,819	-	2,819
	171,477	15,509	186,986
Total liabilities	485,208	15,509	500,717
Net assets	1,090,678	53,215	1,143,893
Equity attributable to owners of the parent			
Share capital	219,007	-	219,007
Share premium	45,708	-	45,708
Treasury shares	(7,502)	-	(7,502)
Other reserves	975	(472)	503
Retained earnings	825,237	44,941	870,178
	1,083,425	44,469	1,127,894
Non-controlling interests	7,253	8,746	15,999
Total equity	1,090,678	53,215	1,143,893
TOTAL EQUITY AND LIABILITIES	1,575,886	68,724	1,644,610

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 - unaudited

3 Significant accounting policies and application of MFRS 1 (cont'd)

(ii) Reconciliation of equity as at 30 September 2011

	FRS as at 30.9.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 30.9.2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	658,314	55,427	713,741
Prepaid land lease payments	40,541	-	40,541
Investment properties	15,072	14,608	29,680
Investment in an associate	9,492	-	9,492
Investment in jointly controlled entity	2,498	-	2,498
Investment securities	3,847	-	3,847
Intangible assets	98,761	-	98,761
Biological assets	180,632	792	181,424
FMU Development Expenditure	13,161	-	13,161
Deferred tax assets	36,757	-	36,757
	1,059,075	70,827	1,129,902
Current assets			
Inventories	259,842	-	259,842
Trade receivables	94,948	-	94,948
Other receivables	32,922	-	32,922
Tax recoverable	10,333	-	10,333
Cash and bank balances	213,121	-	213,121
	611,166	-	611,166
TOTAL ASSETS	1,670,241	70,827	1,741,068
EQUITY AND LIABILITIES			
Current liabilities			
Retirement benefit obligations	78	-	78
Short term borrowings	289,066	-	289,066
Trade payables	42,818	-	42,818
Other payables	18,448	-	18,448
Land premium payable	1,520	-	1,520
Current tax payable	3,361	-	3,361
	355,291	-	355,291
Net current assets	255,875	-	255,875
Non-current liabilities			
Retirement benefit obligations	1,864	-	1,864
Long term borrowings	81,456	-	81,456
Deferred tax liabilities	100,380	15,485	115,865
Land premium payable	1,299	-	1,299
	184,999	15,485	200,484
Total liabilities	540,290	15,485	555,775
Net assets	1,129,951	55,342	1,185,293
Equity attributable to owners of the parent			
Share capital	219,007	-	219,007
Share premium	45,708	-	45,708
Treasury shares	(7,570)	-	(7,570)
Other reserves	1,218	(472)	746
Retained earnings	864,361	47,650	912,011
	1,122,724	47,178	1,169,902
Non-controlling interests	7,227	8,164	15,391
Total equity	1,129,951	55,342	1,185,293
TOTAL EQUITY AND LIABILITIES	1,670,241	70,827	1,741,068

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 - unaudited

3 Significant accounting policies and application of MFRS 1 (cont'd)

(iii) Reconciliation of equity as at 31 December 2011

	FRS as at 31.12.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 31.12.2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	649,956	51,006	700,962
Prepaid land lease payments	42,674	-	42,674
Investment properties	17,353	17,913	35,266
Investment in an associate	8,966	-	8,966
Investment in jointly controlled entity	2,078	-	2,078
Investment securities	3,849	-	3,849
Intangible assets	98,671	-	98,671
Biological assets	191,855	1,055	192,910
FMU Development Expenditure	13,360	-	13,360
Deferred tax assets	58,905	-	58,905
	1,087,667	69,974	1,157,641
Current assets			
Inventories	228,091	-	228,091
Trade receivables	90,412	-	90,412
Other receivables	34,086	-	34,086
Tax recoverable	12,398	-	12,398
Cash and bank balances	223,919	-	223,919
	588,906	-	588,906
TOTAL ASSETS	1,676,573	69,974	1,746,547
EQUITY AND LIABILITIES			
Current liabilities			
Retirement benefit obligations	351	-	351
Short term borrowings	238,569	-	238,569
Trade payables	47,710	-	47,710
Other payables	19,332	-	19,332
Land premium payable	1,520	-	1,520
Current tax payable	2,674	-	2,674
	310,156	-	310,156
Net current assets	278,750	-	278,750
Non-current liabilities			
Retirement benefit obligations	1,540	-	1,540
Long term borrowings	90,464	-	90,464
Deferred tax liabilities	122,638	15,477	138,115
Land premium payable	1,299	-	1,299
	215,941	15,477	231,418
Total liabilities	526,097	15,477	541,574
Net assets	1,150,476	54,497	1,204,973
Equity attributable to owners of the parent			
Share capital	219,007	-	219,007
Share premium	45,708	-	45,708
Treasury shares	(7,570)	-	(7,570)
Other reserves	1,529	(472)	1,057
Retained earnings	884,553	46,805	931,358
	1,143,227	46,333	1,189,560
Non-controlling interests	7,249	8,164	15,413
Total equity	1,150,476	54,497	1,204,973
TOTAL EQUITY AND LIABILITIES	1,676,573	69,974	1,746,547

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 - unaudited

3 Significant accounting policies and application of MFRS 1 (cont'd)

(iv) Reconciliation of total comprehensive income for the 3 months ended 30 September 2011

	FRS as at 30.9.2011 (3 months) RM'000	Effect of transition to MFRS RM'000	MFRS as at 30.9.2011 (3 months) RM'000
Revenue	142,119	-	142,119
Cost of sales	(111,269)	(102)	(111,371)
Gross profit	30,850	(102)	30,748
Other income	2,406	-	2,406
Other items of expenses			
Selling and distribution expenses	(9,154)	-	(9,154)
Administrative expenses	(6,022)	-	(6,022)
Finance costs	(2,341)	-	(2,341)
Share of result of an associate	(310)	-	(310)
Share of result of a jointly controlled entity	(89)	-	(89)
Profit before tax	15,340	(102)	15,238
Income tax expenses	(764)	8	(756)
Profit for the year	14,576	(94)	14,482
Other comprehensive income			
Net loss on available-for-sale financial assets			
- Loss on fair value changes	(576)	-	(576)
- Transfer to profit or loss upon disposal	(48)	-	(48)
Foreign currency translation	(6)	-	(6)
Other comprehensive income for the period, net of tax	(630)	-	(630)
Total comprehensive income for the period	13,946	(94)	13,852
Profit attributable to:			
Owners of the parent	14,463	(94)	14,369
Non-controlling interests	113	-	113
Profit for the period	14,576	(94)	14,482
Total comprehensive income attributable to:			
Owners of the parent	13,833	(94)	13,739
Non-controlling interests	113	-	113
Total comprehensive income for the period	13,946	(94)	13,852

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 - unaudited

3 Significant accounting policies and application of MFRS 1 (cont'd)

(v) Reconciliation of total comprehensive income for the 9 months ended 30 September 2011

	FRS as at 30.9.2011 (9 months) RM'000	Effect of transition to MFRS RM'000	MFRS as at 30.9.2011 (9 months) RM'000
Revenue	475,525	-	475,525
Cost of sales	(364,914)	(306)	(365,220)
Gross profit	110,611	(306)	110,305
Other income	6,245	-	6,245
Other items of expenses			
Selling and distribution expenses	(31,771)	-	(31,771)
Administrative expenses	(18,976)	-	(18,976)
Finance costs	(7,594)	-	(7,594)
Share of result of an associate	322	-	322
Share of result of a jointly controlled entity	(243)	-	(243)
Profit before tax	58,594	(306)	58,288
Income tax expenses	(9,687)	24	(9,663)
Profit for the period	48,907	(282)	48,625
Other comprehensive income			
Net loss on available-for-sale financial assets			
- Loss on fair value changes	(156)	-	(156)
- Transfer to profit or loss upon disposal	(204)	-	(204)
Foreign currency translation	603	-	603
Other comprehensive income for the period, net of tax	243	-	243
Total comprehensive income for the period	49,150	(282)	48,868
Profit attributable to:			
Owners of the parent	48,444	(282)	48,162
Non-controlling interests	463	-	463
Profit for the period	48,907	(282)	48,625
Total comprehensive income attributable to:			
Owners of the parent	48,687	(282)	48,405
Non-controlling interests	463	-	463
Total comprehensive income for the period	49,150	(282)	48,868

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4. Changes in estimates

The Group revised the residual values of certain property, plant and equipment with effect from 1 January 2012. The revision were accounted for as a change in accounting estimates and as a result, the depreciation charges for the 9 months ended 30 September 2012 have been increased by RM306,000.

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

5. 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 30 July 2012 announced that Splendid Trend Sdn. Bhd. (582022-H), a dormant subsidiary had been duly struck off pursuant to Section 308 of the Companies Act, 1965.

6. Segmental information

	9 months ended 30.9.2012		**9 months ended 30.9.2011**	
	Revenue	Profit/(loss) before tax	Revenue	Profit before tax (Restated)
	RM'000	RM'000	RM'000	RM'000
Timber	**451,538**	**31,460**	**363,728**	**47,642**
Non-Timber				
Manufacturing	82,732	9,250	72,858	5,011
Trading	36,543	4,029	35,297	4,086
Others	2,238	(1,361)	3,642	1,549
	121,513	**11,918**	**111,797**	**10,646**
Total	**573,051**	**43,378**	**475,525**	**58,288**

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6. Segmental information (cont'd)

The Group is organised into business units based on their products and services, and has four reportable operating segments as follows:-

Timber	:	the extraction and sale of timber, manufacture and sale of plywood, veneer and sawn timber.
Manufacturing	:	conversion of aluminium foils, flexible packaging, metallized and electrostatic discharge products, manufacture and sale of adhesive and gummed tapes.
Trading	:	the trading of tapes, foil, papers and electrostatic discharge products.
Others	:	investment income, rental of properties and car park operations .

There have been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

7. Seasonality of operations

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

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8. Profit before tax

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30.9.2012	**30.9.2011**	**30.9.2012**	**30.9.2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net profit for the period is arrived at after charging:				
Amortisation	1,266	1,267	3,800	3,812
Bad debts written off	-	3	341	3
Depreciation	8,212	9,498	24,546	26,061
Impairment loss on receivables	-	-	-	52
Interest expense	2,372	2,341	6,875	7,594
Inventories written off	-	12	16	19
Loss on foreign exchange loss	167	-	97	-
Loss on disposal of property, plant and equipment	-	57	-	57
Property plant and equipment written off	45	5	45	5
and crediting:				
Gain on foreign exchange	239	590	549	485
Gain on disposal of property, plant and equipment	59	-	118	-
Gain on disposal of quoted investments	30	48	407	204
Reversal of inventory written off	2	-	-	-
Hire of machinery	168	402	474	1,223
Reversal of allowance for impairment in receivables	16	116	42	-
Interest income	1,348	176	2,228	510

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9. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30.9.2012 RM'000	**30.9.2011 RM'000**	**30.9.2012 RM'000**	**30.9.2011 RM'000**
Taxation based on results for the period:				
Current taxation				
- Malaysian income tax	3,102	2,046	6,063	7,991
- Foreign tax	163	180	467	446
	3,265	2,226	6,530	8,437
Under/(Over) provision in prior years	467	(129)	498	71
	3,732	2,097	7,028	8,508
Deferred taxation				
- Current year	77	(834)	1,046	1,662
- Over provision in prior years	(146)	(507)	(146)	(507)
	(69)	(1,341)	900	1,155
	3,663	756	7,928	9,663

Income tax expense is recognised in each quarter based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

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For the nine months ended 30 September 2012 – unaudited

10. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for period net of tax, attributable to owners of the parent by weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements. There are no shares in issuance which have a dilutive effect to the earnings per share of the Group.

	Current Quarter 3 months ended		**Cumulative Quarter 9 months ended**	
	30.9.2012	**30.9.2011**	**30.9.2012**	**30.9.2011**
Profit attributable to the owners of the Company (RM'000)	17,239	14,369	35,059	48,162
Weighted average number of ordinary shares in issue ('000)	434,576	434,729	434,602	434,733
Dilutive potential ordinary shares	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	434,576	434,729	434,602	434,733
Basic EPS (sen)	3.97	3.31	8.07	11.08
Diluted EPS (sen)	3.97	3.31	8.07	11.08

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

11. Property, plant and equipment

During the 9 months ended 30 September 2012, the Group acquired assets at a cost of RM23,461,000 (30 September 2011: RM24,520,000) excluding property, plant and equipment acquired through business combinations.

Assets with a carrying amount of RM695,000 were disposed of by the Group during the 9 months ended 30 September 2012, (30 September 2011: RM835,000), resulting in a gain on disposal of RM118,000 (30 September 2011: loss on disposal of RM57,000) recognised and included in other income in the statement of comprehensive income.

12. Intangible assets

	Goodwill RM'000	Timber rights RM'000	Total RM'000
Cost			
At 1 January 2011	33,728	106,861	140,589
Addition	-	3,603	3,603
At 31 December 2011 / 1 January 2012	33,728	110,464	144,192
Addition	-	1,120	1,120
At 30 September 2012	33,728	111,584	145,312
Accumulated amortisation and impairment			
At 1 January 2011	5,506	36,044	41,550
Amortisation	-	3,971	3,971
At 31 December 2011 / 1 January 2012	5,506	40,015	45,521
Amortisation	-	2,970	2,970
At 30 September 2012	5,506	42,985	48,491
Net carrying amount			
At 1 January 2011	28,222	70,817	99,039
At 1 December 2011	28,222	70,449	98,671
At 30 September 2012	28,222	68,599	96,821

a) Impairment loss recognised on goodwill

Management has carried out a review of the recoverable amount of its goodwill during the 9 months ended 30 September 2012 and no impairment loss was required as the recoverable amounts were in excess of the carrying amount of the goodwill.

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For the nine months ended 30 September 2012 – unaudited

12. Intangible assets (cont'd)

b) Impairment tests for goodwill and timber rights

Allocation of goodwill and timber rights

Goodwill and logs purchase rights had been allocated to the Group's CGUs identified according to the cash generating units in the respective business segment as follows:

	Goodwill RM'000	Timber rights RM'000	Total RM'000
At 30 September 2012			
Timber division	24,598	68,599	93,197
Trading division	3,616	-	3,616
Manufacturing division	8	-	8
	28,222	68,599	96,821
At 31 December 2011			
Timber division	24,598	70,449	95,047
Trading division	3,616	-	3,616
Manufacturing division	8	-	8
	28,222	70,449	98,671
At 1 January 2011			
Timber division	24,598	70,817	95,415
Trading division	3,616	-	3,616
Manufacturing division	8	-	8
	28,222	70,817	99,039

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

12. Intangible assets (cont'd)

b) Impairment tests for goodwill and timber rights (cont'd)

The recoverable amount of goodwill and timber rights are determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five year period and/or over the period of the rights granted. The following are the key assumptions on which management has based its cash flow projections to undertake the impairment testing of goodwill and timber rights:

i. **Budgeted gross margin**
The basis used to determine the values assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

ii. **Discount rates**
The discount rates used are pre-tax and reflect specific risks relating to the relevant cash generating units.

iii. **Raw materials price**
The basis used to determine the value assigned to the raw materials price is the forecast price indices during the budget year for countries where raw materials are sourced.

13. Cash and cash equivalents

	30.9.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Cash on hand and at bank	187,063	212,874	221,364
Short term deposits with licensed financial institutions	16,865	11,045	12,984
Cash and bank balances	203,928	223,919	234,348

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
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14. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2 : other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at reporting date, the Group held the following financial assets that are measured at fair value.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30 September 2012				
Financial investment available-for-sale				
Quoted investments	1,933	-	-	1,933
Unquoted investments	-	-	200	200
	1,933	-	200	2,133
At 31 December 2011				
Financial investment available-for-sale				
Quoted investments	3,649	-	-	3,649
Unquoted investments	-	-	200	200
	3649	-	200	3,849
At 1 January 2011				
Financial investment available-for-sale				
Quoted investments	3,983	-	-	3,983
Unquoted investments	-	-	200	200
	3983	-	200	4,183

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
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14. Fair value hierarchy (cont'd)

No transfer between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial assets that subsequently resulted in a different classification of that asset.

15. Share capital, share premium and treasury shares

The Company did not issue any ordinary shares during the current quarter ended 30 September 2012.

During the current quarter ended 30 September 2012, the Company repurchased 20,000 of its issued ordinary shares from the open market at an average price of RM1.15 per share. The total consideration paid for the repurchase including transaction costs was RM23,167.90 and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at 30 September 2012, the number of shares bought back and retained as treasury shares amounted to 3,451,000 shares.

16. Interest bearing loans and borrowings

The Group's interest bearing loans and borrowings are as follows:

	30.9.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Short term borrowings			
Secured	92,715	110,539	108,762
Unsecured	99,798	128,030	141,690
	192,513	238,569	250,452
Long term borrowings			
Secured	113,926	90,088	66,962
Unsecured	376	376	376
	114,302	90,464	67,338
Total	306,815	329,033	317,790

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
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17. Provisions for costs of restructuring

The Group did not engage in any restructuring exercise, hence there were no provisions for costs of restructuring.

18. Dividends

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 RM13.852 million (3.19 sen net per share) in respect of the financial year ended 31 December 2011 was paid on 1 August 2012.

No interim ordinary dividend was declared for the 9 months ended 30 September 2012 (30 September 2011: RM Nil).

19. Commitments

There were no material capital commitments in the current quarter ended 30 September 2012.

20. Contingencies

There were no material changes since the date of the last annual financial statements.

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
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21. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the nine months ended 30 September 2012 and 30 September 2011 as well as the balances with the related parties as at 30 September 2012 and 31 December 2011:

		Transaction value		Balance outstanding	
		30.9.2012	30.9.2011	30.9.2012	31.12.2011
	Note	RM'000	RM'000	RM'000	RM'000
Sawn timber sales:					
W. T. K. Trading Sdn. Bhd.	#	-	4	-	-
Contract fee received:					
Harbour-View Realty Sdn. Bhd.	^	-	836	-	-
Hung Ling Sawmill Sdn Bhd	^	512	-	-	-
W T K Realty Sdn. Bhd.	#	544	899	-	-
Ocarina Development Sdn. Bhd.	#	-	36	-	-
Elite Honour Sdn. Bhd.	#	215	499	-	-
		1,271	2,270	-	-
Road toll received:					
Elite Honour Sdn. Bhd.	#	1,121	1,237	642	348
Purchase of logs:					
Harbour-View Realty Sdn. Bhd.	^	5,467	8,705	1,507	477
Protection Gloves Sdn. Bhd.	^	6,781	9,655	932	(50)
Faedah Mulia Sdn. Bhd.	#	7,111	16,833	(609)	35
Sabal Sawmill Sdn. Bhd.	^	2,012	1,791	489	(50)
Harvard Rank Sdn. Bhd.	#	11,677	16,381	89	(50)
Sunrise Megaway Sdn. Bhd.	#	6,073	17,045	1,848	622
Ocarina Development Sdn. Bhd.	#	13,647	568	(201)	(471)
K N Wong (M) Sdn. Bhd.	#	3,057	495	279	(241)
		55,825	71,473	4,334	272

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

21. Related party transactions (cont'd)

		Transaction value		Balance outstanding	
		30.9.2012	30.9.2011	30.9.2012	31.12.2011
	Note	RM'000	RM'000	RM'000	RM'000
Literage and freight:					
W T K Realty Sdn. Bhd.	#	4,766	4,028	(225)	(598)
Ocarina Development Sdn. Bhd.	#	996	1,355	(26)	(454)
Syarikat Kalulong Sdn. Bhd.	#	365	351	(87)	(92)
Master Ace Territory Sdn. Bhd.	#	1,289	763	(616)	(428)
		7,416	6,497	(954)	(1,572)
Purchase of spare parts:					
W. T. K. Enterprises Sdn. Bhd.	#	7,507	8,707	(2,407)	1,358
Purchase of frozen food:					
Sing Chew Coldstorage Sdn. Bhd.	^	2,055	1,228	(393)	(59)
Purchase of hardware and lubricants:					
W.T.K Trading Sdn Bhd	#	13,394	15,925	(287)	(1,241)
Purchase of fertilizer:					
Grofields Sdn Bhd	#	221	457	-	221
TSC Service & Warehousing Sdn. Bhd.	^	5,522	1,577	(358)	(204)
		5,743	2,034	(358)	17
Contract fees paid in relation to logging operations:					
Harbour-View Realty Sdn. Bhd.	^	140	4,317	(50)	(105)
Hung Ling Sawmill Sdn. Bhd.	^	2,307	805	(407)	(22)
W T K Realty Sdn. Bhd.	#	1,956	3,374	(210)	129
United Agencies Sdn. Bhd.	^	4,858	4,233	(620)	-
Ann Yun Logistics Sdn. Bhd.	*	2,430	2,435	(118)	(88)
W T K Realty Builder Sdn. Bhd.	#	740	231	(282)	(6)
		12,431	15,395	(1,687)	(92)

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

21. Related party transactions (cont'd)

^ *The directors and/or major shareholders of W T K Holdings Berhad are directors and/or major shareholders of these companies.*

The director(s) and/or major shareholder(s) of W T K Holdings Berhad is/are director(s) and/or major shareholder(s) of these companies, whilst family member(s) is/are also director(s) and/or major shareholder(s) of these companies.

* *The family members of a director and major shareholder of W T K Holdings Berhad, are directors and major shareholder of this company.*

22. Events after the reporting period

There are no events after the quarter ended 30 September 2012 which could materially affect the Group.

23. Performance review

For the quarter under review, the Group's turnover was RM199.3 million as compared to RM142.1 million in the 3Q2011, representing an increase of RM57.2 million (40.3%), with pre-tax profit of RM21.1 million which is 38.8% higher than 3Q2011 of RM15.2 million. This is due to both the timber and non timber division.

Quarter 3, 2012

Timber

For the current quarter, the Group's timber division registered a turnover of RM155.6 million, representing an increase of 48.3% or RM50.7 million as compared with RM104.9 million in the 3Q2011. The higher turnover is due to the improved sales of the Group's plywood to Japan. Consequentially, pre-tax profits increased by 22.4% or RM2.7 million to RM15.3 million when compared with RM12.5 million registered in the 3Q2011.

On a year-to-date (YTD) basis, the timber division registered a turnover of RM451.5 million, representing an increase of 24.1%, as compared to the previous year corresponding period of RM363.7 million. However, the division recorded a net profit before tax of RM31.5 million, a decrease of 33.8% when compared with RM47.6 million registered in the previous corresponding period. This is due to the eased off of log prices compared to the previous period where bad weather condition hampered log production, consequently resulted in log shortages. Since beginning of year 2012, log supply has normalized.

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23. Performance review (cont'd)

Quarter 3, 2012 (cont'd)

Timber (cont'd)

On a year-on-year (YOY) basis, whilst average round log prices were similar to prices registered in 3Q2011, sales volume were up by 16.0%. On a YTD basis, average round log prices were lower by approximately 11.8% with marginal increase in volume of 2.6%. The Group's key export markets for round logs are India (79%), China (6%), Taiwan (4%), Vietnam (4%) and the remaining 7% exported to Hong Kong and other Asian countries.

As for the Group's plywood division, sales volume for the quarter in review was up by 70.5% as compared to 3Q2011. Average selling prices were down by 12.9% as compared to 3Q2011. On a YTD basis, average plywood prices were lower by 7.4% but volume was up by 36.8%. The Group's key plywood markets for the quarter in review were Japan (88%) and Taiwan (12%).

Non- timber

Manufacturing and trading

The revenue for the 3Q2012 registered at RM42.9 million, an improvement of RM6.4 million or 17.5% when compared to 3Q2011. Profit before tax increased by RM2.9 million, representing an increase of 87.9% when compared with the 3Q2011.

On a YTD basis, revenue registered at RM119.3 million, an increase of RM11.1 million or 10.3%, with an increase in profit before tax by RM4.2 million or 46.2%.

The increase in revenue was mainly driven by a growth in demand for its foil products and cellulose tapes from overseas market.

During the current period under review, the manufacturing and trading division experienced lower cost as a result of a sudden surge in the volume of production of its foil products and effective cost management. This has led to higher profit before tax for the period under review. A change in the product mix has also contributed to the positive results of the manufacturing division.

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
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23. Performance review (cont'd)

Quarter 3, 2012 (cont'd)

Others

The revenue posted for the current period was generally lower when compared to the preceding corresponding period. This was due to an exceptional rental income received in the preceding corresponding period. This exceptional rental income arose from a legal case taken against a former tenant which the Court ruled in favour of the Group.

Profit before tax for the current period when compared with the preceding corresponding period was adversely affected by the awarded rental and the share of loss of an associate company.

24. Comment on material change in profit before taxation

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

Quarter 3, 2012

Timber

The Group's timber division registered a turnover of RM155.6 million, an increase of RM25.2 million from that of 2Q2012 of RM130.4 million, whilst, its pre-tax profits increased from RM7.7 million to RM15.3 million, an increase of RM7.6 million. This is mainly due to the more conducive weather condition which resulted in higher log production.

Non- timber

Manufacturing and trading

The revenue for the 3Q2012 was RM42.9 million, an increase of RM3.8 million or 9.7% when compared with 2Q2012. This was mainly due to an increase in the export sales of foil products and cellulose tapes. Profit before tax was reported at RM6.2 million, 51.2% higher when compared with 2Q2012 as a result of the increase in revenue, and change of product mix.

Other

There were no material changes to the revenue and profit before tax in respect of the current quarter when compared with 2Q2012.

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
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25. Commentary on prospects

Quarter 3, 2012

Timber

On an annualized basis, Japan, the world's number three economy shrank 3.5% in the three months from July to September.

Japan's export-dominated economy has been severely distressed by weakened demand from Europe and China, where a territorial dispute over a group of uninhabited islands in the East China Sea sparked a massive Chinese boycott of Japanese goods. Capital expenditure tumbled 3.2 percent, the fastest pace of decline since 5.5% drop in 2Q2009, as companies turned more pessimistic about earnings from domestic and overseas markets.

While U.S. growth showed a modest pick up in the third quarter, the euro zone economies are shrinking. The euro-zone economy contracted in the third quarter with rising unemployment and fiscal austerity across much of Europe. The GDP decline was limited by Germany and France, which combined account for half the region's output. Each advanced 0.99% from the previous quarter, at an annualized rate, driven by consumer spending and exports. With parts of Europe economies shrinking, Germany will be expected to shoulder even more of the burden to generate growth moving forward.

Japan's outlook remains bleak, with most economists forecasting a further decline in economic activity for the October – December quarter, which would officially put the country in a recession. Consumer spending fell 0.5% in the third quarter, as subsidies for car purchases ended and corporate capital spending fell 3.2%. Spending on reconstruction from the country's March 2011 tsunami and nuclear disasters has also slowed.

Given the on going concerns on the world major economies, 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

With the encouraging performance of the non-timber division, the Group is optimistic that it will continue to register growth in its export market while the domestic growth is expected to be challenging in 2012.

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

26. Commentary on progress to achieve revenue or profit estimate, forecast, projection or internal targets

The Group did not announce or disclose any revenue or profit estimate, forecast, projection or internal target in a public document.

27. Statements by directors on achievability of revenue or profit estimate, forecast, projection or internal targets.

Please refer to the commentary of Note 26.

28. Profit forecast or profit guarantee

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

29. Corporate proposals

There are no other outstanding proposals that have been announced but pending completion.

There was a claim made by W T K Holdings Berhad against Yayasan Islam Negeri Kedah (YINK) arising from the proposed joint-venture with YINK. The Company's legal advisor had on 24th May, 2011 served on the Defendant's solicitor for payment and is still waiting for the Court of Appeal to fix a date to hear the appeal.

30. Changes in material litigation

There was no material litigation against the Group.

31. Dividend payable

Please refer to Note 18 for details.

32. Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

33. Rationale for entering into derivatives

The Group did not enter into any derivatives during current quarter ended 30 September 2012 or the previous financial year ended 31 December 2011.

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

34. Risks and policies of derivatives

The Group did not enter into any derivatives during the current quarter ended 30 September 2012 or the previous financial year ended 31 December 2011.

35. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit and loss as at 30 September 2012 and 31 December 2011.

36. Breakdown of realised and unrealised profit or losses

	As at 30.9.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits of W T K Holdings Berhad and its subsidiaries:		
- Realised	1,125,891	1,094,809
- Unrealised	(77,761)	(76,748)
	1,048,130	1,018,061
Total share of retained profits from an associate company:		
- Realised	6,301	7,380
- Unrealised	(8)	(8)
Total share of retained profits from a jointly controlled entity:		
- Realised	(277)	252
	1,054,146	1,025,685
Less: Consolidation adjustments	(101,581)	(94,327)
Total Group retained profits as per consolidated accounts	952,565	931,358

Explanatory notes pursuant to MFRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2012 – unaudited

37. Auditors report on the preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

BY ORDER OF THE BOARD

TAN MEE LIAN
COMPANY SECRETARY
KUALA LUMPUR
Date: 29 NOVEMBER 2012