

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2015**

	<b>31.3.2015</b>	<b>31.12.2014</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	678,228	685,359
Prepaid land lease payments	35,750	36,000
Investment properties	34,677	34,742
Investment in a jointly controlled entity	1,582	1,582
Investment in an associate	72,028	70,377
Investment securities	12,797	12,752
Intangible assets	71,017	72,555
Biological assets	348,769	339,065
Deferred tax assets	2,136	2,136
	<u>1,256,984</u>	<u>1,254,568</u>
<b>Current assets</b>		
Inventories	156,139	179,924
Trade receivables	51,507	44,468
Other receivables	26,459	28,907
Tax recoverable	9,029	9,239
Cash and bank balances	313,771	272,588
	<u>556,905</u>	<u>535,126</u>
<b>TOTAL ASSETS</b>	<u><u>1,813,889</u></u>	<u><u>1,789,694</u></u>

**W T K HOLDINGS BERHAD (10141-M)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2015 (Cont'd)**

	<b>31.3.2015</b>	<b>31.12.2014</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Retirement benefit obligations	131	214
Short term borrowings	161,738	127,263
Trade payables	44,433	49,400
Other payables	27,991	35,766
Land premium payable	-	424
Current tax payable	3,564	3,551
	<u>237,857</u>	<u>216,618</u>
<b>Net current assets</b>	<u>319,048</u>	<u>318,508</u>
<b>Non-current liabilities</b>		
Retirement benefit obligations	2,380	2,325
Long term borrowings	152,324	154,941
Deferred tax liabilities	75,883	75,937
	<u>230,587</u>	<u>233,203</u>
<b>Total liabilities</b>	<u>468,444</u>	<u>449,821</u>
<b>Net assets</b>	<u>1,345,445</u>	<u>1,339,873</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	240,672	240,672
Share premium	68,674	68,674
Treasury shares	(8,123)	(8,111)
Other reserves	2,789	2,387
Retained earnings	1,025,877	1,020,542
	<u>1,329,889</u>	<u>1,324,164</u>
<b>Non-controlling interests</b>	15,556	15,709
<b>Total equity</b>	<u>1,345,445</u>	<u>1,339,873</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,813,889</u>	<u>1,789,694</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2015 - UNAUDITED**

	Current quarter Three months ended 31 March		Cumulative quarter Three months ended 31 March	
	2015	2014 (Restated)	2015	2014 (Restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	159,769	169,585	159,769	169,585
Cost of sales	<u>(133,737)</u>	<u>(136,730)</u>	<u>(133,737)</u>	<u>(136,730)</u>
<b>Gross Profit</b>	26,032	32,855	26,032	32,855
Other income	3,987	7,237	3,987	7,237
<b>Other item of expenses</b>				
Selling and distribution expenses	(12,978)	(12,759)	(12,978)	(12,759)
Administrative expenses	<u>(9,446)</u>	<u>(7,885)</u>	<u>(9,446)</u>	<u>(7,885)</u>
Operating profit	7,595	19,448	7,595	19,448
Finance costs	(1,674)	(1,202)	(1,674)	(1,202)
Share of results of an associate	1,651	-	1,651	-
Share of results of a jointly controlled entity	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>
<b>Profit before tax</b>	7,572	18,253	7,572	18,253
Income tax expenses	<u>(2,390)</u>	<u>(2,834)</u>	<u>(2,390)</u>	<u>(2,834)</u>
<b>Profit for the period</b>	<u>5,182</u>	<u>15,419</u>	<u>5,182</u>	<u>15,419</u>
<b>Other comprehensive income</b>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Net gain on available-for-sale financial assets				
- Gain on fair value changes	45	230	45	230
Foreign currency translation	<u>357</u>	<u>(152)</u>	<u>357</u>	<u>(152)</u>
Other comprehensive income, net of tax	402	78	402	78
<b>Total comprehensive income for the period</b>	<u>5,584</u>	<u>15,497</u>	<u>5,584</u>	<u>15,497</u>
<b>Profit attributable to:</b>				
Owners of the Company	5,335	15,330	5,335	15,330
Non-controlling interests	<u>(153)</u>	<u>89</u>	<u>(153)</u>	<u>89</u>
<b>Profit for the period</b>	<u>5,182</u>	<u>15,419</u>	<u>5,182</u>	<u>15,419</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	5,737	15,408	5,737	15,408
Non-controlling interests	<u>(153)</u>	<u>89</u>	<u>(153)</u>	<u>89</u>
<b>Total comprehensive income for the period</b>	<u>5,584</u>	<u>15,497</u>	<u>5,584</u>	<u>15,497</u>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic, for profit for the period (sen)	<u>1.12</u>	<u>3.53</u>	<u>1.12</u>	<u>3.53</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

**W T K HOLDINGS BERHAD (10141-M)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2015 - UNAUDITED**

	← Attributable to owners of the Company →							← Non-distributable →		Non-controlling interests RM'000
	Total equity RM'000	Total equity attributable to the owners of the Company RM'000	← Non-distributable →		Distributable		Total other reserves RM'000	← Non-distributable →		
Share capital RM'000			Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Foreign currency translation reserve RM'000		Fair value adjustment reserve RM'000		
<b>Quarter ended 31 March 2015</b>										
<b>At 1 January 2015</b>	1,339,873	1,324,164	240,672	68,674	(8,111)	1,020,542	2,387	2,587	(200)	15,709
Total comprehensive income	5,584	5,737	-	-	-	5,335	402	357	45	(153)
<b>Transactions with owners</b>										
Repurchase of treasury shares	(12)	(12)	-	-	(12)	-	-	-	-	-
<b>At 31 March 2015</b>	1,345,445	1,329,889	240,672	68,674	(8,123)	1,025,877	2,789	2,944	(155)	15,556
<b>Quarter ended 31 March 2014</b>										
<b>At 1 January 2014 (Restated)</b>	1,266,661	1,250,241	219,007	45,708	(8,084)	991,506	2,104	2,201	(97)	16,420
Total comprehensive income (Restated)	15,497	15,408	-	-	-	15,330	78	(152)	230	89
<b>Transactions with owners</b>										
Repurchase of treasury shares	(13)	(13)	-	-	(13)	-	-	-	-	-
<b>At 31 March 2014 (Restated)</b>	1,282,145	1,265,636	219,007	45,708	(8,097)	1,006,836	2,182	2,049	133	16,509

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 MARCH 2015 - UNAUDITED**

	31.12.2015	31.3.2014
	RM'000	(Restated) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,572	18,253
Adjustment for:		
Allowance for impairment loss on receivables	45	24
Allowance for impairment loss on receivables no longer required	-	(4,385)
Amortisation	1,788	1,815
Bad debts written off	-	2
Depreciation	9,553	9,134
Dividend income	(122)	(30)
Gain on disposal of property, plant and equipment	272	(21)
Interest income	(1,243)	(1,112)
Interest expense	1,674	1,202
Retirement benefit obligations	53	52
Share of results of an associate	(1,651)	-
Share of results of a jointly controlled entity	-	(7)
Unrealised gain on foreign exchange	(146)	20
Other non-cash items	2	42
	<hr/>	<hr/>
Operating profit before working capital changes	17,797	24,989
Changes in working capital :		
Net decrease in current assets	19,320	23,646
Net decrease in current liabilities	(12,742)	(8,144)
Cash generated from operations	<hr/> 24,375	<hr/> 40,491
Payment of retirement benefit	(81)	-
Payment of land premium	(424)	(419)
Interest paid	(3,837)	(1,202)
Interest received	1,243	1,112
Taxation paid	<hr/> (2,259)	<hr/> (2,854)
Net cash generated from operating activities	<hr/> 19,017	<hr/> 37,128

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2015 - UNAUDITED (Cont'd)**

	<b>31.12.2015</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>(Restated)</b>
		<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Biological assets expenditure	(6,434)	(10,410)
Net dividend received from investment securities	122	30
Proceeds from disposal of property, plant and equipment	1,144	270
Purchase of investment properties	-	(198)
Purchase of property, plant and equipment	<u>(4,065)</u>	<u>(3,269)</u>
Net cash used in investing activities	<u>(9,233)</u>	<u>(13,577)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	1,067	2,122
Drawdown of trade financing facilities	51,937	63,580
Repayment of hire purchases	(1,294)	(1,239)
Repayment of term loans	(3,209)	(1,407)
Repayment of trade financing facilities	(21,405)	(45,136)
Repurchase of treasury shares	<u>(12)</u>	<u>(13)</u>
Net cash generated from financing activities	<u>27,084</u>	<u>17,907</u>
Net increase in cash and cash equivalents	36,868	41,458
Effects of exchange rate changes	230	(140)
Net cash and cash equivalents at the beginning of the year	245,864	233,635
Net cash and cash equivalents at the end of the year	<u><u>282,962</u></u>	<u><u>274,953</u></u>
For Cashflow purposes, net cash and cash equivalents include the following:-		
Cash and bank balances	313,771	308,457
Less: Bank overdraft	<u>(30,809)</u>	<u>(33,504)</u>
Cash and cash equivalents	<u><u>282,962</u></u>	<u><u>274,953</u></u>

**The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.**

**W T K HOLDINGS BERHAD (10141-M)**  
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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the three months ended 31 March 2015 – 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 27 May 2015.

**2. 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”).

Save and disclosed as below, the interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. 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 2014.

**3. Significant accounting policies**

The significant accounting policies and methods of computation adopted for the condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2014 except for the adoption of the following new/revised Financial Reporting Standards (“FRSs”) below.

On 1 January 2015, the Group adopted the relevant and applicable new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2015 as follows:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 119: Defined Benefit Plans: Employee Contribution	1 July 2015
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2015
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2015

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the three months ended 31 March 2015 – unaudited

**3. Significant accounting policies (cont'd)**

The Group has not adopted the following new and amended FRSs applicable to the Group that have been issued but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 10 and FRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101 Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 9 Financial Instruments	1 January 2018

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group.

**4. Changes in estimates**

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.



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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the three months ended 31 March 2015 – unaudited

**6. Segmental information**

	<b>3 months ended 31.3.2015</b>		<b>3 months ended 31.3.2014 (Restated)</b>	
	Revenue RM'000	Profit/(loss) before tax RM'000	Revenue RM'000	Profit/(loss) before tax RM'000
Timber	128,351	4,716	131,641	12,313
Plantation	1,402	(1,891)	1,324	(100)
Oil and Gas	180	1,650	-	-
Manufacturing	17,262	2,322	24,442	4,597
Trading	11,645	1,119	11,273	1,254
Others	929	(344)	905	189
<b>Total</b>	<b>159,769</b>	<b>7,572</b>	<b>169,585</b>	<b>18,253</b>

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 sales of timber, manufacture and sales of plywood, veneer and sawn timber.
- Plantation : cultivation of oil palm and tree planting.
- Oil and Gas : provision of Offshore Service Vessels (OSV) to the oil majors in Malaysia and the regions, specifically Accommodation Work Boats (AWB), a segment within the OSV sector.
- Manufacturing : conversion and sales of aluminium foils, flexible packaging, metallized and electrostatic discharge products, manufacture and sales 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.

**7. Seasonality of operations**

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

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the three months ended 31 March 2015 – unaudited

**8. Profit before tax**

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.3.2015</b>	<b>31.3.2014</b>	<b>31.3.2015</b>	<b>31.3.2014</b>
	<b>(Restated)</b>		<b>(Restated)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net profit for the period is arrived at after charging:</b>				
Amortisation	1,788	1,815	1,788	1,815
Allowance for impairment loss on receivables	45	24	45	24
Bad debts written off	-	2	-	2
Depreciation	9,553	9,134	9,553	9,134
Interest expense	1,674	1,202	1,674	1,202
Inventories written off	2	42	2	42
Loss on disposal of property, plant and equipment	272	-	272	-
<b>and crediting:</b>				
Allowance for impairment loss on receivables no longer required	-	4,385	-	4,385
Gain on foreign exchange	146	69	146	69
Gain on disposal of property, plant and equipment	-	21	-	21
Hire of machinery	124	131	124	131
Interest income	1,243	1,112	1,243	1,112

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the three months ended 31 March 2015 – unaudited

**9. Income tax expense**

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Taxation based on results for the period:				
Current taxation				
- Malaysian income tax	2,344	2,810	2,344	2,810
- Foreign tax	101	123	101	123
	<u>2,445</u>	<u>2,933</u>	<u>2,445</u>	<u>2,933</u>
Under provision in prior years	-	24	-	24
	<u>2,445</u>	<u>2,957</u>	<u>2,445</u>	<u>2,957</u>
Deferred taxation				
- Current year	(55)	(123)	(55)	(123)
	<u>(55)</u>	<u>(123)</u>	<u>(55)</u>	<u>(123)</u>
	<u>2,390</u>	<u>2,834</u>	<u>2,390</u>	<u>2,834</u>

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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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the three months ended 31 March 2015 – 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		Cumulative Quarter	
	3 months ended		3 months ended	
	(Restated)		(Restated)	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
Profit attributable to the owners of the Company (RM'000)	5,335	15,330	5,335	15,330
Weighted average number of ordinary shares in issue ('000)	477,510	434,199	477,510	434,199
Dilutive potential ordinary shares	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	477,510	434,199	477,510	434,199
Basic EPS (sen)	1.12	3.53	1.12	3.53
Diluted EPS (sen)	1.12	3.53	1.12	3.53

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the three months ended 31 March 2015 – unaudited

**11. Property, plant and equipment**

During the 3 months ended 31 March 2015, the Group acquired assets at a total cost of RM4,706,000 (31 March 2014: RM4,855,000) excluding property, plant and equipment acquired through business combinations.

Assets with a carrying amount of RM1,416,000 were disposed of by the Group during the 3 months ended 31 March 2015 (31 March 2014: RM249,000), resulting in a loss on disposal of RM272,000 (31 March 2014: gain on disposal of RM21,000).

**12. Intangible assets**

	<b>Goodwill</b>	<b>Timber</b>	<b>Total</b>
	<b>RM'000</b>	<b>rights</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>			
At 1 January 2015	33,728	111,584	145,312
Addition	-	-	-
At 31 March 2015	<u>33,728</u>	<u>111,584</u>	<u>145,312</u>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2015	5,506	67,251	72,757
Amortisation for current year	-	1,538	1,538
At 31 March 2015	<u>5,506</u>	<u>68,789</u>	<u>74,295</u>
<b>Net carrying amount</b>			
At 31 March 2015	<u>28,222</u>	<u>42,795</u>	<u>71,017</u>
At 31 December 2014	<u>28,222</u>	<u>44,333</u>	<u>72,555</u>

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the three months ended 31 March 2015 – unaudited

**12. Intangible assets (cont'd)**

**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:

	<b>Goodwill</b>	<b>Timber</b>	<b>Total</b>
	<b>RM'000</b>	<b>rights</b>	<b>RM'000</b>
		<b>RM'000</b>	
<b>At 31 March 2015</b>			
Timber division	24,598	42,795	67,393
Trading division	3,616	-	3,616
Manufacturing division	8	-	8
	<u>28,222</u>	<u>42,795</u>	<u>71,017</u>
<b>At 31 December 2014</b>			
Timber division	24,598	44,333	68,931
Trading division	3,616	-	3,616
Manufacturing division	8	-	8
	<u>28,222</u>	<u>44,333</u>	<u>72,555</u>

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 during 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.

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the three months ended 31 March 2015 – unaudited

**13. Cash and cash equivalents**

	<b>31.3.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash on hand and at bank	220,753	179,786
Short term deposits with licensed financial institutions	93,018	92,802
Cash and bank balances	<u>313,771</u>	<u>272,588</u>

**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.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 31 March 2015</b>				
Financial investment available-for-sale				
Quoted investments	1,175	-	-	1,175
Unquoted investments	-	-	11,622	11,622
	<u>1,175</u>	<u>-</u>	<u>11,622</u>	<u>12,797</u>
<b>At 31 December 2014</b>				
Financial investment available-for-sale				
Quoted investments	1,130	-	-	1,130
Unquoted investments	-	-	11,622	11,622
	<u>1,130</u>	<u>-</u>	<u>11,622</u>	<u>12,752</u>

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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 31 March 2015.

During the current quarter ended 31 March 2015, the Company repurchased 10,000 of its issued ordinary shares from the open market at an average price of RM1.17 per share. The total consideration paid for the repurchase including transaction costs was RM11,786 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.

The number of shares bought back and retained as treasury shares amounted to 3,841,000 shares as at 31 March 2015.

**16. Interest bearing loans and borrowings**

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

	31.3.2015	31.12.2014
	RM'000	RM'000
Short term borrowings		
Secured	69,416	66,449
Unsecured	92,322	60,814
	<u>161,738</u>	<u>127,263</u>
Long term borrowings		
Secured	152,324	154,941
	<u>152,324</u>	<u>154,941</u>
Total	<u>314,062</u>	<u>282,204</u>



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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**

No interim dividend has been declared for the current quarter ended 31 March 2015 (31 March 2014: RM Nil).

**19. Commitments**

There were no material capital commitments in the current quarter ended 31 March 2015.

**20. Contingencies**

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

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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 three months ended 31 March 2015 and 31 March 2014 as well as the balances with the related parties as at 31 March 2015 and 31 December 2014:

	Note	Transaction value		Balance outstanding	
		31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.12.2014 RM'000
Sawn timber sales:					
W. T. K. Trading Sdn. Bhd.	#	-	-	-	-
Log sales:					
Harbour-View Realty Sdn. Bhd.	^	-	-	36	141
Contract fee received:					
Harbour-View Realty Sdn. Bhd.	^	-	-	-	-
Hung Ling Sawmill Sdn Bhd	^	-	-	-	-
W T K Realty Sdn. Bhd.	#	-	-	-	-
Ocarina Development Sdn. Bhd.	#	-	-	-	-
Elite Honour Sdn. Bhd.	#	-	-	-	-
		-	-	-	-
Road toll received:					
Elite Honour Sdn. Bhd.	#	-	214	-	15
Purchase of logs:					
Faedah Mulia Sdn. Bhd.	#	1,198	1,930	220	(1,919)
Harbour-View Realty Sdn. Bhd.	^	-	43	(4)	(126)
Harvard Rank Sdn. Bhd.	#	-	1,474	(249)	2,965
K N Wong (M) Sdn. Bhd.	#	-	-	-	-
Ocarina Development Sdn. Bhd.	#	5,377	4,075	(3,266)	(1,225)
Protection Gloves Sdn. Bhd.	^	1,566	967	586	(2,935)
Sabal Sawmill Sdn. Bhd.	^	-	280	219	1,105
Sunrise Megaway Sdn. Bhd.	#	-	1,449	(86)	(317)
		8,141	10,218	(2,580)	(2,452)

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**21. Related party transactions (cont'd)**

	Note	Transaction value		Balance outstanding	
		31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.12.2014 RM'000
Literage and freight:					
Master Ace Territory Sdn. Bhd.	#	437	201	(97)	(404)
Ocarina Development Sdn. Bhd.	#	583	312	(525)	(146)
Syarikat Kalulong Sdn. Bhd.	#	-	-	-	-
W T K Realty Sdn. Bhd.	#	1,470	1,379	390	(345)
		<u>2,490</u>	<u>1,892</u>	<u>(232)</u>	<u>(895)</u>
Purchase of spare parts:					
W. T. K. Enterprises Sdn. Bhd.	#	9	38	(94)	(83)
WTK Service & Warehousing Sdn. Bhd.	^	1,492	771	(267)	(260)
		<u>1,501</u>	<u>809</u>	<u>(361)</u>	<u>(343)</u>
Purchase of frozen food:					
Sing Chew Coldstorage Sdn. Bhd.	^	17	433	(58)	(72)
Purchase of hardware and lubricants:					
W.T.K Trading Sdn. Bhd.	#	8	248	(60)	(59)
WTK Service & Warehousing Sdn. Bhd.	^	3,657	2,253	(55)	(2,252)
		<u>3,665</u>	<u>2,501</u>	<u>(115)</u>	<u>(2,311)</u>
Purchase of fertilizer:					
Grofields Sdn. Bhd.	#	-	-	-	-
WTK Service & Warehousing Sdn. Bhd.	^	2,026	973	(2,053)	(871)
		<u>2,026</u>	<u>973</u>	<u>(2,053)</u>	<u>(871)</u>
Contract fees paid in relation to logging operations:					
Ann Yun Logistics Sdn. Bhd.	*	810	808	(810)	(539)
Harbour-View Realty Sdn. Bhd.	^	-	312	-	-
Hung Ling Sawmill Sdn. Bhd.	^	-	552	-	-
United Agencies Sdn. Bhd.	^	1,459	2,766	507	270
W T K Realty Builder Sdn. Bhd.	#	-	-	2	(665)
W T K Realty Sdn. Bhd.	#	27	270	(310)	-
		<u>2,296</u>	<u>4,708</u>	<u>(611)</u>	<u>(934)</u>

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**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 31 March 2015 which could materially affect the Group.

**23. Performance review**

For the quarter under review, the Group's revenue was RM159.8 million as compared to RM169.6 million in 1Q2014, representing a decrease of RM9.8 million (5.8%), with profit before tax of RM7.6 million, a decrease of RM10.7 million (58.5%) as compared to RM18.3 million in 1Q2014. This is mainly attributed by the timber and plantation divisions.

**Quarter 1, 2015**

**Timber**

For the current quarter, the Group's timber division registered a revenue of RM128.4 million, representing a decrease of RM3.2 million or 2.4% as compared with RM131.6 million in the 1Q2014, despite the increase in round log sales volume by 20.6%. This is due to higher local sales for round logs which has lower selling prices and lower sales volume of premium plywood products (10%) which consequently resulted in a lower in average selling price by 8.3%. The lower sales volume of premium plywood products was due to stock-up by Japanese buyers during 1Q2014 before the increase in consumption tax which come in effect on 1 April 2014.

Its pre-tax profit stood at RM4.7 million in the current quarter, a decrease of 61.8% or RM7.6 million when compared to RM12.3 million (includes a debts recovered of RM4.4 million) registered in the 1Q2014. The lower pre-tax profit was mainly contributed by higher production cost as a result of the reduced production volume by 27.7% which was due to higher rainfall, longer festive holidays and the recent changes in administrative procedures for forest management which will be normalized in due course.

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**23. Performance review (cont'd)**

**Quarter 1, 2015 (cont'd)**

**Timber (cont'd)**

The Group's key export markets for round logs were India (77%), Vietnam (12%) and other countries (11%). The export market for plywood for the quarter under review were Japan (75%), Taiwan (20%), and other countries (5%).

**Plantation**

The plantation division registered a revenue of RM1.4 million for 1Q2015 with a loss before tax of RM1.9 million. The loss before tax was mainly due to insufficient fresh fruit bunches production volume coupled with weak (Crude Palm Oils) CPO prices to cover the operational costs.

**Manufacturing and Trading**

The revenue for 1Q2015 registered at RM28.9 million, a decline of RM6.8 million or 19.0% when compared to 1Q2014 of RM35.7 million. The decline in revenue was mainly due to the reduced volume for foil products. Profit before tax was reported at RM3.4 million, a decrease by RM2.5 million, representing a decrease of 42.4% when compared with 1Q2014 of RM5.9 million. The lower profit before tax was mainly attributed to the lower revenue generated from foil products and higher production cost resulting from reduced volume.

**Oil and Gas**

The Group's newly-acquired subsidiary, Alanya Marine Ventures Sdn. Bhd. registered net profits after tax of RM1.7 million, amidst a period of fluctuating oil prices and changes in the top leadership of PETRONAS. The latter effected delays across the board in an otherwise start of a busy period in the industry. Nevertheless, the existing secured long-term contracts kept the operations going while the Management continues to participate in new tender bids to secure new projects in 2015. This is to improve the Group's position in the market, as well as sustain growth and profitability.

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**23. Performance review (cont'd)**

**Quarter 1, 2015 (cont'd)**

**Others**

The less favorable performance for the current quarter when compared with 1Q2014 was a result of incidental expenses incurred in connection with the acquisition of a new subsidiary company and the increase in operating expenses.

**24. Comment on material change in profit before taxation**

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

**Quarter 1, 2015**

**Timber**

The timber division recorded a revenue of RM128.4 million as compared to 4Q2014's revenue of RM143.9 million, representing a decrease of 10.8%. The lower revenue was mainly due to the reduced sales of timber logs during the quarter. Consequently, the timber division reported a lower pre-tax profit of RM4.7 million whilst 4Q2014's pre-tax profit was RM7.2 million, representing a drop of 34.7%. This was mainly due to continued wet weather condition and festive seasons in 1Q2015.

**Plantation**

During the 1Q2015, the plantation division registered a revenue of RM1.4 million as compared to RM1.0 million in 4Q2014, representing an increase of 40%. The higher revenue is mainly attributed by the gradual increase of fresh fruit bunches (FFB) production. However, the division registered a loss before tax of RM1.9 million as compared to RM8.4 million reported in 4Q2014. The loss before tax during this quarter was mainly due to insufficient fresh fruit bunches production volume coupled with weak CPO prices to cover the operational costs. In addition, the higher loss recorded in the preceding quarter was mainly due to the one-time write off expenses amounting to RM7.4 million which was previously capitalized.

**Manufacturing and Trading**

The revenue for 1Q2015 registered at RM28.9 million, an increase of RM4.2 million or 17.0% when compared to 4Q2014. The increase in revenue was as a result of the re-stocking activities by the foil customers after the lower purchases in the 4Q 2014 and the clearing balance of orders committed by the major customers.

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**24. Comment on material change in profit before taxation (cont'd)**

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

**Quarter 1, 2015 (cont'd)**

**Manufacturing and Trading (cont'd)**

Profit before tax was reported at RM3.4 million, indicating an increase of RM1.8 million or 112.5% when compared with 4Q2014. The increase in profit before tax was mainly attributed to the improved revenue of foil products.

**Oil and Gas**

The Group's venture into the O&G sector through the acquisition of Alanya Marine Ventures Sdn. Bhd. that was completed on 23 December 2014 marked a good start with the achievement of after-tax profits of RM1.7 million for 1Q2015. This was derived from the provision of Accommodation Workboats (AWBs) in existing secured long-term contracts to serve the oil majors in Malaysia and Brunei. The RM1.7 million has been accounted for using the equity method in the Group's consolidated results.

**Others**

There were no material changes to the revenue and profit before tax in respect of the current quarter when compared with 4Q2014.

**25. Commentary on prospects**

**Timber**

Japan, the Group's major market for its timber products, housing starts for 2015 is forecasted at 5% lower than 2014's at 829,261 with its housing starts for the first quarter of 2015 down by 5.4% when compared to the same period of last year. Nevertheless, given the Group's strong presence in Japan in premium plywood products and the Japanese Government's effort to counter downward pressure on its economy, amongst some; postponement of the increase in consumption tax from 2015 to 2017 and introduction of a 3.5 trillion yen stimulus package to boost productivity and growth, the Group remains cautiously optimistic of its prospect in Japan in this coming summer season.

In April 2015, the Government of India, released a budget that focus on sustaining growth through measures such as increase spending in infrastructure, creating more jobs and construction. In addition, in order to boost the economic performance, the central bank of India has reduced the rate by 25 basis points to provide a better business environment. Accordingly, the Group expects a positive spillover effect on the demand of the Group's round logs.

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**25. Commentary on prospects (cont'd)**

**Timber (cont'd)**

The State Government of Sarawak efforts to enhance corporate transparency and enforcement of further controls and regulations to stem off illegal harvesting have resulted to some changes in administrative procedures for forest management process. During this transitional period of implementation of new procedures, harvesting activities were affected which resulted in lower round logs production. The Group believes that the log harvesting activities will normalize in due course once these procedures are fully implemented. Although there are sufficient log supplies to its plywood mills, the Group will continue to closely monitor its plywood mills' logs requirement to ensure that there is no disruption in its mills operations.

Based on the above, the Group will remain cautious and vigilant to maintain its strong presence in its key market and ensure a smooth implementation of new administrative processes and ensure adequate round log supply to its mills.

**Plantation**

The plantation sector would gradually generate improved FFB yield based on the matured area and palm age profile and eventually contribute to the Group's performance in future.

**Manufacturing and Trading**

For the Group's manufacturing and trading division in 2015, the Group faces enormous challenges in respect of the rapid changing trend to the packaging industry and influx of cheaper alternative substitution or by-products. This may be further compounded by the expected customer spending slowdown after the implementation of Goods and Services Tax with effect from 1 April 2015. Nevertheless, the Group is determined to take several measures with its effort to maintain its prominent presence in the highly competitive markets, both domestic and overseas. This includes developing new and value added products, gearing towards most prestigious accreditation on quality (Food and Safety System Certification, FSSC 22000), delivering better value products and retaining customer loyalty.



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**25. Commentary on prospects (cont'd)**

**Oil and Gas**

The fluctuation in oil prices has been primarily a concern in the industry in the past few months. Nevertheless, the Group, which is in the provision of Offshore Service Vessels (OSV) to the oil majors in Malaysia, specifically Accommodation Work Boats (AWBs) is expected to sustain its performance as PETRONAS and other oil majors continue with current projects and the maintenance of existing offshore platforms. This is expected to maintain the strong demand for AWBs which are required throughout the entire O&G lifecycle.

Aside from slight delays during 1Q2015 in the award of new contracts and the resumption of work in existing contracts, the Group expects these activities to be normalized from May 2015 onwards. While maintaining a strong book order, the Group has been actively participating in tender bids for new projects and based upon a strong track record with PETRONAS thus far, the Group expects to secure new projects in 2015 to sustain growth and profitability. In view of this and backed by an experienced team, the Group is confident of delivering a steady growth in its performance.

**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.

**30. Changes in material litigation**

There was no material litigation against the Group.

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**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 31 March 2015 or the previous financial period ended 31 March 2014.

**34. Risks and policies of derivatives**

The Group did not enter into any derivatives during the current quarter ended 31 March 2015 or the previous financial period ended 31 March 2014.

**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 31 March 2015 and 31 March 2014.

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**36. Breakdown of realised and unrealised profit or losses**

	<b>As at 31.3.2015</b>	<b>As at 31.12.2014 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of W T K Holdings Berhad and its subsidiaries:		
- Realised	1,314,157	1,297,080
- Unrealised	(71,017)	(71,453)
	1,243,140	1,225,627
Total share of retained profits from an associate company:		
- Realised	1,651	-
Total share of retained profits from a jointly controlled entity:		
- Realised	(244)	(244)
	1,244,547	1,225,383
Less: Consolidation adjustments	(218,670)	(204,841)
Total Group retained profits as per consolidated accounts	1,025,877	1,020,542

**37. Auditors report on the preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

BY ORDER OF THE BOARD

TAN MEE LIAN  
COMPANY SECRETARY  
KUALA LUMPUR  
Date: 27 MAY 2015