

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	<b>31.12.2017</b>	<b>31.12.2016</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	595,831	616,336
Prepaid land lease payments	32,000	33,000
Investment properties	16,385	16,759
Investment in associates	293	50,517
Other investments	733	15,369
Intangible assets	50,060	56,214
Biological assets	402,059	390,908
	<u>1,097,361</u>	<u>1,179,103</u>
<b>Current assets</b>		
Prepaid land lease payments	1,000	1,000
Inventories	111,603	147,994
Trade receivables	45,815	92,572
Other receivables	26,419	53,958
Tax recoverable	5,558	6,674
Cash and bank balances	423,540	368,047
	<u>613,935</u>	<u>670,245</u>
<b>TOTAL ASSETS</b>	<u><u>1,711,296</u></u>	<u><u>1,849,348</u></u>

**W T K HOLDINGS BERHAD (10141-M)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017 (Cont'd)**

	<b>31.12.2017</b>	<b>31.12.2016</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	328	181
Short term borrowings	125,811	146,952
Trade payables	166,248	106,233
Other payables	38,034	23,262
Current tax payable	2,300	1,658
	<u>332,721</u>	<u>278,286</u>
<b>Net current assets</b>	<u>281,214</u>	<u>391,959</u>
<b>Non-current liabilities</b>		
Retirement benefit obligations	1,960	2,210
Long term borrowings	128,453	122,623
Deferred tax liabilities	71,195	69,912
	<u>201,608</u>	<u>194,745</u>
<b>Total liabilities</b>	<u>534,329</u>	<u>473,031</u>
<b>Net assets</b>	<u>1,176,967</u>	<u>1,376,317</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	309,346	240,672
Share premium	-	68,674
Treasury shares	(8,156)	(8,156)
Other reserves	5,804	6,466
Retained earnings	862,049	1,059,556
	<u>1,169,043</u>	<u>1,367,212</u>
<b>Non-controlling interests</b>	7,924	9,105
<b>Total equity</b>	<u>1,176,967</u>	<u>1,376,317</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,711,296</u>	<u>1,849,348</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 YEAR ENDED 31 DECEMBER 2017 - UNAUDITED**

	Current quarter		Cumulative quarter	
	Three months ended 31 December		Twelve months ended 31 December	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Revenue	225,501	164,752	793,310	643,307
Cost of sales	<u>(192,404)</u>	<u>(130,228)</u>	<u>(679,712)</u>	<u>(538,375)</u>
Gross profit	33,097	34,524	113,598	104,932
Other income	7,469	8,855	21,962	31,902
Selling and distribution expenses	(14,410)	(13,351)	(57,942)	(53,742)
Administrative and other expenses	<u>(20,516)</u>	<u>(11,465)</u>	<u>(48,448)</u>	<u>(37,905)</u>
Operating profit	5,640	18,563	29,170	45,187
Finance costs	<u>(1,804)</u>	<u>(3,143)</u>	<u>(8,955)</u>	<u>(10,351)</u>
Profit before tax	3,836	15,420	20,215	34,836
Income tax (expense)/credit	<u>(6,773)</u>	<u>1,287</u>	<u>(12,714)</u>	<u>(5,152)</u>
(Loss)/Profit for the period/year from continuing operations	(2,937)	16,707	7,501	29,684
<b>Discontinued Operations</b>				
Loss for the period/year from discontinued operations	<u>(157,493)</u>	<u>(19,561)</u>	<u>(196,651)</u>	<u>(31,246)</u>
<b>Loss for the period/year</b>	<u>(160,430)</u>	<u>(2,854)</u>	<u>(189,150)</u>	<u>(1,562)</u>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Net (loss)/gain on available-for-sale financial assets				
- Gain on fair value changes	115	42	195	88
- Transfer to profit or loss upon disposal	-	-	(189)	(2)
Foreign currency translation	<u>(654)</u>	<u>684</u>	<u>(668)</u>	<u>538</u>
	(539)	726	(662)	624
<b>Item that will not be reclassified subsequently to profit or loss:</b>				
Remeasurement gain on retirement benefit obligations	-	27	-	27
<b>Other comprehensive (loss)/income, net of tax</b>	<u>(539)</u>	<u>753</u>	<u>(662)</u>	<u>651</u>
<b>Total comprehensive loss for the period/year</b>	<u>(160,969)</u>	<u>(2,101)</u>	<u>(189,812)</u>	<u>(911)</u>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(160,549)	(1,958)	(187,969)	21
Non-controlling interests	<u>119</u>	<u>(896)</u>	<u>(1,181)</u>	<u>(1,583)</u>
<b>Loss for the period/year</b>	<u>(160,430)</u>	<u>(2,854)</u>	<u>(189,150)</u>	<u>(1,562)</u>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(161,088)	(1,205)	(188,631)	672
Non-controlling interests	<u>119</u>	<u>(896)</u>	<u>(1,181)</u>	<u>(1,583)</u>
<b>Total comprehensive loss for the period/year</b>	<u>(160,969)</u>	<u>(2,101)</u>	<u>(189,812)</u>	<u>(911)</u>
<b>(Loss)/Earnings per share attributable to owners of the Company:</b>				
Basic, for (loss)/profit for the period/year (sen)	<u>(33.62)</u>	<u>(0.41)</u>	<u>(39.37)</u>	<u>-</u>
<b>(Loss)/Earnings per share from continuing operations attributable to owners of the Company:</b>				
Basic, for (loss)/profit for the period/year (sen)	<u>(0.64)</u>	<u>3.69</u>	<u>1.82</u>	<u>6.54</u>
<b>Loss per share from discontinued operation attributable to owners of the Company:</b>				
Basic, for loss for the period/year (sen)	<u>(32.98)</u>	<u>(4.10)</u>	<u>(41.19)</u>	<u>(6.54)</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 YEAR ENDED 31 DECEMBER 2017 - UNAUDITED**

	←——— Attributable to owners of the Company ———→									
	Total equity attributable to the owners of the Company RM'000	←——— Non-distributable ———→			Distributable			←——— Non-distributable ———→		Non- controlling interests RM'000
Share capital RM'000		Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Total other reserves RM'000	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000			
<b>Quarter ended 31 December 2017</b>										
<b>At 1 January 2017</b>	1,376,317	1,367,212	240,672	68,674	(8,156)	1,059,556	6,466	6,576	(110)	9,105
Total comprehensive loss	(189,812)	(188,631)	-	-	-	(187,969)	(662)	(668)	6	(1,181)
<b>Transaction with owners</b>										
Dividends on ordinary shares	(9,538)	(9,538)	-	-	-	(9,538)	-	-	-	-
<b>Other equity movement</b>										
Transfer pursuant to Companies Act 2016 *	-	-	68,674	(68,674)	-	-	-	-	-	-
<b>At 31 December 2017</b>	<b>1,176,967</b>	<b>1,169,043</b>	<b>309,346</b>	<b>-</b>	<b>(8,156)</b>	<b>862,049</b>	<b>5,804</b>	<b>5,908</b>	<b>(104)</b>	<b>7,924</b>
<b>Quarter ended 31 December 2016</b>										
<b>At 1 January 2016</b>	1,393,062	1,378,422	240,672	68,674	(8,132)	1,071,366	5,842	6,038	(196)	14,640
Total comprehensive income	(911)	672	-	-	-	48	624	538	86	(1,583)
<b>Transactions with owners</b>										
Dilution of interest in non-controlling interest	(144)	31	-	-	-	31	-	-	-	(175)
Dividends on ordinary shares	(11,889)	(11,889)	-	-	-	(11,889)	-	-	-	-
Dividends paid to non-controlling interests	(2,130)	-	-	-	-	-	-	-	-	(2,130)
Disposal of a subsidiary	(1,647)	-	-	-	-	-	-	-	-	(1,647)
Repurchase of treasury shares	(24)	(24)	-	-	(24)	-	-	-	-	-
<b>At 31 December 2016</b>	<b>1,376,317</b>	<b>1,367,212</b>	<b>240,672</b>	<b>68,674</b>	<b>(8,156)</b>	<b>1,059,556</b>	<b>6,466</b>	<b>6,576</b>	<b>(110)</b>	<b>9,105</b>

Note

\* Upon the commencement of the Companies Act 2016 ("CA2016") on 31 January 2017, the amount standing to the credit of the Company's share premium becomes part of the Company's share capital pursuant to Section 618(2) of the CA2016. The Group may use the credit amount of the share premium within twenty-four months upon the commencement of Section 74 of the CA2016. (Note 2)

**The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.**

**W T K HOLDINGS BERHAD (10141-M)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017 - UNAUDITED**

	31.12.2017 RM'000	31.12.2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	20,215	34,836
Loss before tax from discontinued operations	(196,192)	(30,282)
	<u>(175,977)</u>	<u>4,554</u>
<b>Adjustments for:</b>		
Accretion of interest on RCPS	(957)	(1,182)
Allowance for impairment loss on receivables	121,507	7
Amortisation	7,154	7,154
Bad debts written off	-	2
Bad debts recovered	-	(303)
Depreciation	43,361	40,267
Dividend income	(11)	(34)
Gain on disposal of available-for-sale financial assets	(217)	(1)
Gain on disposal of investment properties	-	(6,550)
Loss on disposal of property, plant and equipment	1,973	517
Loss on disposal of a subsidiary	-	9,473
Impairment loss on intangible asset	-	1,725
Impairment loss on other investment	15,000	-
Interest expense	10,561	11,433
Interest income	(13,186)	(10,160)
Inventories written down	89	4,626
Inventories written off	683	20
Property, plant and equipment written off	194	144
Retirement benefit obligations	170	175
Reversal of deferred contingent liability	-	(4,590)
Reversal of impairment loss on receivables	(1,200)	(1,764)
Reversal of impairment loss on inventories	(25)	(25)
Share of results of associates	50,224	21,065
Unrealised loss/(gain) on foreign exchange	363	(407)
	<u>59,706</u>	<u>76,146</u>
<b>Operating profit before working capital changes</b>		
<b>Changes in working capital :</b>		
Net increase in current assets	(17,525)	(35,125)
Net increase in current liabilities	81,506	52,369
Cash generated from operations	<u>123,687</u>	<u>93,390</u>
Taxation paid	(10,126)	(10,111)
Interest paid	(13,881)	(16,821)
Interest received	13,186	10,160
Payment of retirement benefit	(273)	(362)
	<u>(10,094)</u>	<u>(27,034)</u>
<b>Net cash from operating activities</b>	<u>112,593</u>	<u>76,256</u>

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**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017 - UNAUDITED (Cont'd)**

	31.12.2017 RM'000	31.12.2016 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investment in a subsidiary	-	(144)
Addition of biological assets	(5,701)	(10,727)
Decrease/(Increase) in fixed deposits pledged to licensed financial institutions	64	(2)
Purchase of investment properties	-	(25)
Purchase of investment securities	(198)	-
Purchase of property, plant and equipment	(27,149)	(27,672)
Proceeds from disposal of investment securities	1,013	5
Proceeds from disposal of investment properties	-	19,561
Proceeds from disposal of property, plant and equipment	1,905	1,888
Net dividend received from investment securities	11	34
Net cash inflow/proceeds from disposal of a subsidiary	-	12,307
Subscription of shares in an associate	-	(368)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(30,055)</b>	<b>(5,143)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to non-controlling interests	-	(2,130)
Dividend paid to owners of the Company	(9,538)	(11,889)
Drawdown of term loans	57,398	9,895
Drawdown of trade financing facilities	56,767	164,172
Repurchase of treasury shares	-	(24)
Repayment of hire purchases	(1,700)	(2,918)
Repayment of term loans	(53,809)	(27,536)
Repayment of trade financing facilities	(53,849)	(179,389)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(4,731)</b>	<b>(49,819)</b>
Net increase in cash and cash equivalents	77,807	21,294
Effects of exchange rate changes	(387)	(176)
<b>Net cash and cash equivalents at the beginning of the year</b>	<b>344,570</b>	<b>323,452</b>
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<b>Net cash and cash equivalents at the end of the year</b>	<b>421,990</b>	<b>344,570</b>
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017 - UNAUDITED (Cont'd)**

	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
For the purpose of statements of cash flows, net cash and cash equivalents include the following:-		
Cash and bank balances	423,540	368,047
Less: Bank overdrafts	(1,550)	(23,413)
Less: Fixed deposits pledged to licensed financial institutions	-	(64)
Cash and cash equivalents	421,990	344,570

**NOTE TO STATEMENTS OF CASH FLOWS**

	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>

**A. PROCEEDS FROM DISPOSAL OF INVESTMENT PROPERTIES**

Investment properties were disposed by the following means:

Total proceeds	-	21,033
Less: Deposit paid	-	(1,472)
	-	19,561

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 twelve months ended 31 December 2017 – 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 28 February 2018.

**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 financial year ended 31 December 2016. 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 2016.

For the current year to date, the Group also adopted the Companies Act 2016 (“CA2016”) which took effect from 31 January 2017 except Section 241 and Division 8 of Part III of the CA2016. CA2016 was enacted to replace the Companies Act 1965.

The Companies Commission of Malaysia has clarified that CA2016 should be complied with for the preparation of financial statements, directors’ report and auditors’ report thereon commencing from the financial year/period ended 31 January 2017. The main changes in CA2016 that will affect the financial statements of the Group and of the Company upon the commencement of CA2016 on 31 January 2017 are:

- (i) removal of the authorised share capital;
- (ii) shares of the Company will cease to have par or nominal value; and
- (iii) the Company’s share premium account will become part of the Company’s share capital.

The adoption of CA2016 does not have any financial impact to the Group as any accounting implications will only be applied prospectively. The effect of adoption mainly will be on disclosures of financial statements.

Upon adoption of the CA2016, the Group’s share premium of RM68,674,000 becomes part of the share capital pursuant to Section 618(2) of the CA2016. The Group may use the credit amount of the share premium within twenty-four months upon commencement of Section 74 of the CA2016. The Board of Directors may make a decision thereon by 31 January 2019.



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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**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 financial year ended 31 December 2016 except for the adoption of the following new/revised Financial Reporting Standards (“FRSs”).

On 1 January 2017, the Group adopted the relevant and applicable new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2017 as follows:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 107 Disclosure Initiative	1 January 2017
Amendments to FRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to FRSs 2014 – 2016 Cycle	1 January 2017

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>
FRS 9 Financial Instruments	1 January 2018
Amendments to FRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts#	1 January 2018
Amendments to FRS 2#	1 January 2018
Amendments to FRS 140#	1 January 2018
IC Interpretation 22#	1 January 2018
Annual Improvements to FRSs 2014 – 2016 Cycle#	1 January 2018

# An entity that has in the alternative applied FRSs shall apply MFRSs for annual periods beginning on or after 1 January 2018. Such an entity shall apply the corresponding amendments under the MFRSs instead of these Amendments, on or after 1 January 2018.

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

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**4. Changes in estimates**

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

**5. Changes in composition of the Group**

There were no changes in the composition of the Group during the current financial quarter.

**6. Discontinued operation**

On 26 December 2017, the Company announced that Alanya Marine Ventures Sdn. Bhd. (“AMV”), a wholly owned subsidiary company of the Group, has been served with a winding-up petition by Mr Goh Chung Sen, who is also a director of AMV for outstanding advances made to AMV. The winding-up petition dated 18 December 2017 was presented to the High Court of Malaya at Kuala Lumpur on 18 December 2017. The hearing of the said petition at High Court of Malaya, Kuala Lumpur is fixed on 22 February 2018. The Company and AMV do not intend to contest the petition.

On 23 February 2018, the Company announced that the High Court of Malaya in Kuala Lumpur had on 22 February 2018 ordered AMV to be wound-up and appointed Dato’ Narendrakumar Jasani a/l Chunilal Rugnath of Grant Thornton Consulting Sdn Bhd as the Liquidator of AMV.

Consequently, the results of AMV has been disclosed as discontinued operation and the comparative statements of comprehensive income has been restated to show the discontinued operation separately from continuing operations. The subsidiary is principally involved in the business to import, export and supply oil and gas equipment, provision of oil and gas related services and investment holding and reported as part of the oil and gas segment.

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**6. Discontinued operation (cont'd)**

The results of AMV are as follows:

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	11,812	11,478	36,321	46,362
Cost of sales	<u>(11,439)</u>	<u>(11,282)</u>	<u>(46,866)</u>	<u>(44,909)</u>
Gross Profit/(Loss)	373	196	(10,545)	1,453
Other income	304	1,434	1,221	2,127
Administrative and other expenses	(123,278)	(1,125)	(135,038)	(1,922)
Finance costs	(353)	(260)	(1,606)	(1,039)
Share of results of associates	<u>(34,806)</u>	<u>(19,717)</u>	<u>(50,224)</u>	<u>(21,065)</u>
Loss before tax	(157,760)	(19,472)	(196,192)	(20,446)
Tax credit/(expense)	<u>267</u>	<u>(89)</u>	<u>(459)</u>	<u>(185)</u>
<b>Loss for the period/ year from discontinued operation</b>	<b><u>(157,493)</u></b>	<b><u>(19,561)</u></b>	<b><u>(196,651)</u></b>	<b><u>(20,631)</u></b>

The cash flow of discontinued operation are as follows:

	<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash flow used in operating activities	(1,185)	(8,882)
Net cash flow (used in)/from investing activities	(3,154)	834
Net cash flow (used in)/from financing activities	<u>(3,169)</u>	<u>9,058</u>
<b>Net cash (outflow)/inflow from discontinued operation</b>	<b><u>(1,169)</u></b>	<b><u>1,010</u></b>

**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 twelve months ended 31 December 2017 – unaudited

**7. Segmental information**

	<b>12 months ended 31.12.2017</b>		<b>12 months ended 31.12.2016</b>	
	Revenue RM'000	Profit/(Loss) before tax RM'000	Revenue RM'000	Profit/(Loss) before tax RM'000
<u>Continuing Operations:</u>				
Timber	659,764	31,480	549,395	35,034
Plantation	59,557	(8,492)	24,077	(13,798)
Manufacturing	40,875	4,860	36,368	4,520
Trading	30,996	2,267	31,156	2,737
Others	2,118	(9,900)	2,311	(3,130)
Total continuing operations	<u>793,310</u>	<u>20,215</u>	<u>643,307</u>	<u>25,363</u>
<u>Discontinued Operations:</u>				
Manufacturing	-	-	25,523	(363)
Oil and gas	36,321	(196,192)	46,362	(20,446)
Total discontinued operations	<u>36,321</u>	<u>(196,192)</u>	<u>71,885</u>	<u>(20,809)</u>
<b>Total</b>	<b><u>829,631</u></b>	<b><u>(175,977)</u></b>	<b><u>715,192</u></b>	<b><u>4,554</u></b>

For the purpose of segmental information, the loss on disposal of a subsidiary of RM9.5 million in the preceding year corresponding period is presented under Others segment of continuing operations.

The Group is organised into business units based on their products and services, and has six 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, production and sales of crude palm oil and palm kernel (“CPO & PK”) and tree planting.

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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**7. Segmental information (cont'd)**

The Group is organised into business units based on their products and services, and has six reportable operating segments as follows: (cont'd)

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	:	manufacture and sales of adhesive and gummed tapes.
Trading	:	the trading of tapes, foil, papers and electrostatic discharge products.
Others	:	investment income.

**8. Seasonality of operations**

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

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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**9. (Loss)/Profit before tax**

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
<b>Net (loss)/profit for the period is arrived at after charging:</b>				
Amortisation	1,790	1,790	7,154	7,154
Allowance for impairment loss on receivables	111,507	305	121,507	7
Bad debts written off	-	2	-	2
Depreciation	11,816	10,389	43,361	40,267
Impairment loss on intangible asset	-	1,725	-	1,725
Impairment loss on other investment	15,000	-	15,000	-
Interest expense	2,157	3,403	10,561	11,433
Inventories written down	75	4,613	89	4,626
Inventories written off	654	6	683	20
Loss on foreign exchange				
- Unrealised	11	-	363	-
- Realised	97	-	162	-
Loss on disposal of property, plant and equipment	-	5	1,973	517
Loss on disposal of a subsidiary	-	-	-	9,473
Property, plant and equipment written off	50	22	194	144

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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**9. (Loss)/Profit before tax (cont'd)**

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
<b>and crediting:</b>				
Accretion of interest on RCPS	-	305	957	1,182
Allowance for impairment loss on receivables no longer required	-	-	1,200	1,764
Bad debts recovered	-	300	-	303
Gain on disposal of available-for-sale investment	-	1	217	1
Gain on disposal of investment properties	-	-	-	6,550
Gain on disposal of property, plant and equipment	24	-	-	-
Gain on foreign exchange				
- Unrealised	-	847	-	407
- Realised	-	525	-	525
Hire of machinery	146	157	620	542
Interest income	4,880	3,421	13,186	10,160
Reversal of deferred contingent consideration	-	4,590	-	4,590
Reversal of impairment loss on inventories	-	25	-	25

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

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**10. Income tax expense/(credit)**

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Taxation based on results for the year:				
<u>Current income tax</u>				
- Malaysian income tax	5,274	1,372	10,983	8,149
- Foreign tax	6	59	277	412
	<u>5,280</u>	<u>1,431</u>	<u>11,260</u>	<u>8,561</u>
(Over)/Under provision in respect of previous years				
- Malaysian income tax	(25)	1,087	706	1,070
- Foreign tax	1	-	(77)	-
	<u>5,256</u>	<u>2,518</u>	<u>11,889</u>	<u>9,631</u>
<u>Deferred income tax</u>				
- Original and reversal of temporary differences	874	(61)	905	(1,109)
- Under/(Over) provision in prior year	376	(3,636)	379	(3,636)
	<u>1,250</u>	<u>(3,697)</u>	<u>1,284</u>	<u>(4,745)</u>
<u>Real Property Gain Tax</u>				
- Current year	-	-	-	1,247
- Over provision in respect of previous years	-	(19)	-	(17)
	<u>-</u>	<u>(19)</u>	<u>-</u>	<u>1,230</u>
<hr/>				
Total	<u>6,506</u>	<u>(1,198)</u>	<u>13,173</u>	<u>6,116</u>
<hr/>				
Income tax attributable to:				
- Continuing operations	6,773	(1,287)	12,714	5,152
- Discontinued operations	(267)	89	459	964
	<u>6,506</u>	<u>(1,198)</u>	<u>13,173</u>	<u>6,116</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.



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

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**11. (Loss)/Earnings per share**

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the financial period/year net of tax, attributable to owners of the parent by weighted average number of ordinary shares outstanding during the financial period/year, 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.

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
(Loss)/Profit attributable to the owners of the Company (RM'000)	(160,549)	(1,958)	(187,969)	21
(Loss)/Profit attributable to the owners of the Company (RM'000)	(160,549)	(1,958)	(187,969)	21
Add: Loss from discontinued operations attributable to the owners of the Company	157,493	19,561	196,651	31,246
(Loss)/Profit from continuing operations attributable to the owners of the Company	(3,056)	17,603	8,682	31,267
Weighted average number of ordinary shares in issue ('000)	477,474	477,474	477,474	477,482
Dilutive potential ordinary shares	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	477,474	477,474	477,474	477,482
Basic (loss)/earnings per share (sen)	(33.62)	(0.41)	(39.37)	-
Diluted (loss)/earnings per share (sen)	(33.62)	(0.41)	(39.37)	-

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

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**11. Earnings per share (cont'd)**

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Basic (loss)/earnings per share (sen)				
attributable to:				
- Continuing operations	(0.64)	3.69	1.82	6.54
- Discontinued operations	(32.98)	(4.10)	(41.19)	(6.54)
	(33.62)	(0.41)	(39.37)	-
Diluted (loss)/earnings per share (sen)				
attributable to:				
- Continuing operations	(0.64)	3.69	1.82	6.54
- Discontinued operations	(32.98)	(4.10)	(41.19)	(6.54)
	(33.62)	(0.41)	(39.37)	-

**12. Property, plant and equipment**

During the 12 months ended 31 December 2017, the Group acquired assets with a total cost of RM28,921,000 (31 December 2016: RM28,007,000).

Assets with carrying amount of RM3,878,000 (31 December 2016: RM2,405,000) were disposed of by the Group during the 12 months ended 31 December 2017, resulting in a loss on disposal of RM1,973,000 (31 December 2016: RM517,000).

**13. Intangible assets**

	<b>Goodwill</b>	<b>Timber rights</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>			
At 1 January 2017/31 December 2017	33,593	111,584	145,177
<b>Accumulated amortisation and impairment</b>			
At 1 January 2017	9,404	79,559	88,963
Amortisation	-	6,154	6,154
At 31 December 2017	9,404	85,713	95,117
<b>Net carrying amount</b>			
At 31 December 2017	24,189	25,871	50,060
At 31 December 2016	24,189	32,025	56,214

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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

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

**(a) Impairment testing of goodwill**

**Allocation of goodwill**

Goodwill acquired through business combinations is allocated to the Group's cash-generating units ("CGU") as follows:

	<b>Goodwill</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Timber division	22,873	22,873
Trading division	1,308	1,308
Manufacturing division	8	8
	<u>24,189</u>	<u>24,189</u>

The recoverable amount of goodwill is 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 and expected to be granted.

The following are the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

**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. Terminal growth rates**

The forecasted growth are based on industry research and past historical trend.

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

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**14. Cash and bank balances**

	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash on hand and at banks	197,080	118,535
Short term deposits with licensed financial institutions	226,460	249,512
Cash and bank balances	423,540	368,047

**15. 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>Date of valuation</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>Assets measured at fair value</b>						
Available-for-sale financial assets						
- Quoted investments	31 December 2017	633	-	-	633	
	31 December 2016	1,226	-	-	1,226	

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.

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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**16. Share capital, share premium and treasury shares**

The Company did not issue any ordinary shares during the current quarter ended 31 December 2017. Upon adoption of the CA2016, the Group's share premium of RM68,674,000 becomes part of the share capital pursuant to Section 618(2) of the CA2016.

The number of shares bought back and retained as treasury shares amounted to 3,871,000 shares as at 31 December 2017.

**17. Interest bearing loans and borrowings**

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

	31.12.2017	31.12.2016
	RM'000	RM'000
Short term borrowings		
Secured	39,332	106,952
Unsecured	86,479	40,000
	<u>125,811</u>	<u>146,952</u>
Long term borrowings		
Secured	128,453	122,623
Total	<u>254,264</u>	<u>269,575</u>

**18. Provisions for costs of restructuring**

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

**19. Dividends**

A final single-tier dividend in respect of the financial year ended 31 December 2016, of 2.00 sen net per share on 481,344,552 ordinary shares, less shares bought back and held as treasury shares amounting to a dividend payable of approximately RM9,549,000 was approved during the Annual General Meeting held on 26 May 2017. The said dividend was paid on 5 July 2017.

A final single-tier dividend in respect of the financial year ended 31 December 2017, of 1.00 sen (2016: 2.00 sen) net per share on 481,344,552 ordinary shares, less shares bought back and held as treasury shares amounting to a dividend payable of approximately RM4,775,000 (31 December 2016: RM9,549,000) will be proposed for shareholders' approval.

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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**20. Commitments**

There were no material capital commitments since the date of the last annual financial statements other than those disclosed below:

	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for:		
Property, plant and equipment	<u>-</u>	<u>21,236</u>

**21. Contingencies**

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

There were no contingent assets as at 31 December 2017 and 31 December 2016.

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

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**22. Related party transactions**

The following table provides information on the transactions which have been entered into with related parties during the twelve months ended 31 December 2017 and 31 December 2016.

	Note	Transaction value	
		31.12.2017 RM'000	31.12.2016 RM'000
Sawn timber sales:			
W T K Realty Builder Sdn. Bhd.	#	-	5
W T K Realty Sdn. Bhd.	#	289	566
W T K Service & Warehousing Sdn. Bhd.	^	188	-
		<u>477</u>	<u>571</u>
Contract fee received:			
W T K Realty Sdn. Bhd.	#	51	-
		<u>51</u>	<u>-</u>
Purchase of logs:			
Harbour-View Realty Sdn. Bhd.	^	10,032	9,533
Ocarina Development Sdn. Bhd.	#	14,990	29,886
		<u>25,022</u>	<u>39,419</u>
Lighterage and freight:			
Master Ace Territory Sdn. Bhd.	#	1,374	1,114
Ocarina Development Sdn. Bhd.	#	2,376	2,785
W T K Realty Sdn. Bhd.	#	9,451	7,408
Harbour-View Realty Sdn. Bhd.	^	73	124
		<u>13,274</u>	<u>11,431</u>
Purchase of spare parts:			
WTK Service & Warehousing Sdn. Bhd.	^	27,456	26,706
		<u>27,456</u>	<u>26,706</u>

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

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

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

The following table provides information on the transactions which have been entered into with related parties during the twelve months ended 31 December 2017 and 31 December 2016. (cont'd)

	Note	Transaction value	
		31.12.2017 RM'000	31.12.2016 RM'000
Purchase of frozen food:			
Sing Chew Coldstorage Sdn. Bhd.	^	6,674	2,987
Purchase of hardware and lubricants:			
WTK Service & Warehousing Sdn. Bhd.	^	21,853	17,954
Purchase of fertilizer:			
WTK Service & Warehousing Sdn. Bhd.	^	9,726	9,211
Contract fees paid in relation to logging operations:			
Ann Yun Logistics Sdn. Bhd.	*	3,240	3,240
United Agencies Sdn. Bhd.	^	7,704	9,609
W T K Realty Sdn. Bhd.	#	282	88
		<u>11,226</u>	<u>12,937</u>
Sales of fresh fruit bunches:			
Delta-Pelita Sebakong Sdn. Bhd.	#	13,636	11,829
Harvard Master Sdn. Bhd.	#	10,006	7,554
Southwind Plantation Sdn. Bhd.	#	3,322	929
WTK Oil Mill Sdn Bhd	#	72	-
		<u>27,036</u>	<u>20,312</u>
Purchase of fresh fruit bunches:			
Utahol Sdn. Bhd.	#	9,244	-
W T K Realty Sdn. Bhd.	#	296	110
		<u>9,540</u>	<u>110</u>



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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

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

The following table provides information on the transactions which have been entered into with related parties during the twelve months ended 31 December 2017 and 31 December 2016. (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.*

The outstanding balances arising from related party transactions as at 31 December 2017 and 31 December 2016 were as follows:

	31.12.2017	31.12.2016
	RM'000	RM'000
Total outstanding balances due from/(to) related parties included in:		
Trade receivables (net of allowance for impairment)	2,279	3,045
Other receivables (net of allowance for impairment)	1,459	4,959
Trade payables	(29,594)	(23,622)
Other payables	(2,170)	(3,403)

**23. Events after the reporting period**

There are no events after the quarter ended 31 December 2017 which could materially affect the Group other than those included in Note 6.

Please also refer to the Company's announcement made on 23 February 2018 which provided a profit guidance statement on the impact of the Group's financial results arising from the winding-up of Alanya Marine Ventures Sdn. Bhd., a wholly-owned subsidiary of the Company.

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

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**24. Changes in previous quarter presentation**

The following disclosure for the fourth quarter ended 31 December 2016 has been restated to conform with the current period's presentation:

**Quarter ended 31 December 2016 (3 months)**

	<b>Previously stated RM'000</b>	<b>Reclassified RM'000</b>	<b>Restated RM'000</b>
Revenue	176,230	(11,478)	164,752
Cost of sales	(141,510)	11,282	(130,228)
Gross Profit	34,720	(196)	34,524
Other income	10,289	(1,434)	8,855
Selling and distribution expenses	(13,351)	-	(13,351)
Administrative and other expenses	(12,590)	1,125	(11,465)
Operating profit/(loss)	19,068	(505)	(18,563)
Finance costs	(3,403)	260	(3,143)
Share of results of associate	(19,717)	19,717	-
(Loss)/Profit before tax	(4,052)	19,472	15,420
Income tax expense	1,198	89	1,287
(Loss)/Profit for the period from continuing operation	(2,854)	19,561	16,707
Profit/(Loss) for the period from discontinued operations	-	(19,561)	(19,561)

**Year ended 31 December 2016 (12 months)**

	<b>Previously stated RM'000</b>	<b>Reclassified RM'000</b>	<b>Restated RM'000</b>
Revenue	689,669	(46,362)	643,307
Cost of sales	(583,284)	44,909	(538,375)
Gross Profit	106,385	(1,453)	104,932
Other income	34,029	(2,127)	31,902
Selling and distribution expenses	(53,742)	-	(53,742)
Administrative and other expenses	(39,827)	1,922	(37,905)
Operating profit	46,845	(1,658)	45,187
Finance costs	(11,390)	1,039	(10,351)
Share of results of associate	(21,065)	21,065	-
Profit before tax	14,390	20,446	34,836
Income tax expense	(5,337)	185	(5,152)
Profit for the year from continuing operation	9,053	20,631	29,684
Loss for the year from discontinued operations	(10,615)	(20,631)	(31,246)

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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**25. Performance review**

For the quarter under review, the Group's revenue was RM225.5 million as compared to RM164.8 million recorded in 4Q2016, representing an increase of RM60.7 million or 36.8%, with the bulk of the increase come from the timber and plantation divisions which recorded an increase of RM45.3 million and RM14.2 million, respectively.

Despite higher revenue, the Group registered a lower profit before tax of RM3.8 million as compared to profit before tax of RM15.4 million in 4Q2016, representing a reduction of RM11.6 million or 75.3%. The reduction was mainly attributed to the allowance for impairment loss on receivable of RM10.0 million provided during the quarter.

As disclosed in Note 6, the result of the oil & gas division is disclosed as discontinued operation. Accordingly, the Group recorded a loss of RM157.5 million during the quarter under review as compared to RM19.5 million in 4Q2016. The higher loss was mainly due to the allowance for impairment loss on receivable of RM101.2 million and impairment loss on other investment of RM15.0 million.

Consequently, the Group recorded a loss for the quarter of RM160.4 million (4Q2016: RM2.9 million) from its continuing and discontinued operations.

**Quarter 4, 2017**

**Continuing Operations**

**Timber**

For the current quarter, the division registered a revenue of RM181.5 million, representing an increase of RM45.3 million or 33.3% as compared to RM136.2 million in 4Q2016. The increase in revenue was mainly due to a surge in logs sale by RM39.9 million, or 119.7% increase over its 4Q2016 sales of RM33.4 million, as a result of favourable weather conditions facilitating the timber logs production and transportation as compared to the previous year corresponding quarter. Additionally, the average selling price of timber logs improved by 17.4% over the previous year corresponding quarter.

The division's profit before tax of RM12.5 million (4Q2016: RM16.6 million), decreased by RM4.1 million, or 24.7%, over the previous year corresponding quarter. The increase in profit before tax from timber logs of RM8.8 million was, however, partially offset by the reduction in profit before tax for plywood of RM12.7 million mainly due to higher costs of production for the plywood resulting from the hike in hill timber premium rate for its raw material logs effective 1 July 2017.

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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

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

**Quarter 4, 2017 (cont'd)**

**Continuing Operations (cont'd)**

**Timber (cont'd)**

On a year-to-date (YTD) basis, the division's revenue of RM659.8 million, was RM110.4 million, or 20.1%, higher as compared to RM549.4 million recorded in the last corresponding year. Sale of timber logs increased by RM67.1 million as the effect of India's demonetization policy waned and demand returned, coupled with higher domestic logs sale from increased logs production. Apart from timber logs, plywood sale was higher by RM33.3 million as compared to the last corresponding year mainly due to Japanese importers replenishing their inventories resulting in 4.2% increase in plywood sales volume as well as 4.3% increase in average selling price as a result of stronger United States Dollar ("USD") against Malaysian Ringgit ("RM").

However, the division's YTD profit before tax of RM31.5 million was lower as compared to RM35.0 million recorded in the last corresponding year. The lower profit was attributable to higher production costs of plywood as the hike in hill timber premium rate in July 2017 has lowered its profit by RM6.1 million, which was partially offset by marginal improvement in profit of timber logs.

The Group's key export markets for round logs was India (100%). The export markets for plywood for the quarter under review were Japan (84%) and Taiwan (16%).

**Plantation**

The division registered a revenue of RM25.1 million in 4Q2017, which comprised of the sales of fresh fruit bunches ("FFB") of RM10.4 million and the sales of crude palm oil ("CPO") & palm kernel ("PK") of RM14.7 million from its newly commissioned palm oil mill ("POM") in July 2017. FFB sales of RM10.4 million in 4Q2017 was 4.6% lower as compared to RM10.9 million recorded in 4Q2016, mainly due to 11.0% drop in the average selling price of FFB despite a 7.3% increase in its sales volume. The drop in FFB sales, however, was compensated by revenue generated from its POM during the quarter under review.

The division registered a marginal profit before tax at RM0.4 million, representing an increase of RM5.9 million or 107.3% as compared to a loss before tax of RM5.5 million in 4Q2016. The improved performance was attributable to the higher FFB yield which narrowed its losses, and profit contribution of RM2.7 million from its POM.

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

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

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

**Quarter 4, 2017 (cont'd)**

**Continuing Operations (cont'd)**

**Plantation (cont'd)**

On a YTD basis, the division registered a revenue of RM59.6 million as compared to last corresponding year of RM24.1 million, representing an increase of RM35.5 million or 147.3%. The higher revenue was attributed to improving FFB yield which consequentially raised its FFB sales volume by 51.8%. Besides, the additional revenue source from the sales of CPO & PK from its newly commissioned POM in July 2017 added RM22.6 million to the increased revenue.

With higher FFB sales and contribution from its POM, the division narrowed its losses to RM8.5 million as compared to a loss before tax of RM13.8 million in the last corresponding year.

**Manufacturing and Trading**

The division recorded a revenue of RM18.4 million in 4Q2017, as compared to RM17.1 million in 4Q2016, an increase of RM1.3 million or 7.6% solely from the increase in export sales. Despite increase in revenue, its profit before tax reduced by RM0.2 million in 4Q2017 as compared to profit before tax of RM1.3 million reported in the preceding year corresponding quarter after netting off higher production cost arising from imported raw material denominated in USD.

On a YTD basis, the division recorded a revenue of RM71.9 million as compared to RM67.5 million in last corresponding year, representing an increase of RM4.4 million or 6.5% as export sales increased by 20.2%. The increase in export sales was due to higher demand in particular for its masking tapes from customers in Australia, India, Thailand, Hong Kong, Indonesia and China. Despite increase in sales, the division's profit before tax decreased marginally by RM0.1 million, from RM7.2 million to RM7.1 million mainly due to the effect of weaker RM against USD which resulted in an escalation of the costs of its imported raw material for production.

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

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

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

**Quarter 4, 2017 (cont'd)**

**Continuing Operations (cont'd)**

**Others**

There were no material changes to the revenue in respect of the current quarter when compared to 4Q2016. The division reported loss before tax of RM10.2 million in the current quarter as compared to profit before tax of RM2.9 million in the preceding year corresponding quarter. The loss before tax in the current quarter was mainly due to allowance for impairment loss on receivable of RM10.0 million, whereas the profit before tax in 4Q2016 was due to one-off net gain on reversal of deferred contingent consideration of RM2.9 million after deducting expenses of RM1.7 million incurred for impairment loss on goodwill.

On a YTD basis, the division recorded a lower revenue of RM2.1 million as compared to RM2.3 million in the last corresponding year, representing a decrease of RM0.2 million or 8.7%. The lower revenue was mainly due to there was no longer car park income following the disposal of car park investment properties in August 2016. Its loss before tax recorded at RM9.9 million as compared to loss before tax of RM3.3 million in the last corresponding year. The higher loss before tax was mainly due to allowance for impairment loss on receivable of RM10.0 million, whereas, the loss before tax in the last corresponding year was due to loss on disposal of a subsidiary and related incidental expenses of RM11.7 million netted off against the gain on disposal of investment properties of RM6.6 million.

**Discontinued Operation**

**Oil and Gas**

The division recorded a revenue of RM11.8 million, representing an increase of RM0.3 million or 2.6% as compared to 4Q2016's revenue of RM11.5 million. Its revenue was mainly derived from vessels charter fee through Alanya Marine Ventures Sdn Bhd ("AMV").

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

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

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

**Quarter 4, 2017 (cont'd)**

**Discontinued Operation (cont'd)**

**Oil and Gas (cont'd)**

Its loss before tax for 4Q2017 amounted to RM157.8 million as compared to loss before tax of RM19.5 million in the preceding year corresponding quarter. The higher loss before tax in the current quarter was mainly due to allowance for impairment loss on receivables of RM101.2 million and impairment loss on other investment of RM15.0 million arising from the uncontested winding-up petition filed on 18 December 2017 and served on 22 December 2017 on AMV. The higher loss was also due to the share of loss of an associate company for having to continue to incur charter fee and operation costs to maintain its vessels in the ready state of deployment despite these vessels were off-hired due to temporary project deferment as well as allowance for impairment loss on receivables. Besides, the loss before tax also took into account the amortization of intangible assets of RM0.7 million embedded in investment in the associate company.

On a YTD basis, revenue of the Group's oil and gas division was RM36.3 million as compared to RM46.4 million in last corresponding year, representing a decrease of RM10.1 million or 21.8%. This was mainly due to no revenue recorded in 2Q2017.

Consequently, the division registered a higher loss before tax of RM196.2 million as compared to loss before tax of RM20.4 million in last corresponding year. The higher loss before tax was mainly due to allowance for impairment loss on receivables of RM111.2 million and impairment loss on other investment of RM15.0 million arising from the uncontested winding-up petition filed on 18 December 2017 and served on 22 December 2017 on AMV. The higher loss was also due to the share of loss of an associate company for having to continue to incur charter fee and operation costs to maintain vessels in the ready state of deployment as well as allowance for impairment loss on receivables. Besides, the loss before tax also took into account the amortization of intangible assets of RM3.0 million embedded in investment in the associate company.

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

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

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

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

**Quarter 4, 2017**

**Continuing Operations**

**Timber**

The division recorded a revenue of RM181.5 million as compared to 3Q2017's revenue of RM151.3 million, representing an increase of RM30.2 million or 20.0%. The higher revenue was mainly contributed by the increase of both export and local logs sales by 45.5% and 66.2%, respectively, over the preceding quarter as favourable weather conditions facilitated logs harvesting and transportation.

The timber division recorded a higher pre-tax profit of RM12.5 million, an increase of RM9.9 million or 380.8% as compared to the preceding quarter of RM2.6 million. This was mainly due to lower unit production cost of logs as production volume increased by 15.1% during the quarter, coupled with the increase in average selling prices of log in export and domestic markets by 9.4% and 3.6%, respectively.

**Plantation**

The division registered a revenue of RM25.1 million in 4Q2017 as compared to RM17.8 million in 3Q2017, representing an increase of RM7.3 million or 41.0%. The higher revenue was mainly attributed to the increase in sales of CPO & PK as well as FFB by 83.3% and 7.8%, respectively. The division registered a profit before tax of RM0.4 million during the quarter as compared to a loss before tax of RM3.4 million reported in 3Q2017, with the main contribution of RM3.2 million net profit derived from its newly commissioned POM.

**Manufacturing and Trading**

The division registered a revenue of RM18.4 million in 4Q2017 as compared to RM16.6 million reported in the preceding quarter, representing an increase of RM1.8 million or 10.8%. Local sales increased by 20.3% mainly due to stocking up by dealers in 4Q2017 to meet their year end target and seasonally stronger demand experienced in the current quarter. Despite increase in revenue, its profit before tax decreased by RM0.5 million in the current quarter as compared to RM1.6 million in the preceding quarter mainly due to higher administrative and selling and distribution expenses after taking into account the provision of bonuses and cash rebate.



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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**26. 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 4, 2017 (cont'd)**

**Continuing Operations (cont'd)**

**Others**

There were no material changes to the revenue in the current quarter when compared to 3Q2017. The division recorded loss before tax of RM10.2 million as compared to profit before tax of RM0.2 million in the preceding quarter. The loss before tax in the current quarter was due to allowance for impairment loss on receivable of RM10.0 million and the absence of accretion of interest on Redeemable Convertible Preference Shares of RM0.3 million recorded in the preceding quarter.

**Discontinued Operation**

**Oil and Gas**

The division recorded a revenue of RM11.8 million as compared to RM12.1 million in 3Q2017. Its revenue was mainly derived from vessels charter fee through AMV. Its loss before tax increased to RM157.8 million from RM16.7 million in 3Q2017 mainly due to allowance for impairment loss on receivables of RM101.2 million and impairment loss on other investment of RM15 million arising from the uncontested winding-up petition filed on 18 December 2017 and served on 22 December 2017 on AMV. The higher loss was also due to the share of loss of an associate company for having to continue to incur charter fee and operation costs to maintain vessels in the ready state of deployment as well as allowance for impairment loss on receivables.

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

---

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**27. Commentary on prospects**

**Timber**

The demand for our Group's plywood remains optimistic in view of continuous shortage of supply of plywood as shipments of order from Malaysia and Indonesia have been largely delayed due to logs supply shortages.

As for the Group's main logs export market, India, its economic growth is forecast to remain robust in 2018. Rising wages and increasing private investments will continue to drive and sustain the economic activities there, which bodes well for our Group's logs export.

**Plantation**

The Group's FFB sales for YTD increased by 51.8% as compared to the last corresponding year as a result of improving FFB yield. Moving forward, with CPO price expected to remain stable coupled with contributions from its oil mill, the division is expected to improve its performance and contribution to the Group.

**Manufacturing and Trading**

The Group's manufacturing and trading division will continue to focus on its core competency on product quality and branding, in the face of market volatility and challenging economic conditions. At the same time, it will continue to expand efforts to broaden its market reach and penetrate new markets especially overseas markets. With all these efforts in place, the Group is cautiously optimistic of a modest growth in 2018.

**Oil and Gas**

The Oil & Gas industry have suffered tremendously for the past 2 years and affected the industry as a whole. The Group's Oil & Gas division is not spared even with the best effort by the management to sustain the operations in hopes of recovery. As announced on 26 December 2017, Alanya Marine Ventures Sdn. Bhd. ("AMV"), the wholly owned subsidiary of the Group is served a winding-up petition and the Group have decided to not contest this petition and allow an orderly winding up of the subsidiary. This decision is to stop the Group from incurring more losses in this division as the Group continue to strive on its core business in other divisions.

As announced on 23 February 2018, the High Court of Malaya in Kuala Lumpur had on 22 February 2018 ordered AMV to be wound-up and appointed a liquidator for AMV.

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

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**28. 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.

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

Please refer to the commentary on Note 28.

**30. Profit forecast or profit guarantee**

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

**31. Corporate proposal**

There is no corporate proposal announced.

**32. Changes in material litigation**

There was no material litigation against the Group.

**33. Dividend payable**

Please refer to Note 19 for details.

**34. Disclosure on nature of outstanding derivatives**

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

**35. Rationale for entering into derivatives**

The Group did not enter into any derivatives during current quarter ended 31 December 2017 or the previous financial year ended 31 December 2016.

**36. Risks and policies of derivatives**

The Group did not enter into any derivatives during the current quarter ended 31 December 2017 or the previous financial year ended 31 December 2016.

**37. Disclosure on gains/losses arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2017 and 31 December 2016.

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

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A  
For the twelve months ended 31 December 2017 – unaudited

**38. Breakdown of realised and unrealised profits**

	<b>As at 31.12.2017</b>	<b>As at 31.12.2016 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of W T K Holdings Berhad and its subsidiaries:		
- Realised	1,132,125	1,364,631
- Unrealised	<u>(69,031)</u>	<u>(66,575)</u>
	<u>1,063,094</u>	<u>1,298,056</u>
 Total share of losses from associates:		
- Realised	(61,273)	(10,979)
- Unrealised	<u>(161)</u>	<u>(3,191)</u>
	<u>(61,434)</u>	<u>(14,170)</u>
 Total share of losses from a joint venture:		
- Realised	<u>-</u>	<u>(244)</u>
 Less: Consolidation adjustments	<u>(139,611)</u>	<u>(224,086)</u>
 Total Group retained profits as per consolidated accounts	<u>862,049</u>	<u>1,059,556</u>

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

The auditors' report on the financial statements for the financial year ended 31 December 2016 was not qualified.

BY ORDER OF THE BOARD

TAN MEE LIAN  
COMPANY SECRETARY  
KUALA LUMPUR  
Date: 28 FEBRUARY 2018