

GREATPAC HOLDINGS BERHAD (540218-A)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2005

	AS AT 31-Dec-05 RM'000	AUDITED AS AT 31-Dec-04 RM'000
	Note	
NON-CURRENT ASSETS		
Property, plant and equipment	57,677	60,092
Long term investment	107	223
Goodwill on consolidation	61,472	71,997
Intangible asset	10	8
CURRENT ASSETS		
Inventories	15,989	12,187
Investment property	-	1,800
Trade receivables	9,825	7,533
Other receivables	4,179	3,687
Tax recoverable	764	1,291
Fixed deposit with licensed banks	3,803	1,783
Cash and bank balances	2,515	6,735
	<u>37,075</u>	<u>35,016</u>
CURRENT LIABILITIES		
Trade payables	6,691	4,560
Other payables	9,539	8,084
Short term borrowings	B9 15,694	6,267
Provision for taxation	52	23
	<u>31,976</u>	<u>18,934</u>
NET CURRENT ASSETS	5,099	16,082
LONG TERM LIABILITIES		
		84
Long Term Borrowings	5,014	1,954
Deferred taxation	5,612	5,453
Irredeemable Convertible Unsecured Loan Stocks (Liability Component)	99	128
	<u>10,725</u>	<u>7,619</u>
	<u>113,640</u>	<u>140,783</u>
FINANCED BY:-		
Share capital	142,663	142,553
Accumulated losses	(30,743)	(3,572)
Irredeemable Convertible Unsecured Loan Stocks (Equity Component)	1,720	1,802
	<u>113,640</u>	<u>140,783</u>
		-
Net Assets Per Share (RM)	0.80	0.99

The condensed consolidated balance sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 accompanying explanatory notes attached to the interim financial statements.

GREATPAC HOLDINGS BERHAD (540218-A)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31-Dec-05 RM'000	Preceding Year Corresponding Quarter 31-Dec-04 RM'000	Current Year Todate 31-Dec-05 RM'000	Preceding Year Corresponding Period 31-Dec-04 RM'000
Revenue		27,898	31,895	125,860	109,218
Operating expenses		(46,192)	(38,296)	(152,346)	(113,956)
Other operating income		172	1,526	377	1,900
Loss from operations		(18,122)	(4,875)	(26,109)	(2,838)
Finance costs		(418)	(181)	(1,048)	(759)
Interest income		23	10	191	54
Loss before taxation		(18,517)	(5,046)	(26,966)	(3,543)
Taxation	B5	171	(270)	(205)	(911)
Loss after taxation		(18,346)	(5,316)	(27,171)	(4,454)
Minority interest		-	-	-	-
Net loss for the period		(18,346)	(5,316)	(27,171)	(4,454)
Loss per share					
Basic (sen)		(12.86)	(3.75)	(19.05)	(3.16)
Diluted (sen)		(12.70)	(3.33)	(18.78)	(3.08)

The condensed consolidated income statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

GREATPAC HOLDINGS BERHAD (540218-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005

	Ordinary Share Capital RM'000	Irredeemable Convertible Unsecured Loan Stocks (Equity Component) RM'000	(Accumulated Losses)/ Retained Profit RM'000	Total RM'000
<u>For the year ended 31 December 2005</u>				
Balance as at 1 January 2005	142,553	1,802	(3,572)	140,783
Issuance during the year	110			110
Conversion during the period		(82)	-	(82)
Net loss for the year	-	-	(27,171)	(27,171)
Balance as at 31 December 2005	<u>142,663</u>	<u>1,720</u>	<u>(30,743)</u>	<u>113,640</u>
<u>For the year ended 31 December 2004</u>				
Balance as at 1 January 2004	140,786	3,402	882	145,070
Issuance during the year	1,767			1,767
Conversion during the period		(1,600)	- -	1,600
Net loss for the year	-	-	(4,454)	(4,454)
Balance as at 31 December 2004	<u>142,553</u>	<u>1,802</u>	<u>(3,572)</u>	<u>140,783</u>

The condensed consolidated income statement of changes in equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

GREATPAC HOLDINGS BERHAD (540218-A)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005

	12 Months Ended 31-Dec-05 RM'000	12 Months Ended 31-Dec-04 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(26,966)	(3,542)
Adjustments for:		
Non-cash items	33,818	13,356
Non-operating items (net of income)	857	705
	<u>7,709</u>	<u>10,519</u>
Operating profit before working capital changes		
Net change in current assets	(5,248)	3,497
Net change in current liabilities	(1,056)	(4,543)
Net change in amount due to directors	-	(2,876)
Payment for non-operating expenses (net of income)	(857)	(705)
	<u>(7,161)</u>	<u>(4,627)</u>
Net cash flow generated from/(used in) operating activities	<u>548</u>	<u>5,892</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed from disposal of assets	2,103	128
Purchase of plant and equipment	(8,342)	(6,459)
Payment for intangible asset	(2)	(8)
Increase in pledged deposits	34	(23)
Acquisition of subsidiaries *	654	-
Net cash flow used in investing activities	<u>(5,553)</u>	<u>(6,362)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Bank borrowings drawdown	7,700	136
Repayment of bank borrowings	(2,804)	(3,299)
Net cash flow generated from/(used in) financing activities	<u>4,896</u>	<u>(3,163)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(109)	(3,633)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,323	7,956
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>4,214</u>	<u>4,323</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Fixed deposits with licensed banks	2,515	6,735
Cash and bank balances	3,356	1,302
Bank Overdrafts	(1,657)	(3,714)
	<u>4,214</u>	<u>4,323</u>
*Acquisition of subsidiaries, net of cash acquired		
Fair value of total net assets	3,542	
Less: Goodwill on acquisition	3,545	
Total cash consideration	<u>3</u>	
Less: Cash and bank balances of subsidiaries	(657)	
Cash and cash equivalents of subsidiaries acquired	<u>654</u>	

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim Financial Statements.

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Notes to the interim financial report for the quarter ended 31 December 2005

The figures have not been audited

PART A: EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, PARAGRAPH 16

A1. Basis of preparation of interim financial report

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements as set out in Financial Reporting Standards ('FRS') No. 134 "Interim Financial Reporting"(formerly known as MASB 26) and paragraph 9.22 of Bursa Malaysia Securities Berhad ('Bursa Malaysia') Listing Requirements and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2004.

The same accounting policies and methods of computation as disclosed in the audited accounts for the year ended 31 December 2004, have been adopted in the preparation of the fourth quarter ended 31 December 2005 condensed financial statements.

A2. Audit report

The audited financial statements for the Group and the Company for the financial year ended 31 December 2004 were not subject to any qualification.

A3. Seasonal and cyclical factors

The operations of the Group are not subject to seasonality or cyclicity factors.

A4. Unusual and extraordinary items

Included in the operating expenses for the financial year to date are the following items:

		Current Quarter Ended 31/12/2005 RM (Million)	Financial Year ended 31/12/05 RM (Million)
i)	Assets written off due to fire in a wholly owned subsidiary, MGS Technology Sdn Bhd		2.24
ii)	Plant relocation expenses incurred by a wholly owned subsidiary namely Greatpac Sdn Bhd ("GPSB")		1.96
iii)	Provision for impairment loss of certain assets in GPSB		6.07
iv)	Provision for impairment loss of certain assets in a wholly owned subsidiary, Precision Theme Sdn Bhd	0.55	0.55
v)	Impairment in goodwill of Associated Kaolin Industries Sdn Bhd (formerly known as Greatpac Mineral Sdn Bhd), a wholly owned subsidiary.	14.07	14.07
	Total	14.62	24.89

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Notes to the interim financial report for the quarter ended 31 December 2005

The figures have not been audited

A5. Changes in estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or prior financial year that have a material effect in the current interim period

A6. Issuance and repayment of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the fourth quarter ended 31 December 2005.

A7. Dividends paid

There was no dividend paid during the current quarter and financial year ended 31 December 2005.

A8. Segmental reporting

<i>Business segment</i>	Financial year ended 31 December 2005	
	Revenue	Profit/(loss) before tax
	RM'000	RM'000
1. Manufacturing		
- Disposable food wares	104,979	(6,105)
- Medical compounds/devices	3,591	(5,642)
- Automotive parts	909	(478)
2. Mining of refined kaolin	17,253	1,065
3. Investment holding	-	(864)
Consolidation adjustments	(872)	(14,942)
Total	<u>125,860</u>	<u>(26,966)</u>

No segmental information is provided on a geographical basis as the Group's activities are conducted wholly in Malaysia.

A9. Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward without any amendment from the audited financial statements for the year ended 31 December 2004.

A10. Material events subsequent to the balance sheet date

- (a) On 14 February 2006, the Company executed an agreement to subscribe 999,998 new ordinary shares of RM1 each in Momentum Suria Sdn Bhd for a total cash consideration of RM999,998 (Please refer to Note B8(a) for details).

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Notes to the interim financial report for the quarter ended 31 December 2005

The figures have not been audited

(b) On 24 February 2006, GPSB has accepted the offer from Perbadanan Kemajuan Negeri Selangor ("PKNS") via PKNS's Letters of Offer dated 27 January 2006 to acquire two (2) pieces of vacant leasehold industrial land known as Lot 6 and Lot 10 both of Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, Daerah Petaling and measuring an area of approximately 276,345 square feet and 284,229 square feet respectively for a total consideration of RM5,556,388.00 and RM5,714,898.00 respectively. A total sum of RM2,241,457.20 (equivalent to 20% of the total consideration of the two pieces of land) i.e. RM1,104,977.60 for Lot 6 and RM1,136,479.60 for Lot 10 respectively was paid to PKNS upon acceptance of offer.

The balance 80% of the total consideration i.e. RM4,445,110.40 for Lot 6 and RM4,571,918.40 for Lot 10 respectively, shall be settled over six (6) months from the date of the above Letters of Offer, no later than 26 July 2006.

An announcement in relation to the above acquisition of land was made on 24 February 2006.

(c) Greatpac Sdn Bhd, the wholly owned subsidiary of the Company, has on 23 February 2006 incorporated a subsidiary company in Singapore known as Greatpac (S) Pte Ltd ('GPL'). The intended business activity of GPL is general wholesale trading. An announcement in relation to the incorporation of the foreign subsidiary was made on 27 February 2006.

A11. Changes in composition of the Group

On 21 November 2005, the Company executed four (4) separate agreements to subscribe new ordinary shares in TKH Autoparts Sdn Bhd (formerly known as BM Autoparts Sdn Bhd) ('TAP'), TKH Manufacturing Sdn Bhd (formerly known as BM Manufacturing Sdn Bhd) ('TMF'), Automotive Design Services Sdn Bhd ('ADS') and Automotive Seat Assembly Sdn Bhd ('ASA') for a total consideration of RM3,687. As a result, the Company has acquired 99.8% equity interests in TAP, TMF, ADS and 69.3% equity interest in ASA upon completion of issuance and allotment of the new ordinary shares on 29 November 2005. TAP, TMF, ADS and ASA are involved in the integrated design, manufacturing and assembly of automotive seats and related components.

Save as disclosed above, there is no other significant changes in the composition of the Group in the current quarter.

A12. Contingent liabilities

Contingent liabilities of the Company include the following:-

	As at 27/2/05 RM'000	As at 31/12/04 RM'000
Corporate guarantees for credit facilities of subsidiaries	13,233	8,069

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Notes to the interim financial report for the quarter ended 31 December 2005
The figures have not been audited

A13. Capital commitments

Capital commitments as at 27 February 2006 are as follows:

	RM'000
Property, plant and equipment	
- approved and contracted for	9,030

Please refer to Note A10(b) on acquisition of leasehold industrial land.

A14. Related party transactions

There were no significant related party transactions entered into by the Group during the financial quarter under review.

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA
MALAYSIA LISTING REQUIREMENTS**

B1. Review of performance

The Group registered a higher pretax loss of RM18.5mil for the current quarter against a pretax loss of RM5.1 million in the preceding year corresponding fourth quarter. A lower revenue of RM27.9mil was registered for the current quarter vis-à-vis RM31.9mil in the corresponding period ended 31 December 2004, while the higher loss from operations was mainly attributable to impairment loss on goodwill for the refined kaolin mining business and impairment of certain assets in wholly owned subsidiaries of the Company namely Associated Kaolin Industries Sdn Bhd (formerly known as Greatpac Mineral Sdn Bhd) and Precision Theme Sdn Bhd respectively in the current quarter.

For the cumulative year to date, the Group recorded a higher revenue of RM125.9 million for the financial year ended 31 December 2005, while incurring a pretax loss at RM26.9 million compared to RM3.5 million in the preceding year. The turnover for the year continued to be mainly driven by disposal food wares manufacturing business and mining of refined kaolin segment

The Group's performance was affected by the difficult business environment resulting from increased petrochemical resin materials and fuel costs, higher interest rate and intense competition. Nevertheless, the writing off of damaged plant and equipment caused by fire (insurance claim has yet to be recovered as claim is still in progress), relocation expenses, further impairment loss of certain assets in subsidiary companies and impairment of goodwill of the refined kaolin mining business have also contributed to the higher operating loss for the year.

B2. Variation of results against preceding quarter

The Group recorded a lower revenue of RM27.9 million for the current quarter as compared to a revenue of RM31.8 million in the last preceding quarter. The higher pretax loss of RM18.5 million in the current quarter vis-a-vis pretax loss of RM10.8 million in the immediate preceding quarter was mainly attributed to further impairment loss of certain assets in subsidiary companies as disclosed in Note A4.

B3. Current year prospects

The manufacturing of disposal food wares business will continue to be the major contributor to the earnings of the Group. The Group will continue to focus on efforts to achieve greater operational efficiency, optimize revenues and contain operating costs in order to achieve sustainable growth and satisfactory profitability. The prudent accounting treatment by Directors and initiatives undertaken to date is expected to reflect fair values of its balance sheet and to set the Group in a stronger footing to move forward and benefit from opportunities available to enhance shareholders value.

B4. Variance of actual and forecast profit

This is not applicable as there is no profit forecast or guarantee issued.

Notes to the interim financial report for the quarter ended 31 December 2005
The figures have not been audited

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended 31/12/05 RM'000	Preceding year quarter ended 31/12/04 RM'000	Current year to date 31/12/05 RM'000	Preceding year corresponding period 31/12/04 RM'000
Company tax				
- Current provision	(48)	104	46	271
- underprovision in previous year		22		22
Deferred tax	(123)	144	159	618
	171	270	205	911

The effective tax rate is lower than the statutory tax rate due to the availability of capital and reinvestment allowances.

B6. Profits/(losses) on sales of unquoted investments and/or properties

There were no sales or purchases of unquoted investment and/or property during the current quarter and financial year ended 31 December 2005.

B7. Quoted and marketable investments

There were no sales or purchases of quoted and marketable investments during the current quarter and financial period ended 30 June 2005. Investments in quoted securities as at the end of the reporting period is as follow:

	RM'000
i) At cost	4,465
ii) At carrying value	107
iii) At market value	107

B8. Status of corporate proposals

a) **Proposed Acquisition of Momentum Suria Sdn Bhd**

On 14 February 2006, the Company executed an agreement to subscribe 999,998 new ordinary shares of RM1 each in Momentum Suria Sdn Bhd for a total cash consideration of RM999,998. The proposed subscription is conditional upon the fulfillment of the following conditions:

- (i) approval or non-objection of the Foreign Investment Committee;
- (ii) approval of shareholders of the Company in a general meeting; and
- (iii) approval of any other relevant authorities as may be deemed necessary.

An announcement was made on 14 February 2006 in relation to the above proposal.

b) Proposed Change of Name to Wawasan TKH Holdings Berhad

The Companies Commission of Malaysia (“CCM”) had approved the reservation of the name “Wawasan TKH Holdings Berhad” on 28 January 2006. The proposed change of name is subject to the approval of the shareholders of the Company at an extraordinary general meeting (“EGM”) to be convened at a date to be announced later. The proposed change of name will be effective from the date of the issuance of the Certificate of Incorporation on change of name by the CCM. An announcement was made on 17 February 2006 in relation to the proposed changed of name of the Company.

c) Proposed appointment of Dato’ Tan Kim Hor as Non-Executive Non-Independent Director of Greatpac

Pursuant to Section 129(6) of the Companies Act, 1965, the proposed appointment of Dato’ Tan Kim Hor, age 83, will require shareholders approval at a general meeting. An EGM for the consideration of the proposed appointment will be convened at a date to be announced later. An announcement was made on 17 February 2006 in relation to the proposed appointment.

d) Special Bumiputera Issue (“SBI”) of 25,000,000 New Greatpac Holdings Berhad (GHB) Shares To Bumiputra Investors:-

Pursuant to the corporate restructuring exercise undertaken by the Company/Associated Kaolin Industries Berhad (“AKI”), the Company will undertake the SBI of up to 25,000,000 new GHB shares to Bumiputra investors at an issue price of RM1.00 per ordinary share. The Company will implement the SBI as and when the Company manages to secure Bumiputra investors.

On 12 December 2003, the Company had issued 6,000,000 ordinary shares to eligible Bumiputra investors pursuant to the SBI at an issue price of RM1.00 each fully paid up and the proceed was used for part settlement of the debts owing to the Scheme Creditors of AKI.

As at the date of this report, the Company has yet to implement the remaining 19,000,000 ordinary shares of RM1.00 each under the proposed SBI.

Save as disclosed above, there were no corporate proposals announced but not completed as at the date of this report.

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Notes to the interim financial report for the quarter ended 31 December 2005 The figures have not been audited

B9. Group borrowings

The Group's borrowings as at 31 December 2005 are as follows:

	RM'000
Short -term borrowings:-	
Unsecured	1,780
Secured	<u>13,914</u>
	15,694
Long term borrowings :-	
Secured	5,014
ICULS (liability component)	<u>99</u>
	20,807
Other payables*	<u>2,918</u>
Total Group Borrowings	<u>23,725</u>

*This is in respect of the amount owing to former shareholders of a subsidiary company. The amount is unsecured, interest free and is classified under current liabilities

B10. Off balance sheet financial instrument

There were no off balance sheet financial instruments as at the date of this report.

B11. Changes in material litigation

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of Company or any of its subsidiaries and the Board is not aware of any proceedings against the Company or its subsidiaries that is pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and/or adversely affect the position or business of the Company or any of its subsidiaries.

B12. Dividend

No dividend was proposed or declared during the current quarter and the financial year ended 31 December 2005.

B13. Loss per share

The basic loss per share for the financial period has been calculated based on the consolidated profit after tax and minority interest divided by the weighted average number of ordinary shares outstanding during the period.

	3 Months Ended 31/12/05	Year-To- Date Ended 31/12/05
Net loss attributed to shareholders (RM'000)	18,346	27,171
Weighted average number of shares ('000)	142,647	142,601
Basic loss per share (sen)	12.86	19.05

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Notes to the interim financial report for the quarter ended 31 December 2005
The figures have not been audited

B14. Status Report on the Proposed Building Plan on Lot 251, Mukim Ijok, Daerah Kuala Selangor (“Lot 251”)

The Securities Commission (“SC”) had via its letter dated 23 January 2006, not approved the application by Greatpac Sdn Bhd (“GPSB”), the wholly owned subsidiary of the Company, for the extension of time to comply with the condition imposed in the SC’s letter dated 17 November 2003 in relation to the rectification of the structure of the staff quarters located at Lot 251, Mukim Ijok, Daerah Kuala Selangor. The Company is required to relocate the staff quarters to the premise (which has the relevant approval) within six (6) months from the date of the SC’s letter.