

**WAWASAN TKH HOLDINGS BERHAD (540218-A)**  
**(Formerly known as Greatpac Holdings Berhad)**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2006**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31-Mar-06</b>	<b>31-Dec-05</b>
Note	<b>RM'000</b>	<b>RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	54,307	55,677
Long term investment	107	107
Goodwill on consolidation	61,471	61,471
Intangible asset	10	10
<b>CURRENT ASSETS</b>		
Inventories	18,409	15,943
Trade receivables	10,330	9,824
Other receivables	6,651	3,510
Fixed deposit with licensed banks	777	3,803
Cash and bank balances	2,484	2,515
	<u>38,651</u>	<u>35,595</u>
<b>CURRENT LIABILITIES</b>		
Amount due to directors	1,100	-
Trade payables	8,055	6,691
Other payables	8,828	9,539
Short term borrowings	B9 17,309	15,694
Provision for taxation	-	52
	<u>35,292</u>	<u>31,976</u>
<b>NET CURRENT ASSETS</b>	3,359	3,619
<b>NON CURRENT LIABILITIES</b>		
Long term borrowings	5,119	5,014
Deferred taxation	5,439	5,439
Irredeemable Convertible Unsecured Loan Stocks (Liability Component)	99	99
	<u>10,657</u>	<u>10,552</u>
	<u>108,597</u>	<u>110,332</u>
<b>FINANCED BY:-</b>		
Share capital	142,663	142,663
Accumulated losses	(35,786)	(34,051)
Irredeemable Convertible Unsecured Loan Stocks (Equity Component)	1,720	1,720
<b>Total equity attributable to shareholders of the Company</b>	<u>108,597</u>	<u>110,332</u>
Minority interest	-	-
<b>Total equity</b>	<u>108,597</u>	<u>110,332</u>
Net Assets Per Share (RM)	0.76	0.77

The condensed consolidated balance sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2005 accompanying explanatory notes attached to the interim financial statements.

**WAWASAN TKH HOLDINGS BERHAD (540218-A)**  
**(Formerly known as Greatpac Holdings Berhad)**  
**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2006**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31-Mar-06 RM'000	Preceding Year Corresponding Quarter 31-Mar-05 RM'000	Current Year Todate 31-Mar-06 RM'000	Preceding Year Corresponding Period 31-Mar-05 RM'000
Revenue		24,801	32,673	24,801	32,673
Cost of sales		(22,109)	(27,399)	(22,109)	(27,399)
Gross profit		2,692	5,274	2,692	5,274
Other income		46	63	46	63
Distribution expenses		(1,927)	(2,132)	(1,927)	(2,132)
Administrative expenses		(2,207)	(1,623)	(2,207)	(1,623)
Other expenses		-	(34)	-	(34)
Finance costs		(331)	(117)	(331)	(117)
(Loss)/profit before taxation		(1,727)	1,431	(1,727)	1,431
Income tax expense	B5	(8)	(370)	(8)	(370)
Loss for the period		(1,735)	1,061	(1,735)	1,061
<b>Attributable to :</b>					
Shareholders of the Company		(1,735)	1,061	(1,735)	1,061
Minority Interest		-	-	-	-
(Loss)/Earnings per share					
Basic (sen)		(1.22)	0.74	(1.22)	0.74
Diluted (sen)		(1.20)	0.74	(1.20)	0.74

The condensed consolidated income statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

**WAWASAN TKH HOLDINGS BERHAD (540218-A)**

(Formerly known as Greatpac Holdings Berhad)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2006**

	Non-distributable		Distributable		Total	Minority Interest	Total Equity
	Attributable to shareholders of the Company		Attributable to shareholders of the Company				
	Ordinary Share Capital RM'000	Irredeemable Convertible Unsecured Loan Stocks (Equity Component) RM'000	(Accumulated Losses)/ Retained Profit RM'000				
<b><u>For the 3 months quarter ended 31 March 2006</u></b>							
Balance as at 1 January 2006	142,663	1,720	(34,051)	110,332	-	110,332	
Issuance during the year	-	-	-	-	-	-	
Conversion during the period	-	-	-	-	-	-	
Net loss for the period	-	-	(1,735)	(1,735)	-	(1,735)	
Balance as at 31 March 2006	142,663	1,720	(35,786)	108,597	-	108,597	
<b><u>For the 3 months quarter ended 31 March 2005</u></b>							
Balance as at 1 January 2005	142,553	1,802	(3,572)	140,783	-	140,783	
Issuance during the year	-	-	-	-	-	-	
Conversion during the period	-	-	-	-	-	-	
Net loss for the period	-	-	1,061	1,061	-	1,061	
Balance as at 31 March 2005	142,553	1,802	(2,511)	141,844	-	141,844	

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 2005 and the accompanying explanatory notes attached to the interim financial statements.

**WAWASAN TKH HOLDINGS BERHAD (540218-A)**  
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2006**

	<b>3 Months Ended 31-Mar-06 RM'000</b>	<b>3 Months Ended 31-Mar-05 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,727)	1,430
Adjustments for:		
Non-cash items	2,421	2,241
Non-operating items (net of income)	318	100
<b>Operating profit before working capital changes</b>	<u>1,012</u>	<u>3,771</u>
Net change in current assets	(3,410)	(2,960)
Net change in current liabilities	592	754
Payment for non-operating expenses (net of income)	(318)	(100)
	<u>(3,136)</u>	<u>(2,306)</u>
<b>Net cash flow generated from/(used in) operating activities</b>	<u>(2,124)</u>	<u>1,465</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,305)	(565)
<b>Net cash flow used in investing activities</b>	<u>(3,305)</u>	<u>(565)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advance from directors	1,100	-
Bank borrowings drawdown	189	5,000
Repayment of bank borrowings	(1,091)	(723)
<b>Net cash flow generated from/(used in) financing activities</b>	<u>198</u>	<u>4,277</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,231)	5,177
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	4,214	4,323
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>(1,017)</u>	<u>9,500</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Fixed deposits with licensed banks	777	9,238
Cash and bank balances	2,484	1,664
Bank Overdrafts (included within short term borrowings in Note B9)	(4,278)	(1,402)
	<u>(1,017)</u>	<u>9,500</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim Financial Statements.

**Notes to the interim financial report for the first quarter ended 31 March 2006**  
**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 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 2005.

The same accounting policies and methods of computation as disclosed in the audited accounts for the year ended 31 December 2005 have been adopted in the preparation of the first quarter ended 31 March 2006 condensed financial statements, except for the adoption of the following new and revised FRS issued by Malaysian Accounting Standards Board ('MASB') that are effective for the Group for the financial period beginning 1 January 2006:-

- FRS 3 - Business Combinations
- FRS 5 - Non current asset held for sale and discontinued operations
- FRS 101 - Presentation of financial statements
- FRS 102 - Inventories
- FRS 108 - Accounting policies, change in estimates and errors
- FRS 110 - Events after the balance sheet date
- FRS 116 - Property, plant and equipment
- FRS 127 - Consolidated and separate financial statements
- FRS 132 - Financial instruments : Disclosure and presentation
- FRS 133 - Earnings Per Share
- FRS 136 - Impairment of assets
- FRS 138 - Intangible assets

The adoption of all FRS mentioned above does not have significant financial impact on the Group. The current period's presentation of the financial statements is based on the revised requirements of FRS101, with the comparatives restated to conform with the current period's presentation.

**A2. Audit report**

The audited financial statements for the Group and the Company for the financial year ended 31 December 2005 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**

There were no other unusual items affecting assets, liabilities, equity, net income or cash for the current quarter and financial period ended 31 March 2006.

**Notes to the interim financial report for the first quarter ended 31 March 2006**  
**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 first quarter ended 31 March 2006.

**A7. Dividends paid**

There was no dividend paid during the current quarter and financial period ending 31 March 2006.

**A8. Segmental reporting**

<i>Business segment</i>	Financial period ended 31 March 2006	
	Revenue RM'000	Profit/(loss) before tax RM'000
1. Manufacturing		
- Disposable food wares	19,448	437
- Medical compounds/devices	834	(606)
- Automotive parts	57	(1,165)
2. Mining of refined kaolin	4,462	113
3. Investment holding	-	(243)
Unallocated corporate expenses	-	(263)
Total	<u>24,801</u>	<u>(1,727)</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 2005.

**A10. Material events subsequent to the balance sheet date**

On 17 May 2006, 999,998 new ordinary shares of RM1.00 each in Momentum Suria Sdn Bhd ('MSSB'), representing 99.9% of the enlarged issued and paid up share capital of MSSB at a total cash consideration of RM999,998, have been issued and allotted to the Company. The Company had earlier executed the subscription agreement on 14 February 2006 and obtained the approval from shareholders in the extraordinary general meeting held on 3 May 2006.

Saved as disclosed above, there were no other material events subsequent to the end of the quarter and financial year-to-date up to the date of this report.

**Notes to the interim financial report for the first quarter ended 31 March 2006**  
**The figures have not been audited**

**A11. Changes in composition of the Group**

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

**A12. Contingent liabilities**

Contingent liabilities of the Company include the following:-

	As at <u>30/5/06</u> RM'000	As at <u>31/12/05</u> RM'000
Corporate guarantees for credit facilities of subsidiaries	<u>12,203</u>	<u>11,089</u>

Except for the above, there were no significant changes in contingent liabilities since the last annual balance sheet as at 31 December 2005.

**A13. Capital commitments**

Capital commitments as at 30 May 2006 are as follows:

	RM '000
Property, plant and equipment - approved and contracted for	<u>9,017</u>

**A14. Related party transactions**

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

**Notes to the interim financial report for the first quarter ended 31 March 2006**  
**The figures have not been audited**

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

**B1. Review of performance**

The Group registered a pretax loss of RM1.7 million for the current quarter against a pretax profit of RM1.4 million in the preceding year corresponding first quarter. A lower revenue of RM24.8 million was registered for the current quarter vis-à-vis RM32.7 million in the corresponding period ended 31 March 2005. The Group's performance was mainly driven by the disposable food wares manufacturing business and mining of refined kaolin segment, which was affected by the hikes in petrochemical resin materials and fuel costs, higher interest rate and intense competition. Meanwhile, the newly acquired auto parts manufacturing startup businesses have yet to commence mass production to breakeven and cover for its operational and finance costs.

**B2. Variation of results against preceding quarter**

The Group recorded a lower revenue of RM24.8 million for the current quarter vis-à-vis a revenue of RM27.9 million in the last preceding quarter, while registering pretax loss of RM1.7 million in the current quarter as compared to pretax loss (after audit adjustments) of RM22.0 million in the preceding quarter. The higher loss in the preceding quarter was largely attributable to the impairment losses of certain assets in subsidiary companies.

**B3. Current year prospects**

The Group will continue to focus on efforts to enhance operational efficiency of the core manufacturing activities while nurturing the automotive businesses. Notwithstanding that the business environment remains challenging for the disposable food wares business, several prudent measures and initiatives are being taken to ensure competitive edge and higher profitability. The mining of refined kaolin business is expected to contribute higher profit, in tandem with the bullish market sentiment (with surging demand while encountering shortage in supply) for its products. Meanwhile, the auto parts manufacturing division is expected to commence mass production at end of second quarter. The newly acquired car dealership business, on the other hand, is expected to contribute to the Group's revenue by end of second quarter. Nevertheless, any further increase in raw materials prices, energy costs and interest rates hike may affect the performance of the Group.

The Board of Directors is optimistic that based on the measures taken to strengthen the Group's business, the performance of the Group for the year ahead will be satisfactory.

**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 first quarter ended 31 March 2006**  
**The figures have not been audited**

**B5. Income tax expense**

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended 31/3/06 RM'000	Preceding year quarter ended 31/3/05 RM'000	Current year to date 31/3/06 RM'000	Preceding year corresponding period 31/3/05 RM'000
Current tax :				
Malaysian Tax	8	88	8	88
Deferred tax	-	282	-	282
	<u>8</u>	<u>370</u>	<u>8</u>	<u>370</u>

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 period ended 31 March 2006.

**B7. Quoted and marketable investments**

There were no sales or purchases of quoted and marketable investments during the current quarter and financial period ended 31 March 2006. 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	<u>107</u>
iii) At market value	<u>169</u>

**B8. Status of corporate proposals**

(a) Pursuant to the extraordinary general meeting held on 3 May 2006, the shareholders of the Company have duly approved the following:

- (i) Change of company's name to Wawasan TKH Holdings Berhad;
- (ii) Appointment of Dato' Tan Kim Hor as Director of the Company; and
- (iii) Subscription of 999,998 new ordinary shares of RM1.00 each in Momentum Suria Sdn Bhd ('MSSB'), representing 99.9% of the enlarged issued and paid up share capital of MSSB for a total cash consideration of RM999,998 (refer to Note A10).

On 17 May 2006, the Company has changed its name to Wawasan TKH Holdings Berhad upon obtaining the certificate of change of name from the Companies Commission of Malaysia.

**Notes to the interim financial report for the first quarter ended 31 March 2006**  
**The figures have not been audited**

**B8. Status of corporate proposals (continued)**

- (b) Special Bumiputra 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 todate, the Company has yet to implement the remaining 19,000,000 ordinary shares of RM1.00 each under the proposed SBI.

**B9. Group borrowings**

The Group’s borrowings as at 31 March 2006 are as follows:

	RM’000
Short term borrowings:-	
Unsecured	1,839
Secured	15,470
	<hr/> 17,309
Long term borrowings:-	
Secured	5,119
ICULS (liability component)	99
Total Borrowings	<hr/> 22,527
 <u>Other Borrowings</u>	
Other payables (a)	2,918
Amount due to directors (b)	1,100
Total group’s borrowings	<hr/> 26,545

- (a) This is in respect of an amount owing to former shareholders of a subsidiary company. The amount is unsecured, interest free and is classified under current liabilities.
- (b) The directors’ advances to the Company are interest free and payable on demand.
- (c) Included in the short term borrowings are bank overdrafts outstanding at RM4,278,000.

**B10. Off balance sheet financial instrument**

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

**Notes to the interim financial report for the first quarter ended 31 March 2006**  
**The figures have not been audited**

**B11. Changes in material litigation**

**(a) Greatpac Sdn Bhd vs. New Modern Metal and Plastics Pte Ltd (High Court of the Republic of Singapore Suit No. 84 of 2006/X)**

Greatpac Sdn Bhd, (“GPSB”) a wholly owned subsidiary of the Company, had filed a writ of summons dated 20 February 2006 in the High Court of Singapore against New Modern Metal and Plastics Pte Ltd (“NMMP”) to recover the amounts owing by NMMP to GPSB of S\$700,902.24 from the sales of goods together with interest on the overdue accounts, costs and such other relief. Subsequently, NMMP had filed a defence and counterclaim dated 13 March 2006 against GPSB in the High Court for amongst others, infringement of trademarks, losses damages, costs and such other relief. Pursuant thereto, GPSB had filed a reply, defence and counterclaim dated 27 March 2006 to counterclaim on NMMP and had further claimed for a declaration on the invalidity of NMMP’s trademarks, costs and such other relief on top of those claimed by GPSB in the writ of summons dated 20 February 2006.

**(b) Yong Lip Ngoh, Jasa Ringgit Holdings Sdn Bhd, Focus Matrix Sdn Bhd and Starguard Resources Sdn Bhd vs. Dato’ Tan Boon Pun, Wawasan TKH Sdn Bhd and Greatpac Sdn Bhd (High Court of Malaya Suit No. S6-22-258 of 2006)**

On 12 April 2006, GPSB had been served with a writ of summons for tenancy disputes by the following parties:-

- (i) Yong Lip Ngoh
- (ii) Jasa Ringgit Holdings Sdn Bhd
- (iii) Focus Matrix Sdn Bhd
- (iv) Starguard Resources Sdn Bhd

claiming for GPSB to vacate and deliver vacant possession of the premises located at Lot 2222 to 2225, Jalan Hospital, Sungai Buloh Industrial Area, 47000 Sungai Buloh, Selangor Darul Ehsan, together with damages and costs occupied by GPSB for its current business operations in the Sungai Buloh plant.

GPSB has on 24 May 2006 filed for defence and on 25 May 2006 filed an application to strike out the claim by the above parties.

Saved as disclosed above, the Company 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 as at 30 May 2006.

**B12. Dividend**

No dividend was proposed or declared during the current quarter and the financial period ended 31 March 2006.

**Notes to the interim financial report for the first quarter ended 31 March 2006**  
**The figures have not been audited**

**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 31/3/06	Year-to-date ended 31/3/06
Net loss attributed to shareholders (RM'000)	1,735	1,735
Weighted average number of shares ('000)	142,663	142,663
Basic loss per share (sen)	1.22	1.22

**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.