

**WAWASAN TKH HOLDINGS BERHAD (540218-A)**  
**(Formerly known as Greatpac Holdings Berhad)**  
**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2006**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Jun-06 RM'000	Preceding Year Corresponding Quarter 30-Jun-05 RM'000	Current Year Todate 30-Jun-06 RM'000	Preceding Year Corresponding Period 30-Jun-05 RM'000
Revenue		27,157	33,460	51,958	66,133
Cost of sales		(24,479)	(28,448)	(46,588)	(55,847)
Gross profit		2,678	5,012	5,370	10,286
Other income		538	145	584	207
Distribution expenses		(1,925)	(2,343)	(3,852)	(4,475)
Administrative expenses		(2,483)	(1,583)	(4,690)	(3,206)
Other expenses		(46)	(55)	(46)	(89)
Finance costs		(389)	(288)	(720)	(405)
(Loss)/profit before taxation		(1,627)	888	(3,354)	2,318
Income tax expense	B5	8	(6)	-	(376)
Loss for the period		(1,619)	882	(3,354)	1,942
<b>Attributable to :</b>					
Shareholders of the Company		(1,619)	882	(3,354)	1,942
Minority Interest		-	-	-	-
(Loss)/Earnings per share					
Basic (sen)		(1.13)	0.54	(2.35)	(0.71)
Diluted (sen)		(0.79)	N/A	(1.66)	N/A

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 BALANCE SHEET**  
**AS AT 30 JUNE 2006**

Page 2 of 13

	UNAUDITED AS AT 30-Jun-06 RM'000	AUDITED AS AT 31-Dec-05 RM'000
	Note	
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	54,092	55,677
Goodwill on consolidation	62,562	61,471
Intangible asset	11	10
Available-for-sale investment	107	107
<b>CURRENT ASSETS</b>		
Inventories	22,229	15,943
Trade receivables	11,109	9,824
Other receivables	6,998	3,510
Fixed deposit with licensed banks	630	3,803
Cash and bank balances	1,884	2,515
	<u>42,850</u>	<u>35,595</u>
<b>CURRENT LIABILITIES</b>		
Amount due to directors	2,200	-
Trade payables	9,847	6,691
Other payables	8,903	9,539
Short term borrowings	21,298	15,694
Provision for taxation	-	52
	<u>42,248</u>	<u>31,976</u>
<b>NET CURRENT ASSETS</b>	602	3,619
<b>NON CURRENT LIABILITIES</b>		
Long term borrowings	4,859	5,014
Deferred taxation	5,439	5,439
Irredeemable Convertible Unsecured Loan Stocks (Liability Component)	70	99
	<u>10,368</u>	<u>10,552</u>
	<u>107,006</u>	<u>110,332</u>
<b>FINANCED BY:-</b>		
Share capital	142,687	142,663
Other reserves	(1)	-
Accumulated losses	(37,405)	(34,051)
Irredeemable Convertible Unsecured Loan Stocks (Equity Component)	1,725	1,720
<b>Total equity attributable to shareholders of the Company</b>	<u>107,006</u>	<u>110,332</u>
Minority interest	-	-
<b>Total equity</b>	<u>107,006</u>	<u>110,332</u>
Net Assets Per Share (RM)	0.75	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 STATEMENT OF CHANGES OF EQUITY**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2006**

	Non-distributable			Distributable			Total Equity RM'000
	Attributable to shareholders of the Company						
	Ordinary Share Capital RM'000	Irredeemable Convertible Unsecured Loan Stocks (Equity Component) RM'000	Other Reserves	(Accumulated Losses)/ Retained Profit RM'000	Total RM'000	Minority Interest RM'000	
<b><u>For the 6 months quarter ended 30 June 2006</u></b>							
Balance as at 1 January 2006	142,663	1,720		(34,051)	110,332	-	110,332
Issuance during the year	-	-		-	-	-	-
Conversion/adjustment during the period	24	5		-	29	-	29
Foreign currency translation			(1)		(1)	-	(1)
Net loss for the period	-	-		(3,354)	(3,354)	-	(3,354)
Balance as at 30 June 2006	142,687	1,725	(1)	(37,405)	107,006	-	107,006
<b><u>For the 6 months quarter ended 30 June 2005</u></b>							
Balance as at 1 January 2005	142,553	1,802	-	(3,572)	140,783	-	140,783
Issuance during the year	92	(72)		-	20		20
Conversion during the period	-	-		-	-		-
Net loss for the period	-	-		1,942	1,942		1,942
Balance as at 30 June 2005	142,645	1,730		(1,630)	142,745	-	142,745

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)**  
**(Formerly known as Greatpac Holdings Berhad)**  
**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2006**

	<b>6 Months Ended 30-Jun-06 RM'000</b>	<b>6 Months Ended 30-Jun-05 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(3,354)	2,318
Adjustments for:		
Non-cash items	4,604	4,526
Non-operating items (net of income)	704	335
<b>Operating profit before working capital changes</b>	<u>1,954</u>	<u>7,179</u>
Net change in current assets	(4,782)	(2,660)
Net change in current liabilities	519	1,566
Payment for non-operating expenses (net of income)	(704)	(335)
	<u>(4,967)</u>	<u>(1,429)</u>
<b>Net cash flow generated from/(used in) operating activities</b>	<u>(3,013)</u>	<u>5,750</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	-	1,801
Purchase of property, plant and equipment	(4,892)	(2,399)
Acquisition of subsidiaries *	707	-
Payment for intangible asset	-	(1)
<b>Net cash flow used in investing activities</b>	<u>(4,185)</u>	<u>(599)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advance from directors	2,200	-
Bank borrowings drawdown	131	6,842
Repayment of bank borrowings	(1,407)	(3,136)
<b>Net cash flow generated from/(used in) financing activities</b>	<u>924</u>	<u>3,706</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(6,274)</u>	<u>8,857</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>4,214</u>	<u>13,180</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>(2,060)</u>	<u>22,037</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Fixed deposits with licensed banks	631	10,615
Cash and bank balances	1,884	4,979
Bank Overdrafts (included within short term borrowings in Note B9)	(4,575)	(2,414)
	<u>(2,060)</u>	<u>13,180</u>
<b>*Acquisition of subsidiaries, net of cash acquired</b>		
Fair value of total net assets	91	
Less: Goodwill on acquisition	1,091	
Total cash consideration	1,000	
Less: Cash and bank balances of subsidiaries	(293)	
Cash and cash equivalents of subsidiaries acquired	<u>707</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 interm Financial Statements.

(Formerly known as Greatpac Holdings Berhad)

Notes to the interim financial report for the second quarter ended 30 June 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<sup>2004</sup> : 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 second quarter ended 30 June 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 30 June 2006.

(Formerly known as Greatpac Holdings Berhad)

Notes to the interim financial report for the second quarter ended 30 June 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**

On 13 June 2006, 24,600 ordinary shares of RM1 each of the Company were issued arising from the conversion of 24,600 RM1.00 nominal value Irredeemable Convertible Unsecured Loan Stocks ("ICULS").

Except for the above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the second quarter ended 30 June 2006.

**A7. Dividends paid**

There was no dividend paid during the current quarter and financial period ending 30 June 2006.

**A8. Segmental reporting**

<i>Business segment</i>	6 months ended 30 June 2006	
	Revenue	Profit/(loss) before tax
	RM'000	RM'000
1 Manufacturing		
·		
- Disposable food wares	40,420	374
- Medical compounds/devices	1,594	(499)
- Automotive parts	254	(2,477)
2 Mining of refined kaolin	9,439	345
·		
3 Automotive sales and services	251	(107)
4 Investment holding	-	(64)
·		
Unallocated corporate expenses		(926)
Total	<u>51,958</u>	<u>(3,354)</u>

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

(Formerly known as Greatpac Holdings Berhad)

Notes to the interim financial report for the second quarter ended 30 June 2006

The figures have not been audited

**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**

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

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

On 17 May 2006, Momentum Suria Sdn Bhd ('MSSB') together with its subsidiary, Clear Expertise Sdn Bhd became a 99.9% owned subsidiaries of the Company upon completion of the subscription of 999,998 new ordinary shares of RM1.00 each in MSSB at a total cash consideration of RM999,998.

Saved as the above, there were no other 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>30/8/06</u> RM'000	As at <u>31/12/05</u> RM'000
Corporate guarantees for credit facilities of subsidiaries	<u>15,326</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 June 2006 are as follows:

	RM '000
Property, plant and equipment - Approved and contracted for	<u>10,484</u>

**A14. Related party transactions**

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

**(Formerly known as Greatpac Holdings Berhad)****Notes to the interim financial report for the second quarter ended 30 June 2006****The figures have not been audited****PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA****B1. Review of performance**

The Group registered a pretax loss of RM1.6 mil for the current quarter against a pretax profit of RM0.9 million in the preceding year corresponding second quarter. A lower revenue of RM27.1 mil was registered for the current quarter vis-à-vis RM33.5 million in the corresponding period ended 30 June 2005.

The Group's performance, mainly driven by the disposable foodwares manufacturing business, was adversely affected by the difficult business environment resulting from the prevailing high prices of petrochemical resin materials, hikes in energy and fuel costs, higher interest rate and intense competition. Nevertheless, the mining of refined kaolin business achieved a higher turnover vs-a-vis the preceeding year second quarter as a result of increased sales volume in tandem with the bullish market sentiment. However, its profit margin was marginally depressed by higher operating costs arising from escalating energy and fuel costs. Other income for the current quarter comprised a fire insurance claim receivable of RM0.5 million for the medical compounds segment.

Meanwhile, the general slowdown in automotive industry and weak market sentiment in domestic car sales have affected the autoparts manufacturing startups and the newly acquired automotive sales and service businesses.

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

The Group recorded a higher revenue of RM27.1 million for the current quarter over the last preceding quarter's revenue of RM24.8 million, while registering marginally lower pretax loss of RM1.6 million in the current quarter as compared to pretax loss of RM1.7 million in the preceding quarter.

The higher revenue was mainly contributed by the mining of refined kaolin business and the newly acquired automotive sales and services division. The higher other income was derived mainly from the RM0.5million insurance claims receivable for the medical compounds business.

The decline in operating income for the group was largely attributable to the unfavourable business conditions that prevailed due to the hikes in petrochemical resin materials, fuel costs and interest rate, which reduced profitability of the disposal foodwares business. The newly acquired automotive sales and services division and automotive parts manufacturing division incurred losses in the current quarter as a result of the lackluster market conditions for the automotive industry, which were directly and indirectly affected by the weak used car market and rising interest rates.



(Formerly known as Greatpac Holdings Berhad)

Notes to the interim financial report for the second quarter ended 30 June 2006

The figures have not been audited

**B3. Current year prospects**

The remaining period of the year will continue to be challenging due to uncertainty in the global economy as a result of the prolonged tensions in the Middle East region coupled with cautious general domestic market sentiments. The Group will continue to strongly focus on managing operating cost, optimizing sales and improving operating efficiency to enhance competitive position. The mining of refined kaolin business is expected to contribute higher profit due to the bullish market sentiment for its products.

**B4. Variance of actual and forecast profit**

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

**B5. Income tax expense**

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended 30/6/06 RM`000	Preceding year quarter ended 30/6/05 RM`000	Current year to date 30/6/06 RM`000	Preceding year corresponding period 30/6/05 RM`000
Current tax :				
Malaysian Tax	-	6	-	94
Overprovision	(8)	-	-	-
Deferred tax	-	-	-	282
	<u>(8)</u>	<u>6</u>	<u>-</u>	<u>376</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 30 June 2006.

(Formerly known as Greatpac Holdings Berhad)

Notes to the interim financial report for the second quarter ended 30 June 2006

The figures have not been audited

**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 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	107
iii) At market value	158

**B8. Status of corporate proposals****Special Bumiputera Issue (“SBI”) of 25,000,000 of the Company to Bumiputera 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 Bumiputera 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 Bumiputera investors.

On 12 December 2003, the Company had issued 6,000,000 ordinary shares to eligible Bumiputera 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 as todate of this report, the Company has yet to implement the remaining 19,000,000 ordinary shares of RM1.00 each under the proposed SBI.

The Securities Commission via its letter dated 1 June 2006 has approved the Company’s application for an extension of time up to 7 May 2007 to complete the implementation of the remaining 19,000,000 new ordinary shares of the Company to Bumiputera investors.

(Formerly known as Greatpac Holdings Berhad)

Notes to the interim financial report for the second quarter ended 30 June 2006

The figures have not been audited

**B9. Group borrowings**

The Group's borrowings as at 30 June 2006 are as follows:

		RM'000
Short -term borrowings:-		
Unsecured		3,177
Secured	(a)	<u>18,121</u>
		21,298
Long term borrowings :		
Unsecured		286
Secured		4,573
ICULS (liability component)		<u>70</u>
Total Borrowings		<u>26,227</u>
<u>Other Borrowings</u>		
Other payables	(b)	2,918
Advance from directors	(c)	<u>2,200</u>
Total group's borrowings		<u>31,345</u>

(a) Security for RM11 million borrowings included pledge of RM11 million fixed deposits from a substantial shareholder of the Company, Wawasan TKH Sdn Bhd.

(b) 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.

(c) The directors' advances to the Company are interest free and payable on demand.

(d) Included in the short term borrowings are bank overdrafts outstanding at RM2,886,000.

**B10. Off balance sheet financial instrument**

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

(Formerly known as Greatpac Holdings Berhad)

Notes to the interim financial report for the second quarter ended 30 June 2006

The figures have not been audited

### B11. Changes in material litigation

- (a) Greatpac Sdn Bhd (“GPSB”), a wholly owned subsidiary of the Company, 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 sum of S\$700,902.24 owing by NMMP to GPSB for the sales of goods, together with interest on the overdue accounts, costs and such other relief. Subsequently, NMMP 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 filed a reply, defence and counterclaim dated 27 March 2006 against NMMP, for a declaration that NMMP’s trademarks are invalid and seeking costs and such other relief on top of those claimed by GPSB in the writ of summons dated 20 February 2006.

Due to issues of further discovery and further and better particulars of the GPSB’s Statement of Claim and Reply and Defence to Counterclaim, the pre-trial conference has been postponed to 11 September 2006.

- (b) On 12 April 2006, GPSB had been served with a writ of summons for tenancy disputes by the following parties:-
- (i) Yong Lip Ngoh, former director of the Company
  - (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. The hearing for striking out application is fixed 12 September 2006. There is an agreement by the parties that the plaintiff’s summary judgment application for delivery of vacant possession of the Sungai Buloh plant will only be heard after the disposal of GPSB’s striking out application.

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 August 2006.

(Formerly known as Greatpac Holdings Berhad)

Notes to the interim financial report for the second quarter ended 30 June 2006

The figures have not been audited

**B12. Dividend**

No dividend was proposed or declared during the current quarter and the financial period ended 30 June 2006.

**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 30/6/06	Year-to- date ended 30/6/06
Net loss attributed to shareholders (RM'000)	1,619	3,354
Weighted average number of shares (‘000)	142,667	142,665
Basic loss per share (sen)	1.13	2.35

**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 comply with the aforesaid SC’s condition immediately.

The Company had on 14 August 2006 written to the SC to seek approval for an extension of time up to 30 April 2007 to comply with the SC condition.