

WAWASAN TKH HOLDINGS BERHAD (540218-A)
(Formerly known as Greatpac Holdings Berhad)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2006

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	UNAUDITED AS AT 30-Sep-06 RM'000	AUDITED AS AT 31-Dec-05 RM'000
	Note	
NON-CURRENT ASSETS		
Property, plant and equipment	66,656	55,677
Goodwill on consolidation	62,562	61,471
Intangible asset	11	10
Available-for-sale investment	107	107
CURRENT ASSETS		
Inventories	22,253	15,943
Trade receivables	12,035	9,824
Other receivables	5,524	3,510
Fixed deposit with licensed banks	567	3,803
Cash and bank balances	2,195	2,515
	<u>42,574</u>	<u>35,595</u>
CURRENT LIABILITIES		
Amount due to directors	2,200	-
Trade payables	12,942	6,691
Other payables	14,420	9,539
Short term borrowings	21,870	15,694
Provision for taxation	-	52
	<u>51,432</u>	<u>31,976</u>
NET CURRENT ASSETS	(8,858)	3,619
NON CURRENT LIABILITIES		
Long term borrowings	15,008	5,014
Deferred taxation	5,439	5,439
Irredeemable Convertible Unsecured Loan Stocks (Liability Component)	62	99
	<u>20,509</u>	<u>10,552</u>
	<u>99,969</u>	<u>110,332</u>
FINANCED BY:-		
Share capital	142,687	142,663
Other reserves	51	-
Accumulated losses	(44,532)	(34,051)
Irredeemable Convertible Unsecured Loan Stocks (Equity Component)	1,733	1,720
Total equity attributable to shareholders of the Company	<u>99,939</u>	<u>110,332</u>
Minority interest	30	-
Total equity	<u>99,969</u>	<u>110,332</u>
Net Assets Per Share (RM)	0.70	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 THIRD QUARTER ENDED 30 SEPTEMBER 2006

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Sep-06 RM'000	Preceding Year Corresponding Quarter 30-Sep-05 RM'000	Current Year ToDate 30-Sep-06 RM'000	Preceding Year Corresponding Period 30-Sep-05 RM'000
Revenue		25,578	31,829	77,536	97,962
Cost of sales		(27,799)	(28,226)	(74,387)	(84,074)
Gross (loss)/ profit		(2,221)	3,603	3,149	13,888
Other income		53	166	637	373
Distribution expenses		(1,965)	(2,481)	(5,817)	(6,956)
Administrative expenses		(2,516)	(1,564)	(7,206)	(4,770)
Other expenses		46	(10,265)	-	(10,353)
Finance costs		(501)	(225)	(1,221)	(630)
Loss before taxation		(7,104)	(10,766)	(10,458)	(8,448)
Income tax expense	B5	(23)	-	(23)	(376)
Loss for the period		(7,127)	(10,766)	(10,481)	(8,824)
Attributable to :					
Shareholders of the Company		(7,127)	(10,766)	(10,481)	(8,824)
Minority Interest		-	-	-	-
Loss per share					
Basic (sen)		(4.99)	(7.55)	(7.35)	(6.19)
Diluted (sen)		(4.60)	N/A	(6.26)	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 STATEMENT OF CHANGES OF EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006**

	Non-distributable Attributable to shareholders of the Company			Distributable		Minority Interest RM'000	Total Equity RM'000
	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		
<u>For the 9 months quarter ended 30 September 2006</u>							
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	13		-	37	-	37
Foreign currency translation			51		51	-	51
Net loss for the period	-	-		(10,481)	(10,481)	-	(10,481)
Balance as at 30 September 2006	142,687	1,733	51	(44,532)	99,939	-	99,939
<u>For the 9 months quarter ended 30 September 2005</u>							
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	-	-		(8,824)	(8,824)	-	(8,824)
Balance as at 30 September 2005	142,645	1,730		(12,396)	131,979	-	131,979

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 THIRD QUARTER ENDED 30 SEPTEMBER 2006

	9 Months Ended 30-Sep-06 RM'000	9 months Ended 30-Sep-05 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(10,481)	(8,448)
Adjustments for:		
Non-cash items	6,987	15,094
Non-operating items (net of income)	584	462
Operating profit before working capital changes	<u>(2,910)</u>	<u>7,108</u>
Net change in current assets	(10,535)	(2,511)
Net change in current liabilities	11,642	1,091
Payment for non-operating expenses (net of income)	(584)	(462)
	<u>523</u>	<u>(1,882)</u>
Net cash flow generated from/(used in) operating activities	<u>(2,387)</u>	<u>5,226</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	-	2,104
Purchase of property, plant and equipment	(17,217)	(6,965)
Acquisition of subsidiaries *	707	
Payment for intangible asset	(1)	(3)
Net cash flow used in investing activities	<u>(16,511)</u>	<u>(4,864)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Advance from directors	2,200	-
Bank borrowings drawdown	16,163	6,842
Repayment of bank borrowings	(5,105)	(3,970)
Net cash flow generated from/(used in) financing activities	<u>13,258</u>	<u>2,872</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,640)	3,234
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,214	4,323
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>(1,426)</u>	<u>7,557</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Fixed deposits with licensed banks	567	7,728
Cash and bank balances	2,195	2,528
Bank Overdrafts (included within short term borrowings in Note B9)	(4,188)	(2,699)
	<u>(1,426)</u>	<u>7,557</u>
*Acquisition of subsidiaries, net of cash acquired		
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 interim Financial Statements.

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Notes to the interim financial report for the third quarter ended 30 September 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. 134²⁰⁰⁴ : 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 third quarter ended 30 September 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 121 - The effects of changes in foreign exchange rates
- 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.

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Notes to the interim financial report for the third quarter ended 30 September 2006

The figures have not been audited

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 disposal food wares business, being the main contributor to the Group for the current quarter and financial year to date is subject to factors affecting the disposal food wares industry. The performances of startup automotive parts manufacturing and automotive sales businesses are affected by the seasonality and cyclicity factors of the automotive industry. The other business segments are not affected by seasonality or cyclical 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 September 2006.

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

Save as disclosed the issuance of additional 24,600 ordinary shares of RM1 each of the Company in the previous quarterly report for period ended 30 June 2006, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter and financial period ending 30 September 2006.

A7. Dividends paid

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

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Notes to the interim financial report for the third quarter ended 30 September 2006

The figures have not been audited

A8. Segmental reporting

<i>Business segment</i>	9 months ended 30 September 2006	
	Revenue	Profit/(Loss) before tax
	RM'000	RM'000
1. Manufacturing		
- Disposable food wares	58,167	(4,880)
- Medical compounds/devices	2,587	(879)
- Automotive parts	1,665	(4,094)
2. Mining of refined kaolin	14,453	705
3. Automotive sales and services	451	(377)
4. Investment holding	-	(13)
Unallocated corporate expenses	-	(920)
Total	<u>77,323</u>	<u>(10,458)</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 6 November 2006, Momentum Suria Sdn Bhd, the 99.9% owned subsidiary of the Company acquired Clear Marque Sdn Bhd upon completion of the subscription of 2 new ordinary shares of RM1.00 each at a total cash consideration of RM6,660.

On 8 November 2006, Associated Kaolin Industries Sdn Bhd, the wholly owned subsidiary of the Company completed its progressive disposal of 564,200 ordinary shares and 32,000 units of warrants in Gunung Capital Berhad, realizing a total gain of RM89,949.

On 23 November 2006, Clear Marque Sdn Bhd, being the 99.9% owned subsidiary of the Company, entered into a dealership agreement with Cycle & Carriage Bintang Berhad for the appointment as territorial dealer for Mazda range of vehicles.

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

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Notes to the interim financial report for the third quarter ended 30 September 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>30/10/06</u> RM'000	As at <u>31/12/05</u> RM'000
Corporate guarantees for credit facilities of subsidiaries	<u>33,707</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 commitment

Capital commitment as at 30 September 2006 are as follows:

	RM '000
Property, plant and equipment - Approved and contracted for	<u>1,228</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 third quarter ended 30 September 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 recorded a lower revenue of RM25.6 million for the current financial period ended 30 September 2006 against RM31.8 million in the corresponding period ended 30 September 2005, while registering a pretax loss of RM7.1 mil in the current quarter vis-a-vis a pretax loss of RM10.8 million in the preceding year's corresponding period. The higher loss incurred in third quarter of the previous year mainly resulted from write off on damaged plant and equipment caused by fire and plant relocation expenses in subsidiaries, and impairment of assets.

The Group's performance, mainly driven by the disposable food wares manufacturing division, was adversely impacted by the significantly higher prices of petrochemical resin materials, hikes in energy cum fuel cost, and higher interest rate. The disposable food wares business was further subject to intense competition and low selling prices, which resulted in a reduction in turnover (mainly in the export sales segment) and profitability.

Nevertheless, the mining of refined kaolin business achieved a higher turnover and profit vis-a-vis the preceding year third quarter as selling prices increase in tandem with bullish market sentiment.

Meanwhile, the general slowdown in automotive industry and weak market sentiment in domestic car sales have affected the auto parts manufacturing and automotive sales and service startup businesses.

B2. Variation of results against preceding quarter

The Group recorded a lower revenue of RM25.6 million for the current quarter over the last preceding quarter's revenue of RM27.2 million, while registering higher pretax loss of RM7.1 million in the current quarter as compared to a pretax loss of RM1.6 million in the preceding quarter.

The increase in operating loss for the group was largely attributable to the significant hikes in petrochemical resin materials, rising energy and fuel costs which reduced profitability of the disposal food wares business. Export sales market has been difficult largely due to competitive pricing. Amidst intense competition, selling prices have remained low which resulted in suppressed margins.

The automotive sales and services division and automotive parts manufacturing division incurred higher 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. Nevertheless, the automotive parts manufacturing division managed to increase its sales compared to the preceding quarter, especially in the Replacement and OEM market segments notwithstanding higher operating cost.

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Notes to the interim financial report for the third quarter ended 30 September 2006

The figures have not been audited

B3. Current year prospects

The operating and business environment in the remaining period of the year will continue to be challenging. Whilst the anticipated reduction in resin materials cost (to be in tandem with the drop in crude oil prices) has yet to materialize, measures will be taken to increase prices in order to mitigate the costs increase and to restore profitability of the disposal food wares division. The Group will continue to strengthen its focus on optimising sales, managing operating cost and improving operating efficiency to enhance competitive position.

The mining of refined kaolin business is expected to improve profitability as compared to year 2005, in line with the strong demand for its products. Notwithstanding the dampened outlook for the automotive industry for the fourth quarter of 2006, auto parts manufacturing division is expected to develop further growth in sales from the replacement market segment, while continue to increase its market reach and expand its range of other related auto products. The automotive sales and services division will expand its footing into additional dealership which has the potential to contribute to the recovery and growth for the group.

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 30/9/06 RM`000	Preceding year quarter ended 30/9/05 RM`000	Current year to date 30/9/06 RM`000	Preceding year corresponding period 30/9/05 RM`000
Current tax :				
Malaysian Tax	23	-	23	94
Overprovision		-	-	-
Deferred tax	-	-	-	282
	<u>23</u>	<u>-</u>	<u>23</u>	<u>376</u>

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

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Notes to the interim financial report for the third quarter ended 30 September 2006

The figures have not been audited

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 September 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 30 September 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	138

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 at 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.

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Notes to the interim financial report for the third quarter ended 30 September 2006

The figures have not been audited

B9. Group borrowings

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

		RM'000
Short –term borrowings:-		
Unsecured		2,092
Secured	(a)	<u>19,778</u>
		21,870
Long term borrowings :		
Unsecured		262
Secured		14,746
ICULS (liability component)		<u>62</u>
Total Borrowings		<u>36,940</u>
<u>Other Borrowings</u>		
Other payables	(b)	2,918
Advance from directors	(c)	<u>2,200</u>
Total group's borrowings		<u>42,058</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 RM4,188,000.

B10. Off balance sheet financial instrument

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

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Notes to the interim financial report for the third quarter ended 30 September 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.

GPSB applied for and was granted leave to amend its reply, defence and counterclaim to include an alternative claim for rectification of the Singapore Trademark Register for the name of NMMP to be substituted with the name of GPSB as the owner of the JASA trademark registration in Singapore. Leave was also granted for NMMP to make the necessary consequential amendments to their defence to counterclaim. The next pre-trial conference is scheduled to take place on 12 February 2007 for trial dates to be given.

- (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.

Greatpac Sdn Bhd’s Striking Out Application is now fixed for hearing on 15 December 2006 and the Plaintiffs’ Summary Judgment Application is fixed for mention on 8 January 2007.

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.

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Notes to the interim financial report for the third quarter ended 30 September 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 September 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 30/9/06	Year-to- date ended 30/9/06
Net loss attributed to shareholders (RM'000)	7,127	10,481
Weighted average number of shares (‘000)	142,667	142,673
Basic loss per share (sen)	4.99	7.35