

**WAWASAN TKH HOLDINGS BERHAD (540218-A)**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2009**

	UNAUDITED AS AT 31-Mar-09 RM'000	AUDITED AS AT 31-Dec-08 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	84,905	86,529
Intangible assets	23,956	23,956
Prepaid lease payments	11,044	11,140
Receivables, deposits and prepayments	387	516
<b>CURRENT ASSETS</b>		
Receivable, deposits and prepayments	11,603	13,242
Inventories	10,603	11,234
Current tax assets	1,057	1,055
Cash and cash equivalents	2,222	3,092
	<u>25,485</u>	<u>28,623</u>
<b>CURRENT LIABILITIES</b>		
Payables and accruals	16,100	15,191
Short term borrowings	B9 18,427	19,319
Provision for taxation	21	21
	<u>34,548</u>	<u>34,531</u>
<b>NET CURRENT LIABILITIES</b>	(9,063)	(5,908)
<b>NON CURRENT LIABILITIES</b>		
Payables and accruals	B9 23,243	22,714
Long term borrowings	B9 38,524	40,616
Deferred taxation	2,525	2,527
	<u>64,292</u>	<u>65,857</u>
	<u>46,937</u>	<u>50,376</u>
<b>FINANCED BY:-</b>		
Share capital	57,688	57,688
Capital reserve	8,693	8,693
Other reserves	17,139	17,142
Accumulated losses	(36,583)	(33,147)
<b>Total equity attributable to shareholders of the Company</b>	<u>46,937</u>	<u>50,376</u>
Minority interest	-	-
<b>Total equity</b>	<u>46,937</u>	<u>50,376</u>
Net Assets Per Share (RM)	0.16	0.17

The condensed consolidated balance sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 accompanying explanatory notes attached to the interim financial statements.

WAWASAN TKH HOLDINGS BERHAD (540218-A)  
 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
 FOR THE FIRST QUARTER ENDED 31 MARCH 2009

	Note	Individual Quarter		Cumulative Quarter	
		Current Year	Preceding	Current Year	Preceding
		Quarter	Year	Year	Year
		31-Mar-09	Corresponding	31-Mar-09	Corresponding
		RM'000	Quarter	To date	Period
			31-Mar-08	31-Mar-09	31-Mar-08
			RM'000	RM'000	RM'000
<b><u>Continuing Operations</u></b>					
Revenue		23,500	20,678	23,500	20,678
Cost of sales		(23,817)	(23,971)	(23,817)	(23,971)
Gross loss		(317)	(3,293)	(317)	(3,293)
Other income		34	22	34	22
Distribution expenses		(612)	(162)	(612)	(162)
Administrative expenses		(1,133)	(2,052)	(1,133)	(2,052)
Other expenses		(76)	(110)	(76)	(110)
Finance costs		(1,336)	(1,574)	(1,336)	(1,574)
Loss before taxation		(3,440)	(7,169)	(3,440)	(7,169)
Income tax expense	B5	1	-	1	-
Loss for the period from continuing operations		(3,439)	(7,169)	(3,439)	(7,169)
<b><u>Discontinued operations</u></b>					
Loss from discontinued operations		-	(1,939)	-	(1,939)
Gain on disposal of discontinued operations		-	8,202	-	8,202
Profit after tax from discontinued operations		-	6,263	-	6,263
Loss for the period		(3,439)	(906)	(3,439)	(906)
<b>Attributable to :</b>					
Shareholders of the Company		(3,439)	(906)	(3,439)	(906)
Minority Interest		-	-	-	-
		(3,439)	(906)	(3,439)	(906)
<b>(Loss)/Earnings per share</b>					
Basic (sen)	B13				
from continuing operations		(1.19)	(5.01)	(1.19)	(5.01)
from discontinued operations		-	4.38	-	4.38
		(1.19)	(0.63)	(1.19)	(0.63)
Diluted (sen)					
from continuing operations		-	(4.95)	-	(4.95)
from discontinued operations		-	4.33	-	4.33
		-	(0.62)	-	(0.62)

The condensed consolidated income statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**WAWASAN TKH HOLDINGS BERHAD (540218-A)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2009**

	Non-distributable					Distributable		Total Equity RM'000
	Ordinary Share Capital RM'000	Irredeemable Convertible Unsecured Loan Stocks (Equity Component) RM'000	Capital Reserve RM'000	Other Reserves RM'000	Accumulated Losses RM'000	Total Equity RM'000		
<b>For the 3 months ended 31 March 2009</b>								
Balance as at 1 January 2009	57,688	-	8,693	17,142	(33,147)	50,376		
Transfer to revaluation reserve	-	-	-	(3)	3	-		
Net loss for the period	-	-	-	-	(3,439)	(3,439)		
Balance as at 31 March 2009	57,688	-	8,693	17,139	(36,583)	46,937		
<b>For the 3 months ended 31 March 2008</b>								
Balance as at 1 January 2008	143,041	1,420	-	6,429	(108,265)	42,625		
Conversion during the period	-	-	-	(1)	-	(1)		
Foreign currency translation	-	-	-	(109)	-	(109)		
Net loss for the period	-	-	-	-	(906)	(906)		
Balance as at 31 March 2008	143,041	1,420	-	6,319	(109,171)	41,609		

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

**WAWASAN TKH HOLDINGS BERHAD (540218-A)**  
**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR FIRST QUARTER ENDED 31 MARCH 2009**

	<b>3 months Ended 31-Mar-09 RM'000</b>	<b>3 months Ended 31-Mar-08 RM'000</b>
Net cash flow from/(used in) operating activities	3,983	(9,595)
Net cash flow (used in)/ from investing activities	(702)	2,123
Net cash flow (used in)/ from financing activities	(3,201)	13,267
Net increase in cash and cash equivalents	80	5,795
Cash and cash equivalents at beginning of the period	(605)	(6,104)
Cash and cash equivalents at end of the period	<u>(525)</u>	<u>(309)</u>

Cash and cash equivalents at the end of the financial period comprise the following:

Deposits placed with licensed banks	738	389
Cash and bank balances	1,484	1,467
Bank Overdrafts (included within short term borrowings in Note B9)	(2,258)	(1,776)
less: deposits pledged with licensed banks	(489)	(389)
	<u>(525)</u>	<u>(309)</u>

Effect on divestment on the financial position of the Group as at 31.3.2008:

Group's share of net identifiable assets and liabilities	(8,202)
Goodwill on acquisition (net of impairment )	3,900
Gain on disposal	8,202
Consideration received ( set off against advances from substantial shareholder)	3,900
Cash & cash equivalents disposed of	5,756
Net cash inflow to the Group	<u>9,656</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim Financial Statements.

**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 Securities") Listing Requirements and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2008.

The same accounting policies and methods of computation as disclosed in the audited accounts for the year ended 31 December 2008 have been adopted in the preparation of the first quarter ended 31 March 2009 condensed financial statements, except for the adoption of FRSs and Interpretations issued by Malaysian Standards Board ("MASB") that are effective for the Group for the financial period beginning after 1 January 2010 as stated in Note 1(a) of the notes to the audited financial statements for the year ended 31 December 2008.

**A2. Audit report**

The audited financial statements for the Group and the Company for the financial year ended 31 December 2008 were subject to an 'except for' qualified opinion on the necessity for any impairment of goodwill amounting to RM12,9126,411 and carrying amount of investment of RM48,571,000 in the disposable foodwares unit as the key assumptions used in cash flow forecast and projections by their very nature are difficult to determine and not able to be ascertained whether they would reasonably reflect future events and the sets of economic condition that would exist.

**A3. Seasonal and cyclical factors**

The businesses of the Group are affected by both seasonal and cyclical factors.

**A4. Unusual and extraordinary items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash for the current quarter and financial period ended 31 March 2009.

**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 2009.

**WAWASAN TKH HOLDINGS BERHAD (540218-A)**  
**Notes to the interim financial report for the first quarter ended 31 March 2009**  
**The figures have not been audited**

**A7. Dividends paid**

There was no dividend paid during the current quarter/ financial period ended 31 March 2009.

**A8. Segmental reporting**

<i>Business segment</i>	3 months ended/ Year-to-date ended 31 March 2009	
	Revenue RM'000	Loss before tax RM'000
1 Manufacturing		
- Disposable food wares	20,439	(2,486)
- Mining of refined kaolin	3,061	(544)
2 Investment holding	-	(9)
Unallocated corporate expenses		(401)
Total	<u>23,500</u>	<u>(3,440)</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 2008.

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

There were no other material events subsequent to the end of the quarter and financial period-to-date up to the date of this report.

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

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

**A12. Contingent liabilities**

Contingent liabilities of the Company as at 14 May 2009 include the following:-

	RM'000
Corporate guarantees for credit facilities of subsidiaries	
- Continuing operations	59,550
- Discontinued operations*	7,805

\* The corporate guarantees are currently awaiting approval for release from a financial institution.

**A13. Capital commitments**

There were no significant capital commitments incurred by the Group during the financial quarter under review.

**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 LISTING REQUIREMENTS OF BURSA MALAYSIA**

**B1. Review of performance**

The Group registered a higher pretax loss of RM3.4 million for the current quarter against pretax loss of RM0.9 million (net of RM8.2 million gain on divestment of Automotive Subsidiaries) in the preceding year corresponding first quarter. A marginally lower revenue of RM23.5 million was recorded for the current quarter vis-à-vis RM24.7 million (including sales of RM4.1 million for the divested Automotive Subsidiaries) in the first quarter last year.

The Group's performance, mainly driven by the disposable foodwares manufacturing business, continues to operate in a difficult business environment with adverse effects of the prevalent volatile prices of petrochemical resin materials, increase in energy/fuel cost and intensified competition. Sales have increased to RM20.4 million (by 18%) compared to first quarter last year, while on going cost rationalization exercise have seen improvement in countering against the higher fuel cum energy costs and depreciation charges for the new manufacturing facility, resulting in lower pretax loss (by 57%) at RM2.5million for the current quarter vis-à-vis pretax loss of RM5.8 million in the same quarter last year. The completion of the rights issue exercise at end of August 2008 coupled with lower interest rates have also contributed to savings in finance cost. Meanwhile, the mining of refined kaolin business incurred lower pretax loss of RM0.5 million (with RM0.08 million breakeven profit in the month of March 09) compared to RM0.7 million pretax loss in the preceding year corresponding first quarter as further measures are taken to mitigate the higher crude clay expenses and rising operational costs .

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

Notes to the interim financial report for the first quarter ended 31 March 2009

The figures have not been audited

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

Revenue of RM23.5 million for the current quarter is marginally higher as compared to the preceding quarter's revenue of RM22.9 million. The lower Group's pretax loss at RM3.4 million vis-à-vis pretax loss of RM9.8 million in the fourth quarter of last year which was largely affected by the write down of RM3million as impairment loss in goodwill of the refined kaolin business and provision of RM2.1 million for doubtful debts made in that quarter. The disposal foodwares business incurred a lower pretax loss at RM 2.5 million in the current quarter compared to a pretax loss of RM5.8 million in the preceding quarter as a result of further cost rationalization exercises implemented to mitigate escalation in petrochemical resin materials costs and other operating costs. Meanwhile, the refined kaolin business incurred a higher loss at RM0.5 million compared to RM0.1 million in the preceding quarter mainly attributable to the lower seasonal sales which affected margins for Jan 09 although recovery to breakeven profit was achieved at the end of the current quarter.

**B3. Current year prospects**

The year ahead will continue to be challenging as a result of the global economic crisis coupled with cautious general domestic market sentiments. Notwithstanding this, the Group will remain strongly focused on stringent costs management and operating efficiency strategies to enhance its competitive edge. The disposable foodwares business is expected to further increase its export market reach. The Group will continue striving to achieve a turnaround.

**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 31/3/09 RM'000	Preceding year quarter ended 31/3/08 RM'000	Current year to date 31/3/09 RM'000	Preceding year corresponding period 31/3/08 RM'000
Current tax :				
Malaysian Tax				
Overprovision	-	-	-	-
Deferred tax	(1)	-	(1)	-
	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>

**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 2009.



**WAWASAN TKH HOLDINGS BERHAD (540218-A)**  
**Notes to the interim financial report for the first quarter ended 31 March 2009**  
**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 31 March 2009.

**B8. Status of corporate proposals**

As of 14 May 2009, the status of utilisation of proceeds raised from the Rights Issue with warrants is as follows (RM'000) :

Purpose	Proposed utilisation	Actual utilisation	Intended timeframe for utilisation	Deviation Over / (under)	Explanations
Repayment of advances	23,800	23,800	By 4 <sup>th</sup> quarter of 2008	-	RM17.22 million of the advances was capitalized in the rights issue to Wawasan TKH Sdn Bhd and balance advances of RM6.58 million was fully repaid.
Working capital	4,780	4,485	By 4 <sup>th</sup> quarter of 2009	(295)	Yet to be fully utilised
Corporate exercise expenses	1,600	1,354	By 4 <sup>th</sup> quarter of 2008	(246)	Expenses finalised and fully settled. Unutilised amount will be transferred to working capital
Total	30,180	29,639		(541)	

**B9. Group borrowings**

The Group's borrowings as at 31 March 2009 are as follows:

RM'000

Short-term borrowings:-

Unsecured 4,528

Secured 13,899

(a) 18,427

Long term borrowings :

Secured 38,524

Total Borrowings 56,951

Other Borrowings

Amount due to substantial shareholder (b) 23,268

Total group's borrowings 80,219

(a) Included in the short term borrowings are bank overdrafts outstanding at RM2.258 million.

(b) Included in the payables and accruals are the advances from Wawasan TKH Sdn Bhd which bear interest at 7.05% - 8.25% per annum.

**B10. Off balance sheet financial instrument**

The Group does not have any financial instruments with off balance sheet risk as at 31 March 2009 from outstanding forward foreign exchange contracts used for hedging purposes on the Group's sales and purchases.

**B11. Changes in material litigation**

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 14 May 2009.

**B12. Dividend**

No dividend was proposed or declared during the current quarter and the financial period ended 31 March 2009.

**B13. Loss per share**

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

	3 months ended/ Year-to-date ended		
	<u>31 March 2009</u>		
	Continuing Operations	Discontinued Operations	Total
Net loss attributed to shareholders (RM'000)	(3,439)	-	(3,439)
Weighted average number of shares ('000)	288,438	-	288,438
Basic loss per share (sen)	1.19	-	1.19

The diluted loss per share is not presented as the effect of the assumed conversion of warrants outstanding would be anti dilutive.

**B14. Comparative figures**

The comparative figures in the condensed consolidated cash flow statement have been re-presented to conform to the current quarter's presentation.