

WAWASAN TKH HOLDINGS BERHAD (540218-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	UNAUDITED AS AT 31-Dec-10 RM'000	AUDITED AS AT 31-Dec-09 RM'000 (Restated)
NON-CURRENT ASSETS		
Property, plant and equipment	104,224	89,784
Intangible assets	11,063	11,045
Other receivables	583	-
CURRENT ASSETS		
Trade and other receivables	10,520	11,748
Derivative financial assets	44	-
Inventories	8,414	7,512
Current tax assets	1,170	1,315
Cash and cash equivalents	1,862	1,490
	<u>22,010</u>	<u>22,065</u>
CURRENT LIABILITIES		
Trade and other payables	13,792	10,619
Derivative financial liabilities	1	-
Short term borrowings	B9 18,434	18,326
Provision for taxation	14	15
	<u>32,241</u>	<u>28,960</u>
NET CURRENT LIABILITIES	(10,231)	(6,895)
NON CURRENT LIABILITIES		
Payables and accruals	B9 49,552	36,821
Long term borrowings	B9 27,903	32,898
Deferred taxation	7,319	2,451
	<u>84,774</u>	<u>72,170</u>
	<u>20,865</u>	<u>21,764</u>
FINANCED BY:-		
Share capital	57,688	57,688
Capital reserve	-	-
Other reserves	32,331	16,841
Accumulated losses	B14 (69,154)	(52,765)
Total equity attributable to shareholders of the Company	<u>20,865</u>	<u>21,764</u>
Minority interest	-	-
Total equity	<u>20,865</u>	<u>21,764</u>
Net Assets Per Share (RM)	0.07	0.08

The condensed consolidated statement of financial position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

WAWASAN TKH HOLDINGS BERHAD (540218-A)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31-Dec-10 RM'000	Preceding Year Corresponding Quarter 31-Dec-09 RM'000 (Restated)	Current Year Todate 31-Dec-10 RM'000	Preceding Year Corresponding Period 31-Dec-09 RM'000 (Restated)
Revenue		17,643	19,138	69,574	82,796
Cost of sales		(18,149)	(19,692)	(72,055)	(87,079)
Gross loss		<u>(506)</u>	<u>(554)</u>	<u>(2,481)</u>	<u>(4,283)</u>
Other income		(28)	684	539	2,565
Marketing expenses		(762)	(522)	(2,572)	(2,132)
Administrative expenses		(1,487)	(1,605)	(5,959)	(6,601)
Other expenses		(118)	(12,867)	(1,050)	(13,132)
Finance costs		<u>(1,656)</u>	<u>(1,357)</u>	<u>(6,030)</u>	<u>(5,277)</u>
Loss before taxation		(4,557)	(16,221)	(17,553)	(28,860)
Income tax expense	B5	907	239	978	333
Loss for the period		<u>(3,650)</u>	<u>(15,982)</u>	<u>(16,575)</u>	<u>(28,527)</u>
Loss attributable to :					
Shareholders of the Company		(3,650)	(15,982)	(16,575)	(28,527)
Minority interest		-	-	-	-
		<u>(3,650)</u>	<u>(15,982)</u>	<u>(16,575)</u>	<u>(28,527)</u>
Loss per share	B13				
Basic (sen)		<u>(1.27)</u>	<u>(5.54)</u>	<u>(5.75)</u>	<u>(9.89)</u>
Diluted (sen)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The condensed consolidated income statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

WAWASAN TKH HOLDINGS BERHAD (540218-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31-Dec-10 RM'000	Preceding Year Corresponding Quarter 31-Dec-09 RM'000	Current Year Todate 31-Dec-10 RM'000	Preceding Year Corresponding Period 31-Dec-09 RM'000
Loss for the period		(3,650)	(15,982)	(16,575)	(28,527)
Other comprehensive income					
Revaluation of properties	A9	15,702	-	15,702	-
Exchange differences on translation of foreign operations		21	(85)	(27)	(85)
Total comprehensive income for the period		<u>12,073</u>	<u>(16,067)</u>	<u>(900)</u>	<u>(28,612)</u>
Total comprehensive income attributable to :					
Shareholders of the Company		12,073	(16,067)	(900)	(28,612)
Minority interest		-	-	-	-
		<u>12,073</u>	<u>(16,067)</u>	<u>(900)</u>	<u>(28,612)</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 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 FOURTH QUARTER ENDED 31 DECEMBER 2010

	Non-distributable Attributable to shareholders of the Company			Distributable	Total Equity RM'000
	Ordinary Share Capital RM'000	Capital Reserve RM'000	Other Reserves RM'000	Accumulated Losses RM'000	
<u>For the 12 months ended 31 December 2010</u>					
Balance as at 1 January 2010, as previously reported	57,688	1,515	16,841	(41,354)	34,690
Prior year adjustments	-	(1,515)	-	(11,411)	(12,926)
Effect of adopting FRS 139	-	-	-	1	1
Balance as at 1 January 2010, as restated	57,688	-	16,841	(52,764)	21,765
Crystallisation of revaluation reserve	-	-	(185)	185	-
Total comprehensive income for the period	-	-	15,675	(16,575)	(900)
Balance as at 31 December 2010	57,688	-	32,331	(69,154)	20,865
<u>For the 12 months ended 31 December 2009</u>					
Balance as at 1 January 2009	57,688	8,693	17,142	(33,147)	50,376
Crystallisation of revaluation reserve	-	-	(216)	216	-
Total comprehensive income for the period					
- as previously reported	-	-	(85)	(15,601)	(15,686)
- prior year adjustment: impairment of goodwill in subsidiary	-	-	-	(12,926)	(12,926)
- as restated	-	-	(85)	(28,527)	(28,612)
Elimination of accumulated losses					
- as previously reported	-	(7,178)	-	7,178	-
- prior year adjustment	-	(1,515)	-	1,515	-
- as restated	-	(8,693)	-	8,693	-
Balance as at 31 December 2009	57,688	-	16,841	(52,765)	21,764

The condensed consolidated statement of changes in equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

WAWASAN TKH HOLDINGS BERHAD (540218-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

	12 months Ended 31-Dec-10 RM'000	12 months Ended 31-Dec-09 RM'000 (Restated)
Net cash flow from/ (used in) operating activities	1,580	(201)
Net cash flow from investing activities	6,860	11,083
Net cash flow used in financing activities	(8,958)	(12,069)
Net decrease in cash and cash equivalents	(518)	(1,187)
Effect of exchange differences in translation	(6)	(3)
Cash and cash equivalents at beginning of the period	(1,795)	(605)
Cash and cash equivalents at end of the period	<u><u>(2,319)</u></u>	<u><u>(1,795)</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits placed with licensed banks	514	501
Cash and bank balances	1,348	988
Bank Overdrafts (included within short term borrowings in Note B9)	(3,667)	(2,783)
less: deposits pledged with licensed banks	<u>(514)</u>	<u>(501)</u>
	<u><u>(2,319)</u></u>	<u><u>(1,795)</u></u>

The condensed consolidated statement of cash flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interm 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: 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 2009.

The same accounting policies and methods of computation as disclosed in the audited accounts for the year ended 31 December 2009 have been adopted in the preparation of the fourth quarter ended 31 December 2010 condensed financial statements except for adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are effective for financial periods beginning on or after 1 January 2010:

- FRS 7	Financial Instruments: Disclosures
- FRS 8	Operating segments
- FRS 101	Presentation of Financial Statements (Revised 2009)
- FRS 123	Borrowing Costs
- FRS 132	Financial Instruments: Presentation
- FRS 139	Financial Instruments: Recognition and Measurement
- IC Interpretation 9	Reassessment of Embedded Derivatives
- IC Interpretation 10	Interim Financial Reporting and Impairment
- IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 13	Customer Loyalty Programmes
- IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
- Amendment to FRS 2	Share-based Payment ó Vesting Condition and Cancellation
- Amendment to FRS 132	Financial Instruments: Presentation
- Amendment to FRS 139	Financial Instruments: Recognition and Measurement
- Improvements to FRSs (2009)	

The principal effects of changes in presentation and accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are as follows:

i) FRS 101 Presentation of Financial Statements (FRS 101)

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The effects of the change in presentation are as follows:

The gains and losses that were recognised directly in equity in the preceding year corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income for preceding year corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to minority interest. The total comprehensive income for the period is presented as a one-line item in the statement of changes in equity.

This Standard does not have any impact on the financial position and results of the Group.

ii) FRS 139 Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives are recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

The measurement bases applied to the financial assets and financial liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and liabilities are measured as follows:

	Category	Measurement basis
1	Financial instruments at fair value through profit or loss	At fair value through profit or loss
2	Loan and other financial liabilities	At amortised cost using effective interest method

All financial assets other than those classified as fair value through profit or loss are subject to impairment test of FRS 139.

Impact on opening balances

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively from 1 January 2010. The effects of remeasurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening accumulated losses as follows:

	Previously stated RMø000	Effect of FRS 139 RMø000	As restated RMø000
<i>Assets</i>			
Derivative financial assets	-	1	1
<i>Equity</i>			
Accumulated losses	(41,354)	1	(41,353)

iii) FRS 4 Insurance Contracts

The Group has adopted FRS 4 in relation to financial guarantee contracts.

The adoption of the other new and revised FRSs, IC Interpretations and Amendments has no effect to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year.

A2. Audit report

The audited financial statements for the Group and the Company for the financial year ended 31 December 2009 were subject to an 'except for' qualified opinion on the necessity for any impairment of property, plant and equipment of the disposable foodwares unit with a carrying amount of RM83,200,645 and impairment of goodwill amounting to RM12,926,411 and carrying amount of investment of RM96,991,000 in the disposable foodwares unit as the key assumptions used in cash flow forecast and projections by their very nature are difficult to substantiate given the past actual outcomes and are regarded as significant areas of uncertainty.

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 affected the assets, liabilities, equity, net income or cash for the current quarter and financial year ended 31 December 2010, except for the following items arising due to fire in a wholly owned subsidiary, namely Greatpac Sdn Bhd :

	RMø000
Inventories written off (included in the cost of sales)	1,196
Impairment of certain assets (included in the operating expenses)	189

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 2010.

A7. Dividends paid

There was no dividend paid during the current quarter/ financial period ended 31 December 2010.

A8. Segmental reporting

<i>Business segment</i>	12 months ended/ Year-to-date ended 31/12/2010		12 months ended/ Year- to-date ended 31/12/2009	
	Revenue RM,000	Loss before tax RM,000	Revenue RM,000	Loss before tax RM,000 (Restated)
1 Manufacturing				
-Disposable foodwares	56,453	(12,926)	68,304	(13,808)
-Mining of refined kaolin	13,121	(802)	14,492	(270)
2 Investment holding	-	(2,141)	-	*(46,799)
Unallocated corporate expenses	-	(1,684)	-	(1,637)
Total	69,574	(17,553)	82,796	(62,514)
Impairment of goodwill in subsidiary	-	-	-	*(12,926)
Consolidation adjustments				*46,580
	69,574	(17,553)	82,796	(28,860)

*Refer to Note B16 on prior year adjustments made

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 2009 with the exception of the following:

Lands and buildings were revalued by the Group based on valuation of independent firms of surveyors on open market value basis during the current quarter. As a result of the update, the revaluation surplus of RM15.7 million (net of deferred tax) arising has been transferred to the revaluation reserve at the end of the current quarter / financial year ended 31 December 2010.

A10. Material events subsequent to the balance sheet date

On 14 February 2011, Greatpac Sdn Bhd, a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Divine Lotus Sdn Bhd for the disposal of a freehold landed property at a total cash consideration of RM5.563 million.

Except for the above, 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 22 February 2011 include the following:-

	RM ϕ 000
Corporate guarantees for credit facilities of subsidiaries	
- Continuing operations	48,854
- Discontinued operations*	2,257

* The corporate guarantees are currently awaiting approval for release from a financial institution. The Company has obtained an indemnity from Wawasan TKH Sdn Bhd in respect of these banking facilities.

A13. Commitments

i) Capital commitments

The capital commitments incurred by the Group as at 31 December 2010 include the following amount approved and contracted for:

	RM ϕ 000
Plant and equipment	145

ii) Operating lease commitments

As at 31 December 2010, the Group has the following obligations on operating lease payments:

	RM ϕ 000
Not later than one year	1,000

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 pretax loss of RM4.6 million for the current quarter vis-a-vis pretax loss of RM16.2 million (adjusted for RM12.9 million impairment loss in goodwill of disposable foodwares manufacturing business) in the preceding year corresponding fourth quarter, with lower revenue at RM17.6 million in the current quarter compared to RM19.1 million in the fourth quarter last year. For the cumulative year to date, the Group's revenue is lower at RM69.6 million compared to the preceding year of RM82.8 million, while the pretax loss is at RM17.6 million vis-à-vis RM28.9 million in the preceding year (included RM12.9 million prior year adjustment on impairment of goodwill in subsidiary).

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 interest rate as well as intensified competition. Sales were marginally lower at RM14.6 million compared to RM14.8 million in fourth quarter last year, with pretax loss of RM3.3 million vis-à-vis RM2.9 million pretax loss (operating loss of RM3.5 million excluding RM0.6 million other income) in the preceding year corresponding fourth quarter. The ongoing product mix and cost rationalisation have played a role in mitigating the higher fuel/energy costs and finance cost for the manufacturing facility. Meanwhile, the kaolin mining incurred pretax loss of RM0.3 million compared to pretax profit of RM0.2 million in the preceding year corresponding fourth quarter as margins were affected by the drop in production volume and rising operational costs arising due to increase in fuel and energy costs.

B2. Variation of results against preceding quarter

The Group registered marginally higher revenue of RM17.6 million and pretax loss of RM4.6 million for the current quarter compared to the revenue of RM17.3 million and pretax loss of RM4.5 million in the preceding quarter. The disposal foodwares business incurred a lower pretax loss at RM3.3 million in the current quarter compared to a pretax loss of RM3.4 million in the preceding quarter benefiting from the on-going cost rationalization exercises implemented to mitigate escalation in petrochemical resin materials costs and other operating costs. The kaolin mining incurred pretax loss of RM0.3 million (with marginal breakeven profit of RM0.003 million at the end of current quarter) compared to pretax loss of RM0.2 million in the preceding quarter as margins were affected by the lower production volume and rising operational costs arising due to hikes in fuel and energy costs.

B3. Current year prospects

The year ahead will continue to be challenging with the prevalent volatile raw materials prices and overheads (particularly fuel and energy costs) together with higher interest cost. Nevertheless, the Group will continue to focus on costs rationalization and management, besides operating efficiency strategies to enhance its competitive edge. The disposal foodwares division has a whole range of biodegradable and compostable products which are part of a progressive replacement

of conventional foodwares and cutleries. The division is expected to further extend its JASA Eco products range and reach, besides increasing export market sales. With the new reserves located coupled with the installation of additional equipment, the kaolin mining business endeavors to venture into new markets with higher grade of refined kaolin demands. A progressive increase in the revenue of the Group is anticipated from these initiatives, thus contributing to the recovery of the group. With the expected completion of the Proposals by the beginning of second quarter 2011, the Group is set on a stronger footing towards achieving 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 31/12/2010 RM'000	Preceding year corresponding quarter 31/12/2009 RM'000	Current year to date 31/12/2010 RM'000	Preceding year corresponding period 31/12/2009 RM'000
Current tax :				
Malaysian Tax	(913)	(257)	(913)	(257)
Deferred tax	6	18	(65)	(76)
	<u>(907)</u>	<u>(239)</u>	<u>(978)</u>	<u>(333)</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 December 2010.

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 December 2010.

B8. Status of corporate proposals

Proposed Par Value Reduction; Proposed Debt Conversion via a Proposed Private Placement & Proposed Amendments to Memorandum and Articles of Association (collectively referred to as "Proposals")

On 15 December 2010, the Company announced a proposed reduction of the issued and paid-up share capital of the Company via cancellation of RM0.10 from the par value of every existing ordinary share of RM0.20 each (öProposed Par Value Reductionö). The capital reserves of up to a maximum of RM 28.84 million created will allow elimination of its accumulated losses. The proposed amendments to the Memorandum and Articles of Association of the Company are to facilitate the change in the par value of the ordinary shares from RM0.20 to RM0.10 as a result of the Proposed Par Value Reduction. The Company will then implement its proposed conversion of an existing debt amounting up to RM30 million owing by the

WAWASAN TKH HOLDINGS BERHAD (540218-A)**Notes to the interim financial report for the fourth quarter ended 31 December 2010****The figures have not been audited**

Company to its major shareholders, namely Wawasan TKH Sdn Bhd, involving an issue of up to 300 million new ordinary shares of RM0.10 each (öPlacement Sharesö) in the Company to TKSÖ or its assignee(s)/ renouncee(s) via a proposed private placement (öProposed Debt Conversionö).

On 26 January 2011, the Company has obtained approval from Bursa Malaysia on the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Debt Conversion. The Company has obtained approval from the shareholders on the Proposals at the extraordinary general meeting held on 22 February 2011. The Proposed Par Value reduction is subject to approval from the High Court of Malaya of which its petition is fixed for hearing on 28 February 2011.

B9. Group borrowings

The Group's borrowings as at 31 December 2010 are as follows:

	RM'000	RM'000
Short öterm borrowings:-		
Unsecured		4,481
Secured		13,953
	(a)	<u>18,434</u>
Long term borrowings :		
Secured		<u>27,903</u>
Total Borrowings		<u>46,337</u>
<u>Payables and accruals</u>		
Amount due to substantial shareholder, Wawasan TKH Sdn Bhd	(b)	
- current	20	
- non-current	<u>49,552</u>	<u>49,572</u>
Total group's borrowings		<u>95,909</u>

(a) Included in the short term borrowings are bank overdrafts outstanding at RM3.667 million.

(b) These advances from Wawasan TKH Sdn Bhd bear interest at 7.05% - 7.80% per annum.

B10. Off balance sheet financial instrument

With the adoption of FRS 139 Financial Instruments: Recognition and Measurement, previously off balance sheet financial instruments are now recognised on the condensed consolidated statement of financial position.

As at 31 December 2010, the Group entered into forward foreign exchange sales contracts to hedge trade receivables. The foreign currency contracts entered into by the Group are as follows:

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Notes to the interim financial report for the fourth quarter ended 31 December 2010
The figures have not been audited

Currency	Notional value (RMø000)	Net fair value gain/(loss) (RMø000)	Maturing
Euro	783	30	less than 1 year
United States Dollar	3,283	13	less than 1 year

Credit risk

There is minimal credit risk as the contracts were entered into with reputable financial institutions.

Cash requirements

The Group will fund the cash requirements of the derivative from its net cash flow from operating activities when the payments fall due.

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 25 February 2011.

B12. Dividend

No dividend was proposed or declared during the current quarter and the financial period ended 31 December 2010.

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 31/12/2010	Year-to-date ended 31/12/2010
Continuing Operations		
Net loss attributed to shareholders (RMø000)	(3,650)	(16,575)
Weighted average number of shares (ø000)	288,438	288,438
Basic loss per share (sen)	(1.27)	(5.75)

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

B14. Realised and unrealised profits/ losses disclosure

The accumulated losses as at the end of the reporting period are analysed as follows:

	As at end of current quarter 31/12/2010 RMø000	As at end of preceding quarter 30/09/2010 RMø000
Total accumulated losses of the Company and its subsidiaries		
Realised	73,227	69,094
Unrealised	(155)	311
	<hr/> 73,072	<hr/> 69,405
Less: Consolidation adjustments	(3,918)	(3,918)
	<hr/> 69,154	<hr/> 65,487
Total group accumulated losses per consolidated accounts		

B15. Comparative figures

The comparative figures of the following items in the condensed consolidated income statement for the cumulative quarter have been re-presented to conform to the current quarter's presentation.

	As previously reported RMø000	Reclassification RMø000	As restated RMø000
Other income	1,234	1,331	2,565
Administrative expenses	(5,368)	(1,233)	(6,601)
Other expenses	(108)	(98)	(206)

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

B16. Prior year adjustments

Based on a review of the Company's investment in subsidiaries and the Group's goodwill during the current quarter, it is noted that impairment loss on investment in subsidiaries of RM40 million and impairment loss on goodwill in a subsidiary of RM12.926 million were underprovided in previous financial year. The impairment losses underprovided are corrected with prior year adjustments. The adjustments have no effects to the net results of the current quarter and financial year ended 31 December 2010.

WAWASAN TKH HOLDINGS BERHAD (540218-A)
Notes to the interim financial report for the fourth quarter ended 31 December 2010
The figures have not been audited

The effects of the adjustments on the comparative figures are summarised below:

	As previously reported RMø000	Prior year adjustments RMø000	As restated RMø000
<i>Consolidated statement of financial position</i>			
Intangible assets	23,971	(12,926)	11,045
Capital reserve	1,515	(1,515)	-
Accumulated losses	(41,354)	(11,411)	(52,765)
<i>Consolidated income statements</i>			
Other expenses	(206)	(12,926)	(13,132)
Loss per share	(5.41)	(4.48)	(9.89)
<i>Segmental reporting (Note A8*)</i>			
Loss before tax			
Investment holding	(6,799)	(40,000)	(46,799)
Impairment of goodwill in subsidiary	-	(12,926)	(12,926)
Consolidation adjustment	6,580	40,000	46,580