

WAWASAN TKH HOLDINGS BERHAD (540218-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	UNAUDITED AS AT 31-Dec-11 RM'000	AUDITED AS AT 31-Dec-10 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	88,435	104,224
Intangible assets	11,062	11,062
Trade and other receivables	1,501	583
CURRENT ASSETS		
Trade and other receivables	12,942	10,520
Derivative assets	14	44
Inventories	9,563	8,414
Current tax assets	918	1,170
Cash and cash equivalents	2,151	1,862
	25,588	22,010
CURRENT LIABILITIES		
Trade and other payables	17,776	29,792
Derivative liabilities	46	1
Short term borrowings	17,071	18,434
Current tax liabilities	13	14
	34,906	48,241
NET CURRENT LIABILITIES	(9,318)	(26,231)
NON CURRENT LIABILITIES		
Trade and other payables	39,735	33,552
Long term borrowings	22,835	27,903
Deferred tax liabilities	7,028	7,319
	69,598	68,774
	22,082	20,864
EQUITY		
Share capital	44,844	57,688
Capital reserve	-	-
Other reserves	28,378	32,331
Accumulated losses	(51,140)	(69,155)
Total equity attributable to owners of the parent	22,082	20,864
Minority interest	-	-
Total equity	22,082	20,864
Net Assets Per Share (RM)	0.0492	0.0723

The condensed consolidated statement of financial position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 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 2011

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31-Dec-11 RM'000	Preceding Year Corresponding Quarter 31-Dec-10 RM'000 (Restated)	Current Year To date 31-Dec-11 RM'000	Preceding Year Corresponding Period 31-Dec-10 RM'000 (Restated)
Revenue		15,522	17,643	70,340	69,574
Cost of sales		(17,202)	(16,973)	(75,634)	(70,924)
Gross loss		<u>(1,680)</u>	<u>670</u>	<u>(5,294)</u>	<u>(1,350)</u>
Other income		3,945	(28)	7,353	539
Marketing expenses		(466)	(762)	(2,327)	(2,572)
Administrative expenses		(1,318)	(1,468)	(5,453)	(5,895)
Other expenses		(3,135)	(1,314)	(3,939)	(2,246)
Finance costs		<u>(1,322)</u>	<u>(1,656)</u>	<u>(5,517)</u>	<u>(6,030)</u>
Loss before taxation		(3,976)	(4,558)	(15,177)	(17,554)
Income tax expense	B5	73	907	344	978
Loss for the period		<u>(3,903)</u>	<u>(3,651)</u>	<u>(14,833)</u>	<u>(16,576)</u>
Loss attributable to :					
Owners of the parent		(3,903)	(3,651)	(14,833)	(16,576)
Minority interest		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(3,903)</u>	<u>(3,651)</u>	<u>(14,833)</u>	<u>(16,576)</u>
Loss per share	B12				
Basic (sen)		<u>(0.87)</u>	<u>(1.27)</u>	<u>(3.57)</u>	<u>(5.75)</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 2010 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 2011

	Note	Individual Quarter		Cumulative Quarter	
		Current Year	Preceding	Current Year	Preceding
		Quarter	Year	Todate	Year
		31-Dec-11	Corresponding	31-Dec-11	Corresponding
		Quarter	Quarter	Period	Period
		31-Dec-10	31-Dec-10	31-Dec-10	31-Dec-10
		RM'000	RM'000	RM'000	RM'000
Loss for the period		(3,903)	(3,651)	(14,833)	(16,576)
Other comprehensive income/(loss):					
Revaluation of properties		-	15,702	-	15,702
Foreign currency translations		(3)	21	51	(27)
Total comprehensive loss for the period	B6	<u>(3,906)</u>	<u>12,072</u>	<u>(14,782)</u>	<u>(901)</u>
Total comprehensive loss attributable to :					
Owners of the parent		(3,906)	12,072	(14,782)	(901)
Minority interest		-	-	-	-
		<u>(3,906)</u>	<u>12,072</u>	<u>(14,782)</u>	<u>(901)</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 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 2011

	← Non-distributable →					
	Ordinary Share Capital RM'000	Capital Reserve RM'000	Other Reserves RM'000	Reserve of non- current asset classified as held for sale RM'000	Accumulated Losses RM'000	Total Equity RM'000
<u>For the 12 months ended 31 December 2011</u>						
Balance as at 1 January 2011	57,688	-	32,331	-	(69,155)	20,864
Total comprehensive loss for the period	-	-	51	-	(14,833)	(14,782)
Crystallisation of revaluation reserve	-	-	(858)	-	858	-
Par value reduction	(28,844)	28,844	-	-	-	-
Issuance during the period	16,000	-	-	-	-	16,000
Elimination of accumulated losses	-	(28,844)	-	-	28,844	-
Reserve attributable to non-current asset classified as held for sale	-	-	(3,146)	3,146	-	-
Transfer to accumulated losses upon disposal of property	-	-	-	(3,146)	3,146	-
Balance as at 31 December 2011	<u>44,844</u>	<u>-</u>	<u>28,378</u>	<u>-</u>	<u>(51,140)</u>	<u>22,082</u>
<u>For the 12 months ended 31 December 2010</u>						
Balance as at 1 January 2010	57,688	1,515	16,841	-	(41,354)	34,690
Prior year adjustments	-	(1,515)	-	-	(11,411)	(12,926)
Effects of the adoption of FRS 139	-	-	-	-	1	1
Balance as at 1 January 2010, as restated	<u>57,688</u>	<u>-</u>	<u>16,841</u>	<u>-</u>	<u>(52,764)</u>	<u>21,765</u>
Total comprehensive loss for the period	-	-	15,675	-	(16,576)	(901)
Crystallisation of revaluation reserve	-	-	(185)	-	185	-
Balance as at 31 December 2010	<u>57,688</u>	<u>-</u>	<u>32,331</u>	<u>-</u>	<u>(69,155)</u>	<u>20,864</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 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 2011

	12 months ended 31-Dec-11 RM'000	12 months ended 31-Dec-10 RM'000 (Restated)
Cash flows from operating activities		
Loss before tax	(15,177)	(17,554)
Adjustments for:		
Non-cash items	10,467	10,690
Finance costs	5,517	6,030
Rental income	(10)	-
Interest income	(17)	(13)
Operating profit/(loss) before working capital changes	<u>780</u>	<u>(847)</u>
Changes in working capital:		
Net change in current assets	(5,444)	(1,124)
Net change in current liabilities	<u>3,975</u>	<u>3,195</u>
Cash (used in)/ generated from operations	(689)	1,224
Interest paid	(371)	(264)
Tax paid	(8)	(9)
Tax refunded	<u>312</u>	<u>1,066</u>
Net cash (used in)/ from operating activities	<u>(756)</u>	<u>2,017</u>
Cash flows from investing activities		
Acquisition of trademark	-	(18)
Advance from a related party	3,670	9,900
Interest received	17	13
Proceeds from disposal of property, plant and equipment	9,996	482
Purchase of property, plant and equipment	(2,505)	(3,427)
Rental received	10	-
Rentals paid in advance	<u>(1,000)</u>	<u>(705)</u>
Net cash from investing activities	<u>10,188</u>	<u>6,245</u>
Cash flows from financing activities		
Fixed deposits pledged	(15)	(12)
Interest paid	(2,633)	(2,936)
Proceeds from borrowings	388	835
Repayment of borrowings	(3,803)	(3,838)
Repayment of finance lease liabilities	<u>(2,933)</u>	<u>(2,833)</u>
Net cash used in financing activities	<u>(8,996)</u>	<u>(8,784)</u>
Net increase/(decrease) in cash and cash equivalents	436	(522)
Effects of exchange rate changes on cash and cash equivalents	2	(2)
Cash and cash equivalents at beginning of financial year	(2,319)	(1,795)
Cash and cash equivalents at end of financial year	<u>(1,881)</u>	<u>(2,319)</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits placed with licensed banks	529	514
Cash and bank balances	1,622	1,348
Bank Overdrafts (included in short term borrowings in Note B8)	(3,503)	(3,667)
less: Deposits pledged with licensed banks	<u>(529)</u>	<u>(514)</u>
	<u>(1,881)</u>	<u>(2,319)</u>

The condensed consolidated statement of cash flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 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: 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 2010.

The same accounting policies and methods of computation as disclosed in the audited accounts for the year ended 31 December 2010 have been adopted in the preparation of the fourth quarter ended 31 December 2011 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 2011:

- FRS 1	First-time Adoption of Financial Reporting Standards
- FRS 3	Business Combinations
- FRS 127	Consolidated and Separate Financial Statements
- IC Interpretation 4	Determining whether an Arrangements contains a Lease
- IC Interpretation 12	Service Concession Arrangements
- IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17	Distributions of Non-cash Assets to Owners
- IC Interpretation 18	Transfers of Assets from Customers
- Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1	Additional Exemptions for First-time Adopters
- Amendments to FRS 2	Share-based Payments
- Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7	Improving Disclosures about Financial Instruments
- Amendments to FRS 132	Financial Instruments: Presentation
- Amendments to FRS 138	Intangible Assets
- Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
- Improvements to FRSs (2010)	

Adoption of the above new and revised FRSs, IC Interpretations and Amendments did not have any effect on the financial performance, position or presentation of the Group's consolidated financial statements, other than the disclosures under Amendments to FRS 7 which will result in additional disclosures in the annual financial statements.

A2. Audit report

The audited financial statements for the Group and the Company for the financial year ended 31 December 2010 were not subject to any qualification.

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 2011, except for the following items caused by fire in a wholly owned subsidiary, namely Greatpac Sdn Bhd :

	Current year quarter ended 31/12/2011 RM million	Year-to-date ended 31/12/2011 RM million
Inventories written off (included in other expenses)	(1.4)	
Impairment of certain assets (included in other expenses)	(2.0)	-
Insurance compensation (included in other income)	*2.6	3.9

* The preliminary tentative insurance compensation offer for fire loss in November 2011 has been obtained from the insurance company and accrued in the current quarter. Additional insurance compensation sum is subject to further negotiation and pending finalization.

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

As disclosed in the first quarterly interim report, on 21 March 2011, the Company completed the conversion of a debt amounting to RM16 million owing to its major shareholders, namely Wawasan TKH Sdn. Bhd. (“WTKHSB”), involving issuance of 160 million new ordinary shares of RM0.10 each in the Company to WTKHSB or its assignee(s)/ renouncee(s) via a private placement (“Debt Conversion”). Upon completion of the Debt Conversion, the issued and paid-up share capital of the Company has increased to RM44,843,788 comprising 448,437,879 ordinary shares of RM0.10 each .

Except for the above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter and financial period ended 31 December 2011.

A7. Dividends paid

There was no dividend paid during the current quarter and financial period ended 31 December 2011.

WAWASAN TKH HOLDINGS BERHAD (540218-A)

Notes to the interim financial report for the fourth quarter ended 31 December 2011

The figures have not been audited

A8. Operating Segments

12 months ended/ Year- to-date ended 31 December 2011	Investment holding RM'000	Manufacturing disposable foodwares RM'000	Mining RM'000	Total RM'000
Total revenue	614	57,522	12,818	70,954
Inter-segment revenue	(614)	-	-	(614)
Revenue from external customers	-	57,522	12,818	70,340
Segment loss before tax	(5,657)	(8,369)	(2,651)	(16,677)
12 months ended/ Year- to-date ended 31 December 2010 (Restated)	Investment holding RM'000	Manufacturing disposable foodwares RM'000	Mining RM'000	Total RM'000
Total revenue	4,614	56,453	13,121	74,188
Inter-segment revenue	(4,614)	-	-	(4,614)
Revenue from external customers	-	56,453	13,121	69,574
Segment loss before tax	(372)	(12,469)	(713)	(13,554)
Total assets				
As at 31 December 2011	39	100,811	24,818	125,668
As at 31 December 2010	146	114,101	22,462	136,709

Reconciliations of reportable segment profit or loss and assets to the Group's corresponding amounts are as follows:

	2011 RM'000	2010 RM'000
Loss before tax		
Total loss for reportable segments	(16,677)	(13,554)
Impairment loss on investment in a subsidiary	1,500	-
Elimination of inter-segment profit	-	(4,000)
Loss before tax per income statement	(15,177)	(17,554)
Assets		
Total assets per reportable segments	125,668	136,709
Tax assets	918	1,170
Total assets per statement of financial position	126,586	137,879

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 2010.

A10. Material events subsequent to the end of the reporting period

There were no 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 23 February 2012 include the following:-

	RM'000
Corporate guarantees for credit facilities of subsidiaries	38,927

A13. Commitments

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

A14. Related party transactions

Significant related party transactions entered into by the Group during the current quarter and financial year-to-date are as follows:

	3 months ended 31/12/2011 RM'000	Year-to-date ended 31/12/2011 RM'000
Insurance brokerage commission	-	64
Flight tickets paid or payable	17	49
Sale of materials	-	217
	<hr/>	<hr/>

The above transactions were with Clear Expertise Sdn Bhd, PST Travel Services Sdn Bhd and TKH Manufacturing Sdn Bhd respectively i.e. companies in which certain Directors of the Company have substantial financial interests.

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

B1. Review of performance

The Group incurred a lower pretax loss of RM4.0 million for the current quarter vis-a-vis pretax loss of RM4.6 million in the preceding year corresponding fourth quarter, with lower revenue at RM15.5 million (by 12%) in the current quarter compared to RM17.6 million in the fourth quarter last year. The Group registered slightly higher revenue at RM70.3 million for the financial year compared to preceding year revenue of RM69.6 million and incurred pre-tax loss is at RM15.2 million against pretax loss RM17.6 million in the preceding 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 coupled with rising energy/fuel cost and interest rate. Sales decreased to RM12.7 million (by 13%) compared to RM14.6 million in the fourth quarter last year, with lower pretax loss of RM2.0 million (included RM1.0 million gain on property disposal, RM2.6 million insurance compensation in other income and RM3.4 million fire loss as disclosed in A4) vis-a-vis RM3.1 million (included RM1.4 million fire loss) pretax loss in preceding year corresponding fourth quarter. Despite the market demand remaining strong in the current quarter, sales were constrained by reduced production output after the fire incidence in November 2011, thus affecting the gross margin. Nevertheless, ongoing production mix and cost rationalization exercises have positive effects in mitigating escalation in petrochemical resin materials costs and other operating costs.

The kaolin mining business recorded lower sales of RM2.8 million (by 7%) compared to RM3.0 million in the preceding year corresponding fourth quarter, with higher pretax loss of RM1.0 million (included RM0.3 million inventories written down) in the current quarter vis-a-vis pretax loss of RM0.3 million in the fourth quarter last year. Generally, market has softened in the current quarter compared to the similar period last year. Margins were mainly affected by aggressive penetrative pricing for local and export customers, shift in quality requirements from customers, besides higher operational costs arising due to temporary disruptions in plant production (arising from equipment breakdown) and increase in fuel and energy costs.

Meanwhile, the investment holding company incurred pretax loss of RM2.4 million (including RM1.5 million impairment loss on investment in a subsidiary and finance cost of RM0.6million) in the current quarter compared to pretax profit of RM2.8 million (including dividend income from subsidiary of RM4 million and finance cost of RM0.9 million) in the preceding year corresponding fourth quarter. The lower finance cost was largely attributable to reduced interest charges to WTKHSB after the Debt Conversion (as disclosed in A6).

B2. Variation of results against preceding quarter

The Group registered lower revenue of RM15.5 million and pretax loss of RM4.0 million for the current quarter compared to the revenue of RM19.8 million and pretax loss of RM4.3 million in the preceding quarter.

The disposable foodwares business recorded lower sales at RM12.7 million (by 22%) in the current quarter compared to RM16.2 million in the preceding quarter, with lower pretax loss at RM2.0 million (included RM1.0 million gain on property disposal, RM2.6 million insurance compensation in other income and RM3.4 million fire loss as disclosed in A4) in the current quarter compared to a pretax loss of RM2.7 million in the preceding quarter. The production supply and sales mix were further rationalized on account of production constraint in meeting the strong sales demand.

Meanwhile, the kaolin mining business achieved lower sales at RM2.8 million (by 22%) and pretax loss of RM 1.0 million, compared to the sales of RM3.6 million and pretax loss RM0.7 million in last quarter. The margins were eroded by aggressive pricing launched to customers, shift in quality requirements from customers, inventories written down of RM0.3 million, besides higher operational cost attributable to temporary disruptions in plant production, poor weather condition (rainy season) and increase in fuel and energy cost.

The investment holding company incurred pretax loss of RM2.4 million (included impairment loss on investment in a subsidiary of RM1.5 million) for the current quarter compared to pretax loss of RM0.9 million in the preceding quarter.

B3. Current year prospects

The year ahead will remain challenging with the prevalent volatile raw materials prices and overheads (particularly fuel and energy costs), amidst the lingering uncertainties in the global economy and cautious domestic market sentiments. Notwithstanding these adversities, the Group will persevere to focus on costs rationalization and management, besides operating efficiency strategies to enhance its competitive edge.

The disposable foodwares division will continue to rationalize its product mix and operational costs, while extending its product range and market reach towards improving gross margin. The refined kaolin business is expected to enhance sales mix, while containing its operational cost. Meanwhile, measures are being taken to strengthen fire risk management, besides proactive hedging of foreign currencies exposure to mitigate fluctuations in foreign currencies. The Group will continue to pursue initiatives to increase revenue and margins progressively towards recovery.

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 31/12/2011 RM'000	Preceding year corresponding quarter 31/12/2010 RM'000	Current year to date 31/12/2011 RM'000	Preceding year corresponding period 31/12/2010 RM'000
Current tax :				
Malaysian Tax	-	(913)	(53)	(913)
Deferred tax	(73)	6	(291)	(65)
	<u>(73)</u>	<u>(907)</u>	<u>(344)</u>	<u>(978)</u>

B6. Total comprehensive loss

Included in the total comprehensive loss for the current quarter and year to date are the following items:

	3 months ended 31 December 2011 RM'000	Year-to-date ended 31 December 2011 RM'000
Interest income	(6)	(17)
Other income including investment income		
- net foreign exchange gain	(164)	(704)
- gain on disposal of properties	(1,032)	(2,247)
- insurance compensation	(2,615)	(3,920)
- others	(128)	(465)
Interest expense	1,322	5,517
Depreciation of property, plant and	2,145	8,898
Impairment losses on:		
- receivables*	11	94
- property, plant and equipment*	2,000	2,000
Inventories written down	438	408
Inventories written off	1,320	1,400
(Gain)/Loss on derivatives*	<u>(258)</u>	<u>74</u>

* included in other expenses in the consolidated income statement

Other than the above items which have been included in the total comprehensive loss, there were no write off of receivables, gain/loss on disposal of quoted or unquoted investments and exceptional items for the current and financial period ended 31 December 2011.

B7. Status of corporate proposals

Save for the Corporate Exercise announced and completed that was disclosed in the first quarterly interim report, there is no other corporate proposal announced which is pending completion as at 28 February 2012.

B8. Group borrowings

The Group's borrowings as at 31 December 2011 are as follows:

	RM'000	RM'000
Short –term borrowings:-		
Unsecured		4,995
Secured		12,076
	(a)	<u>17,071</u>
Long term borrowings :		
Secured		22,835
Total Borrowings		<u>39,906</u>
 <u>Payables and accruals</u>		
Amount due to substantial shareholder, Wawasan TKH Sdn Bhd	(b)	
- current		21
- non-current		39,735
Total group's borrowings		<u>79,662</u>

(a) Included in the short term borrowings are bank overdrafts outstanding at RM3.503 million.

(b) These advances from Wawasan TKH Sdn Bhd bear interest at 7.80% - 8.10% per annum.

B9. Derivative financial instruments

(a) As at 31 December 2011, the Group entered into forward foreign exchange contracts to hedge trade receivables. The forward foreign exchange contracts entered into by the Group are as follows:

Currency	Contract/ Notional value (RM'000)	Fair value (RM'000)	Maturing
United States Dollar	2,375	(42)	less than 1 year
Euro	284	13	less than 1 year
Singapore Dollar	<u>705</u>	<u>(3)</u>	less than 1 year

Credit risk

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

WAWASAN TKH HOLDINGS BERHAD (540218-A)
Notes to the interim financial report for the fourth quarter ended 31 December 2011
The figures have not been audited

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.

(b) Fair value changes of derivative instruments

The gains/(losses) arising from fair value changes of derivative instruments for current quarter and financial year-to-date ended 31 December 2011 are as follows:

Type	Current quarter ended 31/12/2011 (RM'000)	Current year-to-date ended 31/12/2011 (RM'000)	Basis of fair value measurement	Reasons for Gains/(Losses)
Forward foreign exchange contracts	258	(74)	The difference between the contracted rates and the market forward rates.	The exchange rates have moved favourably from the last measurement date.

B10. 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 28 February 2012.

B11. Dividend

No dividend was proposed or declared during the current quarter and the financial period ended 31 December 2011.

B12. Loss per ordinary share

The basic loss per ordinary 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 December 2011	Year-to-date ended 31 December 2011
Net loss attributed to equity holders (RM'000)	(3,903)	(14,833)
Weighted average number of shares ('000)	448,438	415,123
Basic loss per share (sen)	(0.87)	(3.57)

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

B13. Realised and unrealised profits/ losses disclosure

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

	As at 31 December 2011 RM'000	Audited as at 31 December 2010 RM'000
Total accumulated losses of the Company and its subsidiaries		
Realised	(55,724)	(74,293)
Unrealised	202	155
	<hr/>	<hr/>
	(55,522)	(74,138)
Less: Consolidation adjustments	4,382	4,983
Total group accumulated losses per consolidated accounts	<hr/>	<hr/>
	(51,140)	(69,155)

B14. 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 RM'000	Reclassification RM'000	As restated RM'000
Cost of sales	(72,056)	1,132	(70,924)
Administrative expenses	(5,959)	64	(5,895)
Other expenses	(1,050)	(1,196)	(2,246)

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