

WOODLANDOR HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No.376693-D)

Condensed Consolidated Income Statements for the period ended 31 March 2006

		2006 Current quarter ended 31 March RM'000	2005 Comparative quarter ended 31 March RM'000	2006 3 months Cumulative to date RM'000	2005 3 months Cumulative to date RM'000
Revenue		12,006	12,887	12,006	12,887
Operating expenses		(12,362)	(12,970)	(12,362)	(12,970)
Other operating income		47	215	47	215
Profit / (Loss) from operations		(309)	132	(309)	132
Interest expense		(236)	(205)	(236)	(205)
Interest income		33	42	33	42
Loss before tax		(512)	(31)	(512)	(31)
Income tax expense	B5	(51)	(103)	(51)	(103)
Net loss for the period		(563)	(134)	(563)	(134)
Attributable to:					
Equity holders of the parent		(563)	(134)	(563)	(134)
Minority interests		-	-	-	-
Net loss for the period		(563)	(134)	(563)	(134)
Loss per ordinary share of RM1.00 each (sen)	B13				
- Basic		(1.41)	(0.33)	(1.41)	(0.33)
- Diluted		Note	NA	Note	NA

Note:

Fully diluted earnings per share for the current quarter has not been disclosed as the average exercise price of the share options granted pursuant to the ESOS is above average fair value of the Company's shares during the current quarter. The potential effect of the conversion of such options would be anti-dilutive.

(The Condensed Consolidated Income Statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2005)

WOODLANDOR HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No.376693-D)

Condensed Consolidated Balance Sheets as of 31 March 2006

	Note	As of 31 March 2006 RM'000	As of 31 December 2005 RM'000 (comparatives restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment		24,749	28,125
Land held for property development		2,335	2,335
Investment properties		3,230	3,243
Other investments		129	129
Intangible asset		270	279
Goodwill		31	-
		<hr/>	<hr/>
		30,744	34,111
Current Assets			
Inventories		9,940	10,308
Trade receivables (net of allowance for doubtful debts)		21,893	23,275
Amount due from customers for contract work		305	351
Other receivables and prepaid expenses		2,866	2,993
Properties held for sale		3,293	-
Fixed deposits with licensed banks		3,930	3,908
Cash and bank balances		902	952
		<hr/>	<hr/>
		43,129	41,787
		<hr/>	<hr/>
TOTAL ASSETS		73,873	75,898

(Forward)

	Note	As of 31 March 2006 RM'000	As of 31 December 2005 RM'000 (comparatives restated)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital		40,001	40,001
Reserves		4,744	5,276
		<hr/>	<hr/>
		44,745	45,277
Minority interest		-	-
		<hr/>	<hr/>
Total equity		44,745	45,277
Long-term and Deferred Liabilities			
Long-term borrowings	B9	4,730	4,794
Deferred tax liabilities		346	346
		<hr/>	<hr/>
		5,076	5,140
Current Liabilities			
Trade payables		8,302	9,735
Amount due to customers for contract work		179	167
Other payables and accrued expenses		2,165	2,678
Short-term borrowings	B9	13,399	12,889
Tax liabilities		7	12
		<hr/>	<hr/>
		24,052	25,481
		<hr/>	<hr/>
Total Liabilities		29,128	30,621
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		73,873	75,898
		<hr/>	<hr/>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the annual audited financial statements for the year ended 31 December 2005)

WOODLANDOR HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No.376693-D)

Condensed Consolidated Statements of Changes In Equity for the period ended 31 March 2006

	Issued Capital RM'000	Non distributable reserve Share Premium RM'000	Reserve on Consolidation RM'000	Distributable reserve Unappropriated Profit RM'000	Shareholders' Equity RM'000
Balance as of 1 January 2006					
As previously reported	40,001	1	3,242	2,033	45,277
Effects of adopting FRS 3	-	-	(3,273)	3,273	-
Transferred to goodwill	-	-	31	-	31
	40,001	1	-	5,306	45,308
Net loss for the period	-	-	-	(563)	(563)
Balance as of 31 March 2006	40,001	1	-	4,743	44,745
Balance as of 1 January 2005					
As previously stated	40,001	1	3,782	3,057	46,841
Net loss for the period	-	-	-	(134)	(134)
Amortisation during the period	-	-	(135)	-	(135)
Balance as of 31 March 2005	40,001	1	3,647	2,923	46,572

(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the annual audited financial statements for the year ended 31 December 2005)

WOODLANDOR HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No.376693-D)

Condensed Consolidated Cash Flow Statements for the period ended 31 March 2006

	For the period ended 31 March 2006 RM'000	For the period ended 31 March 2005 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Loss before tax	(512)	(31)
Adjustments for:		
Allowance for doubtful debts	-	223
Depreciation of property, plant and equipment	160	269
Interest expense	236	205
Allowance for doubtful debts no longer required	(16)	(62)
Amortisation of reserve on consolidation	-	(135)
Amortisation of intangible assets	9	9
Interest income	(33)	(42)
	<hr/>	<hr/>
Operating (Loss)/Profit Before Working Capital Changes	(156)	436
Changes in working capital :		
Net change in current assets	1,787	220
Net change in current liabilities	(1,933)	(507)
	<hr/>	<hr/>
Cash Generated From Operations	(302)	149
Income tax paid	(129)	(184)
Tax refunded	-	274
	<hr/>	<hr/>
Net (Cash Used In) / From Operating Activities	(431)	239
	<hr/>	<hr/>
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Interest received	33	42
Purchase of property, plant and equipment	(63)	(62)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(30)	(20)
	<hr/>	<hr/>

(Forward)

	For the period ended 31 March 2006 RM'000	For the period ended 31 March 2005 RM'000
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Net repayment of term loans	(195)	(186)
Net proceeds from/(repayment of) short-term borrowings other than bank overdrafts	229	(153)
Net payment of hire-purchase payables	(8)	(53)
Interest expense paid	(236)	(205)
	<hr/>	
Net Cash Used In Financing Activities	(210)	(597)
	<hr/>	
NET DECREASE IN CASH AND CASH EQUIVALENTS	(671)	(378)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(751)	2,426
	<hr/>	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(1,422)	2,048
	<hr/>	
Cash and cash equivalents comprise:		
Cash and bank balances	902	1,145
Fixed deposits with licensed banks	3,930	5,352
Bank overdrafts	(5,531)	(3,949)
	<hr/>	
	(699)	2,548
Less : Non cash and cash equivalents		
Fixed deposits pledged with licensed banks	(723)	(500)
	<hr/>	
	(1,422)	2,048
	<hr/>	

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 December 2005)

WOODLANDOR HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No.376693-D)

Selected Explanatory Notes to the Interim Financial Statements for the period ended 31 March 2006

A1 *Accounting policies and method of computation*

The interim financial statements of the Group are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Changes in accounting policies

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2005, except for the adoption of the following new or revised FRS effective for the financial period beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combination
FRS 5	Non-current Asset Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

Except for those disclosed below, the adoption of the above FRS does not have any significant financial impact to the Group:

(a) FRS 3: Business Combination and FRS 136: Impairment of Assets

Under FRS 3, all business combinations will be accounted for by applying the purchase method where the cost of business combination will be allocated to the identifiable assets, liabilities and contingent liabilities at the acquisition date. Any difference will be recognized as goodwill and represents an anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised.

The new FRS 3 has resulted in consequential amendments to another accounting standards, FRS 136.

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in income statements and subsequent reversal is not allowed.

Prior to 1 January 2006, goodwill arising on consolidation is set off against reserve on consolidation in the year of acquisition and the net reserve on consolidation is amortised evenly over ten years. This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006. The transitional provisions of FRS 3, however, have required the Group to eliminate at 1 January 2006 the carrying amount of the accumulated amortisation of RM20,989 with a corresponding decrease in goodwill. The carrying amount of goodwill as at 1 January 2006 of RM31,483 will not be subject to any further amortisation. This will reduce the amortisation charges by RM1,312 for the current quarter ended 31 March 2006.

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "reserve on consolidation"), after reassessment, is now recognised immediately in income statements. Prior to 1 January 2006, reserve on consolidation was amortised evenly over ten years. In accordance with the transitional provisions of FRS 3, the reserve on consolidation as at 1 January 2006 of RM3,273,088 was derecognised with a corresponding increase in retained earnings.

(b) FRS 5: Non-current Assets Held for Sale and Discontinued Operations

The Group has applied FRS 5 prospectively in accordance with its transitional provisions. An item is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before classification as held for sale, the carrying amounts of certain properties are measured in accordance with applicable FRS. Then on initial classification as held for sale, these properties are recognised at the lower of carrying amount and fair value less costs to sell.

Comparatives

Up to 31 December 2005, the Group's consolidated financial statements were prepared in accordance with MASB standards effected before 1 January 2006. The comparative figures in respect of 31 December 2005 have been restated to reflect the relevant adjustments on the adoption of the relevant FRS as disclosed below:

	Previously stated RM '000	Reclassification RM '000	As restated RM '000
Property, plant and equipment	31,368	(3,243)	28,125
Investment properties	-	3,243	3,243
Goodwill	-	31	31
Reserve on consolidation	3,242	(3,242)	-
Unappropriated profit	2,033	3,273	5,306

Apart from the above, the interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005.

A2 *Declaration of audit qualification*

The audit report of the Group's preceding annual audited financial statements was not subject to any qualification.

A3 *Seasonal or cyclical factors*

The Group's operations were not materially affected by any seasonality or cyclicity in the quarter under review.

A4 *Unusual items affecting assets, liabilities, equity, net income or cash flows*

There was no item of material and unusual nature which would adversely affect the Group's assets, liabilities, equity, net income or cash flows for the current financial year to date.

A5 *Change in estimates*

There were no material changes in estimates of amounts reported in prior financial years.

A6 *Debts and equity securities*

On 18 June 2005, the Company granted to Eligible Employees of the Group of 4,358,000 ordinary shares of RM1.00 each at the option price of RM1.00 per share pursuant to the Employees' Share Option Scheme ("ESOS"). The terms of share options outstanding for the year under review are as follows:

ESOS	Date granted	Granted '000	Exercised '000	Cancelled/ Lapsed '000	As at 31 March 2006 '000	Option Price per ordinary shares RM	Date of expiry
1 st Option	18/6/2005	4,358	-	(548)	3,810	1.00	7/10/2009

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year to date except as stated above.

A7 *Dividends paid*

There was no dividend paid by the Company since the end of the previous financial year.

A8 *Segmental reporting*

Segmental reporting for the financial period ended 31 March 2006:

	Investment holding RM'000	Building and construction materials RM'000	CKD furniture for export RM'000	Property development RM'000	Elimination RM'000	Consolidated RM'000
<u>Revenue</u>						
External	6	11,091	909	-	-	12,006
Inter-segment	481	4,238	-	-	(4,719)	-
Total revenue	487	15,329	909	-	(4,719)	12,006
<u>Results</u>						
Segment results	(2)	29	(299)	(27)	(10)	(309)
Interest expense						(236)
Interest income						33
Loss before tax						(512)
Income tax expense						(51)
Net loss for the period						(563)

A9 *Valuation of property, plant and equipment*

The revaluation of property, plant and equipment has been brought forward without amendment from the previous annual audited financial statements.

A10 Subsequent material events

There was no material event subsequent to the end of the interim period that has not been reflected in the interim financial statements.

A11 Changes in composition of the Group

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

A12 Contingent Liabilities

	As of 31 March 2006 RM'000	As of 31 December 2005 RM'000
Corporate guarantees given to local financial institutions for credit facilities granted to subsidiary companies:		
Secured	12,212	12,170
Unsecured	2,912	2,799
	15,124	14,969
Unsecured corporate guarantees given to certain suppliers for trade credit facilities granted to subsidiary companies	852	417
	<u>15,976</u>	<u>15,386</u>

Listing Requirements of Bursa Malaysia Securities Berhad – Part A of Appendix 9B

B1 Review of performance

The Group's revenue of the current financial quarter decreased as compared to the Group's revenue of the previous corresponding quarter. This is mainly due to slowdown in the construction industry affecting the demand for building and construction materials.

The loss of the Group before tax for the current financial quarter has increased as compared against the loss in previous corresponding quarter. This is primarily due to lower margin sales mix.

B2 Comparison with the immediate preceding quarter's results

The Group posted a loss before tax of RM0.563 million for the current quarter as compared to profit before tax of RM0.147 million in the immediate preceding quarter. This was mainly due to lower sales volume during the festive seasons in the current quarter.

B3 *Prospects*

Barring any unforeseen circumstances affecting the building and construction industry, the Board is of the view that the Group's performance in the remaining quarters of the year should be satisfactory.

B4 *Profit forecast or profit guarantee*

Not applicable as there was no profit forecast/guarantee published.

B5 *Income tax expense*

	2006 Current quarter ended 31 March RM'000	2006 3 months Cumulative to date RM'000
Estimated current tax payable	51	51

The income tax expense is provided notwithstanding an accounting loss mainly due to operating losses incurred by certain subsidiary companies which, for tax purposes, cannot be offset against operating profits of other companies in the Group.

No provision for deferred taxation has been made for the current quarter and financial year to date.

B6 *Sales of unquoted investments or properties*

There were no profits on sale of unquoted investments and / or properties for the current quarter.

B7 *Purchase or disposal of quoted securities*

a) There were no purchases or disposals of quoted securities during the quarter under review and financial year to date.

b) Investment in quoted securities as at the end of the period:

	RM'000
Shares quoted in Malaysia:	
(i) at cost	260
(ii) at carrying value / book value	129
(iii) at market value	141

B8 *Status of corporate proposals*

There was no corporate proposal announced but not completed at the date of issuance of the interim financial statements.

B9 *Group borrowings*

Group borrowings for the period ended:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	10,487	2,912	13,399
Long term borrowings	4,730	-	4,730
	<u>15,217</u>	<u>2,912</u>	<u>18,129</u>

The Group does not have any borrowings denominated in foreign currency.

B10 *Off balance sheet financial instrument*

There was no financial instrument with off balance sheet risk during the financial period ended 31 March 2006 except for the following forward exchange contracts to sell USD arising from export sales:

Outstanding contracts in USD'000	Exchange Rate	Equivalent in RM'000	Expiry date
42	3.6871	155	05.04.2006
68	3.7187	254	03.04.2006
<u>110</u>		<u>409</u>	

B11 *Material litigation*

Material litigation as at the date of issuance of the interim financial statements are as follows:

- (a) On 27 June 2001, Woodlandor Roof Systems Sdn Bhd ("WRS"), a wholly owned subsidiary of the Company, instituted legal action against Bumiputra-Commerce Bank Berhad ("BCBB") for the sum of RM947,101.05 in the Kuala Lumpur High Court (Civil Suit No. D3-22-1148-2001) for the breach of WRS's mandate given to BCBB vide a director's resolution dated 21 September 1991 whereby BCBB is alleged to have acted outside the mandate given and allowed 126 cheques to be drawn from WRS's current account with BCBB. The full trial fixed from 16 May 2005 to 18 May 2005 has been postponed. The above suit was mentioned on 16 May 2005 in which the Court informed that the suit has been fixed for trial on 14, 15 and 16 August 2006;

- (b) On 17 July 2002, Woodlandor Buildmat Sdn Bhd (“WB”), a wholly owned subsidiary of the Company, filed a writ of summons (Civil Suit No. D1-22-1108-2002) in the Kuala Lumpur High Court against Precast Buildings Sdn Bhd (“PBSB”) and Yap Kwee Lim (“YKL”) for overdue debts of RM637,781.79 for goods sold and delivered to PBSB and for which YKL is the guarantor. A judgement has been obtained against both PBSB and YKL on 9 May 2003. Both PBSB and YKL had appealed against the decision of the senior assistant registrar on the judgement but have been dismissed with costs on 13 October 2003. The first defendant has been wound-up on 26 October 2004. Proof of Debt filed on 19 February 2005 for the sum of RM861,393.61, with the Liquidator. Bankruptcy proceedings filed against the guarantor;
- (c) On 31 October 2003, WB instituted legal proceedings against YKL, being the guarantor as stated in part (b) above, at the Shah Alam High Court (Bankruptcy No. 29-9568-2003) claiming an amount of RM769,524.23. A bankruptcy notice has been served on YKL on 19 November 2003 and the creditor’s petition has been filed on 15 December 2003. The creditor’s petition has been served on the debtor. The Debtor was adjudicated a Bankrupt on 16 February 2005. The Proof of Debt was filed on 18 August 2005 for RM812,348.48;
- (d) On 11 September 2002, Woodlandor Wood Products Sdn Bhd (“WWP”), a wholly owned subsidiary of the Company, filed a writ of summons (Civil Suit No. D8-22-1427-2002) in the Kuala Lumpur High Court against Jayarena Construction Sdn Bhd (“JCSB”) and Avangarde Resources Berhad (“ARB”) for overdue debts of RM399,045.58 for goods sold and delivered to JCSB and for which ARB is the guarantor. The writ of summons was extracted and served on 1 October 2002 and both JCSB and ARB entered appearance through their solicitors on 9 October 2002. A judgement has been obtained against the defendants on 11 December 2003. Both JCSB and ARB have appealed against this judgement and the appeal was dismissed with cost on 20 September 2004. Winding up petition presented against the guarantor;
- (e) On 16 July 2004, WWP had presented winding up petition against Avangarde Resources Berhad (“ARB”) vide the Kuala Lumpur High Court (Company winding up petition No.D7-28-489-2004) claiming an amount of RM390,128.06. The petition which was fixed for hearing on 22 October 2004 has been adjourned for hearing on 28 January 2005. ARB made a part payment of RM50,000. The petition which was fixed for hearing on 7 October 2005 has been adjourned for hearing on 17 February 2006 pending settlement. The matter has been further adjourned for hearing on 7 April 2006. As the respondent has obtained a Restraining Order for 6 months expiring on 4 October 2006, the hearing on 7 April had been adjourned for hearing on 24 November 2006;
- (f) In the meantime, JCSB was wound up on 28 March 2006 by N-Tatt Construction Sdn Bhd (Company winding up petition No.D5-28-726-2005). Proof of Debt filed with the Liquidator for the sum of RM481,931.35 on 18 May 2006; and

(g) On 20 November 2003, WWP instituted legal proceedings against Lau Sin Wah, being the guarantor of Quiser Sdn Bhd at the Shah Alam High Court (Bankruptcy No. 29-9910-2003) claiming an amount of RM313,180.79 for goods sold and delivered to Quiser Sdn Bhd. A bankruptcy notice has been filed on 20 November 2003 and the creditor's petition has been filed on 13 July 2004. Creditor's petition was served by substituted service. Petition fixed for hearing on 23 January 2006. Debtor was adjudicated a bankrupt. Proof of Debt for the amount of RM386,068.46 filed on 2 March 2006.

B12 Dividend

No interim dividend was recommended for the current quarter and financial year to date.

B13 Earnings/(Loss) per Ordinary Share

	2006 Current quarter ended 31 March	2005 Comparative quarter ended 31 March	2006 3 months cumulative to date	2005 3 months cumulative to date
a) Loss (RM'000)				
- Basic	(563)	(134)	(563)	(134)
- Diluted	Note	NA	Note	NA
b) Weighted average number of ordinary shares ('000)				
- Basic				
No. of ordinary shares at beginning of period	40,001	40,001	40,001	40,001
Effect of shares issued	-	-	-	-
No. of ordinary shares at end of period	40,001	40,001	40,001	40,001
- Diluted	Note	NA	Note	NA
c) Loss per ordinary share (sen)				
- Basic	(1.41)	(0.33)	(1.41)	(0.33)
- Diluted	Note	NA	Note	NA

Note:

Fully diluted earnings per share for the current quarter has not been disclosed as the average exercise price of the share options granted pursuant to the ESOS is above average fair value of the Company's shares during the current quarter. The potential effect of the conversion of such options would be anti-dilutive