

Condensed Consolidated Income Statements for the first quarter ended 31 March 2006

(The figures presented here have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year</u> <u>Quarter</u> <u>31 March 06</u> RM'000	<u>Preceding year</u> <u>Corresponding</u> <u>Quarter</u> <u>31 March 05</u> RM'000	<u>Current</u> <u>Year</u> <u>To date</u> <u>31 March 06</u> RM'000	<u>Preceding year</u> <u>Corresponding</u> <u>Period</u> <u>31 March 05</u> RM'000
Revenue	41,420	41,218		41,218
Operating expenses	(40,899)	(38,412)		(38,412)
Other operating income	214	164		164
Profit from operations	735	2,970	0	2,970
Finance costs	(546)	(497)		(497)
Investing results	0	0	0	0
Profit before tax	189	2,473	0	2,473
Taxation	(490)	(692)		(692)
Net profit/(loss) for the period	(301)	1,781	0	1,781
EPS - Basic (sen)	(0.25)	1.48	0.00	1.48
- Diluted (sen)	N/A	N/A	N/A	N/A

Revenue increased by about RM0.2 million. The increase was due to higher sales from the processed paper segment. However, the increase was offset by lower sales from disposable fibre-based segment due to the fire incident on September 2005. The disposable fibre-based segment however has stabilised and is on an increasing trend due to more stable supply from third party outsourcing manufacturers and the launching of the Group's new products, namely disposable adult diaper and higher-end sanitary napkin.

Operating expenses increased by RM2.4 million in line with the increased expenses associated with generating higher revenue from the processed paper section. Finance cost increased mainly due to higher utilisation of trade line banking facilities for the financing of additional inventory acquisition to generate additional revenue and interest expense from term loan financing of the Group's new office-cum-factory building in Shah Alam.

Tax expenses is higher than statutory rate due to certain losses incurred by some subsidiaries are not available for Group relief.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements of WZB and its subsidiaries for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements

Condensed Consolidated Balance Sheets as at 31 March 2006

(The figures presented here have not been audited unless stated otherwise)

	(Unaudited) As at end of Current Quarter 31 March 06 RM'000	Audited As at preceding Financial Year-End 31 Dec 05 RM'000
Property, plant & equipment	27,975	25,671
Investment property	4,017	4,024
Intangible assets	0	0
Deferred tax assets	0	0
Investment in Subsidiaries and Associates	0	0
Other Investments	17	17
Current assets		
Inventories	44,753	38,158
Trade receivables	33,028	34,874
Other receivables, deposits and prepayments	3,084	7,225
Tax recoverable	2,650	1,158
Cash & bank balances	30,086	23,197
	113,601	104,612
Current liabilities		
Trade payables	7,262	8,129
Other payables	2,179	2,506
Amount owing to directors	183	183
Short term borrowings	55,134	42,927
Taxation	1,589	197
	66,347	53,942
Net current assets	47,254	50,670
	79,263	80,382
Share capital	60,000	60,000
Share premium account	838	838
Reserve on consolidation	6,318	6,318
Retained profits	1,262	1,563
Shareholders' fund	68,418	68,719
Minorities interest	0	0
Long term liabilities		
Borrowings	10,485	11,304
Deferred taxation	360	359
	79,263	80,382
Net Asset per share (sen)	57	57

Higher book value of property, plant and equipment is mainly due to addition of the Group's new office-cum-factory building in Shah Alam and new production lines for disposable adult diapers, sanitary napkin and processed paper. However, the increase was offset by plant and machinery written-off due to fire in September 2005 amounting to approximately RM7.7 million. Investment properties are stated at cost less depreciation and consist of several condominiums and a freehold land held for investment purposes.

Higher level of inventories is due to a strategic decision to stock up on processed paper inventory in view of lower prices. The price of processed paper has since increased. The additional purchases are financed mainly by trade line facilities from banking institution resulting in higher short term borrowings.

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements of WZB and its subsidiaries for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Cash Flow Statement as at 31 March 2006

(The figures presented here have not been audited unless stated otherwise)

	Cumulative Current Year 31 March 06 RM'000	Audited Cumulative Preceding Year 31 March 05 RM'000
Cash flows from operating activities		
Profit before tax	189	2,473
Adjustments for:		
Non-cash items	466	411
Non-operating items	439	423
Operating profit before working capital changes	<u>1,094</u>	<u>3,307</u>
(Increase)/Decrease in working capital:		
Inventories	(6,595)	(15,363)
Trade and other receivables	5,988	(5,203)
Trade and other payables	(1,194)	364
Amount owing to directors	-	0
Cash used in operations	<u>(707)</u>	<u>(16,895)</u>
Tax paid	(593)	(1,167)
Net cash (used in)/generated from operating activities	<u><u>(1,300)</u></u>	<u><u>(18,062)</u></u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	116
Purchase of property, plant and equipment (Note A)	(2,759)	(253)
Interest received	107	74
Net cash used in investing activities	<u><u>(2,652)</u></u>	<u><u>(63)</u></u>
Cash flows from financing activities		
Net drawdown of bank borrowings	11,387	15,401
Interest paid	(546)	(497)
Net cash generated from financing activities	<u><u>10,841</u></u>	<u><u>14,904</u></u>
Net decrease in cash and cash equivalents	6,889	(3,221)
Cash and cash equivalents at beginning of the period	17,942	28,773
Cash and cash equivalents at end of the period	<u><u>24,831</u></u>	<u><u>25,552</u></u>

Cash and cash equivalents at end of financial year comprise:

Cash & bank balances	26,732	21,247
Deposits in the licensed banks	3,354	7,905
Bank overdrafts	-	-
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	30,086	29,152
Less: Deposits pledged to financial institutions	(5,255)	(3,600)
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	<u>24,831</u>	<u>25,552</u>

Note A:

During the period, the Group acquired property, plant and equipment with an aggregate cost of RM 2,759K in cash.

Non-cash item consist mainly of depreciation. Increase in inventory is mainly due to acquisition of processed paper inventory in view of favourable prices. The Group's expanded operational activities is funded by trade line banking facilities, resulting in increased borrowings.

Property, plant and equipment purchased consist mainly of construction costs of the Group's new office-cum-factory building in Shah Alam and the related renovation, furniture and fittings expenses.

The relevant subsidiary companies are in the process of securing the release of fixed deposits as security for certain banking facilities granted to them. All such banking facilities will be on a 'clean' basis, secured by corporated guarantees.

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Audited Financial Statements of WZB and its subsidiaries for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Changes in Equity for the first quarter ended 31 March 2006

(The figures presented here have not been audited)

	Share Capital RM'000	Non-distributable Share Premium RM'000	Reserves on Consolidation RM'000	Distributable Retained Profit RM'000	Total RM'000
Balance as at 1 January 2006	60,000	838	6,318	1,563	68,719
Loss for the period				(301)	(301)
Balance as at 31 March 2006	<u>60,000</u>	<u>838</u>	<u>6,318</u>	<u>1,262</u>	<u>68,418</u>

Condensed Consolidated Statements of Changes in Equity for the first quarter ended 31 March 2005

(The figures presented here have not been audited)

	Share Capital RM'000	Non-distributable Share Premium RM'000	Reserves on Consolidation RM'000	Distributable Retained Profit RM'000	Total RM'000
Balance as at 1 Jan 2005	60,000	838	6,318	6,395	73,551
Profit for the period	-	-	-	1,781	1,781
Balance as at 31 March 2005	<u>60,000</u>	<u>838</u>	<u>6,318</u>	<u>8,176</u>	<u>75,332</u>

Notes:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements of WZB and its subsidiaries for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to the financial statements.