WANG-ZHENG BERHAD
(Company No. 612237-K)

Condensed Consolidated Income Statements for the fourth quarter ended 31 December 2006
(The figures presented here have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 31 December 06	Preceding year Corresponding Quarter 31 December 05	Current Year To date 31 December 06	Preceding year Corresponding Period 31 December 05
	RM'000	RM'000	RM'000	RM'000
Revenue	44,403	40,166	174,589	178,808
Operating expenses	(46,429)	(36,105)	(174,322)	(188,239)
Other operating income	5,040	196	17,482	11,414
Profit/(Loss) from operations	3,014	4,257	17,749	1,983
Finance costs	(1,012)	(261)	(2,738)	(1,914)
Investing results	0	0	0	0
Profit before tax	2,002	3,996	15,011	69
Taxation	(123)	(667)	(4,203)	(1,877)
Net profit/(loss) for the period	1,879	3,329	10,808	(1,808)
EPS - Basic (sen)	1.57	2.77	9.01	(1.51)
- Diluted (sen)	N/A	N/A	N/A	N/A

Revenue increased by about RM4.2 million quarter-on-quarter (q-o-q) but decreased by RM4.2 million year-on-year (y-o-y). The q-o-q increase was due to higher sales from disposable fibre-based section which is recovering from the fire incident on 12 September 2005. Nonetheless, y-o-y sales dropped as effect of the fire was felt fully in 2006 whilst in 2005 it only affected the final quarter. However, the processed paper section continues to perform strongly, cushioning the overall impact of the losses suffered by the fire.

Operating expenses increased by RM10.3 million q-o-q but decreased by RM13.9 million y-o-y. This is mainly due to inventory, plant and equipment written off amounting to RM16.4 million in the 3rd quarter of 2005. The write-off was due to a fire incident mentioned above. Operating expenses was also affected by higher raw material prices due to increases in oil prices. The q-o-q increases are in line with the increased expenses associated with generating higher revenue from both the disposable fibre-based products and 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. The Group also incurred interest expense from the term loan used to finance the construction of its headoffice building in Shah Alam. The loan servicing commenced in the final quarter of 2005.

Other operating income consisted mainly of insurance compensation received for the fire. A total of RM16.6 million of insurance income was recognized in the financial year ended 31 December 2006 while approximately RM10.2 million was recognized in 2005.

Higher tax expenses are due to increased profits earned, caused by reasons mentioned above

Condensed Consolidated Balance Sheets as at 31 December 2006

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

	(Unaudited) As at end of Current Quarter 31 December 06 RM'000	**Audited As at preceding Financial Year-End 31 Dec 05 RM'000**
Property, plant & equipment	45,276	25,671
Investment property	3,998	4,024
Intangible assets	0	0
Deferred tax assets	0	0
Investment in Subsidiaries and Associates	0	0
Other Investments	16	17
Current assets		
Inventories	47,015	38,158
Trade receivables	40,645	34,874
Other receivables, deposits and prepayments	3,455	7,225
Tax recoverable	3,350	1,158
Cash & bank balances	18,724	23,197
	113,189	104,612
Current liabilities		
Trade payables	7,113	8,129
Other payables	3,231	2,506
Amount owing to directors	119	183
Short term borrowings	54,070	42,927
Taxation	3,657	197
	68,190	53,942
Net current assets	44,999	50,670
	94,289	80,382
Share capital	60,000	60,000
Share premium account	838	838
Reserve on consolidation	6,318	6,318
Retained profits	9,347	1,563
Shareholders' fund	76,503	68,719
Minorities interest	0	0
Long term liabilities		
Borrowings	17,427	11,304
Deferred taxation	359	359
	94,289	80,382
	-	-
Net Asset per share (sen)	64	57

Higher book value of property, plant and equipment (PPE) is mainly due to addition of the Group's new office-cum-factory building in Shah Alam, acquisition of a piece of industrial land adjacent to the Shah Alam building and new production lines for cotton jumbo roll, 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 trade receivables mainly due to higher take up of new products from the disposable fibre-based products segment. Lower cash and bank balances due to repayment of banking facilities and acquisition of PPE.

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 December 2006
(The figures presented here have not been audited unless stated otherwise)

	Cumulative Current Year 31 December 06 RM'000	Audited Cumulative Preceding Year 31 December 05 RM'000
Cash flows from operating activities		
Profit before tax	15,011	69
Adjustments for:		
Non-cash items	5,291	17,969
Non-operating items	2,360	1,494
Operating profit before working capital changes	22,662	19,532
(Increase)/Decrease in working capital:		
Inventories	(10,696)	(21,102)
Trade and other receivables	(3,125)	(7,095)
Trade and other payables	(291)	(2,410)
Amount owing to directors	(64)	75
Cash generated from/(used in) operations	8,486	(11,000)
Tax paid	(2,935)	(4,161)
Net cash generated from/(used in) operating activities	5,551	(15,161)
Cash flows from investing activities		
Dividend paid	(3,024)	(3,024)
Proceeds from disposal of property, plant and equipment	-	170
Purchase of property, plant and equipment (Note A)	(9,838)	(4,184)
Interest received	378	420
Net cash used in investing activities	(12,484)	(6,618)
Cash flows from financing activities		
Increase in fixed deposit pledged to banking institutions	-	(1,655)
Net drawdown of bank borrowings	5,198	14,517
Interest paid	(2,738)	(1,914)
Net cash generated from financing activities	2,460	10,948
Net decrease in cash and cash equivalents	(4,473)	(10,831)
Cash and cash equivalents at beginning of financial year	17,942	28,773
Cash and cash equivalents at end of financial year	**13,469**	**17,942**

Cash and cash equivalents at end of financial year comprise:

Cash & bank balances	15,600	8,898
Deposits in the licensed banks	3,124	14,299
Bank overdrafts	-	-
	18,724	23,197
Less: Deposits pledged to financial institutions	(5,255)	(5,255)
	13,469	17,942

Note A:

During the period, the Group acquired property, plant and equipment with an aggregate cost of RM 21,905K, of which RM 12,067K was acquired by means of finance leases. Cash payments of RM 9,838K were made to purchase property, plant and equipment.

Non-cash item consist mainly of depreciation. Increase in receivables is mainly due to increased activities from the processed paper and higher take up of new products from the disposable fibre-based products segment.

Property, plant and equipment purchased consist mainly of construction costs of the Group's new office-cum-factory building in Shah Alam, acquisition of two pieces of industrial land neighbouring the Shah Alam factory building, related renovation, furniture and fittings expenses and new production lines to replace those destroyed in the fire incident.

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 corporate 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 fourth quarter ended 31 December 2006
(The figures presented here have not been audited)

	Non-distributable			Distributable	
	Share Capital RM'000	Share Premium RM'000	Reserves on Consolidation RM'000	Retained Profit RM'000	Total RM'000
Balance as at 1 January 2006	60,000	838	6,318	1,563	68,719
Profit for the year				10,808	10,808
Dividend in respect of FY31.12.2005 at 3.5 sen gross less 28% taxation on 120,000,000 ordinary shares amounting to RM3,024,000				(3,024)	(3,024)
Balance as at 31 December 2006	60,000	838	6,318	9,347	76,503

Condensed Consolidated Statements of Changes in Equity for the fourth quarter ended 31 December 2005

(The figures presented here have not been audited)

	Non-distributable			Distributable	
	Share Capital RM'000	Share Premium RM'000	Reserves on Consolidation RM'000	Retained Profit RM'000	Total RM'000
Balance as at 1 January 2005	60,000	838	6,318	6,395	73,551
Loss for the year				(1,808)	(1,808)
Dividend in respect of FY31.12.2004 at 3.5 sen gross less 28% taxation on 120,000,000 ordinary shares amounting to RM3,024,000				(3,024)	(3,024)
Balance as at 31 December 2005	60,000	838	6,318	1,563	68,719

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.