Notes on the quarterly report – 31 December 2006

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (FRS)134 (Interim Financial Reporting) and Paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2005. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

The accounting policies, method of computation and basis of consolidation adopted for this quarterly financial report is consistent with those adopted for the Group's audited financial statements for the financial year ended 31 December 2005, except for the accounting policy changes that are expected to be reflected in the 2006 annual financial statements, as set out below:

FRS140: Investment Property

The adoption of this new FRS has resulted in properties held for investment purposes being classified separately from property, plant and equipment. The investment properties, except for freehold land are stated at cost less accumulated depreciation. No depreciation is provided on freehold land. There was no revaluation of investment properties for the current quarter and financial year to date.

A2. Qualification of Annual Financial Statements

There were no audit qualifications on the annual financial statements for the year ended 31 December 2005.

A3. Seasonal and cyclical factors

The Group's business operation results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review except for the Group receiving RM4.7 million in October 2006 as compensation from its insurance company, which has been reflected in the financial statements. This payment is the final settlement of the Group's claims on inventory as well as plant and machinery lost due to a fire in September 2005. The Group is still in discussion with its insurance company on the business consequential losses claims.

A5. Material changes in estimates

There were no material changes in estimates of amounts reported in the current quarter under review.

Notes on the quarterly report – 31 December 2006

A6. Issuances and repayment of debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

A7. Dividend Paid

There was no dividend paid by the company during the quarter under review.

A8. Segment information

The Group's operations are categorized as fibre -based products. These can be further categorized into sub-groups of disposable fibre-based products such as disposable baby diapers, sanitary napkin, cotton products, serviettes and box tissue. Another sub-group would be processed paper which includes printing paper, color paper, newsprint and corrugated carton boxes. As the products are all fibre-based and the Group only operates out of Malaysia, no segmental reporting is prepared.

A9. Valuation of property, plant and equipment

The property, plant and equipment except for freehold land are stated at cost less accumulated depreciation. No depreciation is provided on freehold land. There was no revaluation of property, plant and equipment for the current quarter and financial year to date.

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

There were no material events subsequent to the end of the current quarter.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A12. Changes in contingent liabilities

As at the date of announcement, there were no material contingent liabilities incurred by the Group which, upon becoming enforceable, may have material impact on the financial position of the Group.

A13. Capital commitments

There were no capital commitments as at 31 December 2006.

A14. Comparison with preceding quarter's results

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.

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of performance

The Group achieved a revenue of RM174.6 million and profit before tax of RM15.0 million for the 12 months period to date.

B2. Variation of results against preceding quarter

In the preceding corresponding quarter ended 31 December 2005, the Group achieved a revenue of RM40.2 million and profit before tax of RM4.0 million as compared to the current quarter revenue of RM44.4 million and profit before tax of RM2.0 million.

The increase in revenue is mainly due to higher revenue contribution by the disposable fibre-based products as mentioned in **A14**. The current quarter profit before tax of RM2.0 million is mainly due to insurance income of RM4.7 million. During the quarter, the Group made a provision of RM1.8 million for slow-moving inventory and RM1.0 million of doubtful debts.

B3. Next financial year prospects

The Group expects the insurance claims on business consequential losses to be received in 2007. The amount has yet to be finalized but is expected to exceed RM8 million. With the insurance claims it has already received, the Group has acquired new machineries for its disposable fibre-based products' manufacturing activities, to replace those lost in the fire. Most of the machines have arrived and production has commenced, allowing the Group to depend lesser on outsourced manufacturers. This has improved margin. This factor, together with the encouraging market response to the Group's new products, have resulted in better financial performance of the Group in the last quarter of 2006, as compared to the preceding year's quarter.

With more machines coming online, the Group envisions a complete recovery of its manufacturing activities with capacity and efficiency surpassing that of the level before the fire. Thus, barring any unforeseen circumstances, the Group views 2007 optimistically, focusing its efforts to expand both the local and export markets of its products.

B4. Variance of actual and forecast profit

The Group has not provided any quarterly profit forecast and therefore no variance information is available for presentation.

B5. Tax expense

	Year ended 31 Dec 2006 RM' 000
In respect of the current period:	
Income Tax	4,203
Deferred Tax	--
Total	4,203

The effective tax rate for the year under review is comparable to the statutory income tax rate of 28%.

B6. Unquoted investments and/or properties

The Group has not disposed off any investments in any unquoted investments and/or properties during the financial quarter under review.

B7. Quoted and marketable investments

There were no investments in quoted and marketable securities made during the financial quarter under review.

B8. Status of corporate proposal announced

There was no corporate proposal announced but not completed as at the date of this announcement.

B9. Group borrowings

The Group's borrowings as a t the end of the reporting quarter are as follows:

	Short Term (Secured) RM' 000	Long Term (Secured) RM' 000
Trust receipts and bankers' acceptance	47,564	-
Revolving credit	2,000	-
Term loans	1,144	9,254
Hire purchase	3,362	8,173
Total	54,070	17,427

B10. Off balance sheet financial instrument

There are no financial instruments with off balance sheet risk as at the date of this report.

B11. Changes in material litigation

Neither WZB nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect the financial position of Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of Company or any of its subsidiaries.

B12. Dividends

There was no dividend declared by the company during the quarter under review.

B13. Basic earnings per share

The basic earning per share for the current quarter and cumulative year to date are computed as follows:-

The basic earnings per share for the current quarter and cumulative year to date are computed as follows:

	Individual Current Year Quarter 31.12.06	Cumulative Current Year To Date 31.12.06
Profit for the period (RM' 000)	1,879	10,808
Number of ordinary share of RM0.50 each in issue (' 000)	120,000	120,000
Basic Earnings Per Share based on number of ordinary shares of RM0.50 each in issue (sen)	1.57	9.01

B14. Public Shareholding Spread

On 12th January 2007, the Company announced that it was not in compliance with Paragraph 8.15(1) of the Listing Requirements of Bursa Securities as its number of public shareholders holding not less than 100 shares each ("Public Shareholders") as at 29th December 2006 was 995, which was below the minimum requirement of 1,000 Public Shareholders. As at 9th February 2007, the percentage of the Company's listed shares in the hand of the public amounted to 32.02% and the number of Public Shareholders increased slightly to 998.

The Group continued to encourage its staff and business partners to invest in its listed shares. It is also planning to invite investment advisors and analysts to visit its factory to get to know the activities of the Group better. This is tentatively scheduled in the second quarter of 2007 as the Group is still receiving and installing new manufacturing lines and constructing a new warehouse. Some of the machineries that have been installed are also being modified to suit the Group's unique needs. The Group can better promote itself when the manufacturing processes have stabilised and more of its products reach the hand of general public. The Group will also intensify its investor relations by embarking on road shows in order to raise its profile among the fund managers and the investing communities.

The Company is confident to comply with the required public shareholding spread before 28 June 2007 i.e. the expiration of the automatic 6-month extension of time granted by Bursa Securities for the Company to rectify the situation.

B15. Authorisation for issue

The first quarterly report was authorized for issue by the Board of Directors in accordance with the resolution of the directors on 27 February 2007.

By order of the Board

____
MARTIN LEONG TING SIONG
Group Accountant
28 February 2007