

**Notes on the quarterly report – 30 June 2007**

**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 2006. 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 2006.

**A2. Qualification of Annual Financial Statements**

There were no audit qualifications on the annual financial statements for the year ended 31 December 2006.

**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.

**A5. Material changes in estimates**

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

**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.

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**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 in 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 significant capital commitments as at 30 June 2007.

**A14. Comparison with preceding quarter's results**

Excluding insurance income of RM11.9 million in 2006, the Group showed much improved operating performance due to recovery of the disposable fibre-based segment. The Group is able to commence own manufacturing activities, thus lowering losses incurred while improving capacity utilisation.

Revenue is comparable among the two comparative quarters.

Operating expenses decreased by RM1.5 million mainly due to cost savings from the disposable fibre-based products. Finance cost decreased mainly due to lower utilisation of trade line banking facilities as the Group has sufficient inventory level to generate additional revenue.

Other operating income consisted mainly of interest earned from cash deposit with financial institutions.

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

**B1. Review of performance**

The Group achieved a revenue of RM86.9 million and profit before tax of RM2.9 million for the 6 months period to date.

**B2. Variation of results against preceding quarter**

In the preceding corresponding quarter ended 30 June 2006, the Group achieved a revenue of RM44.7 million and profit before tax of RM12.7 million as compared to the current quarter revenue of RM44.0 million and profit before tax of RM1.8 million.

The drop in profit before tax is due to insurance income amounting to RM11.9 million received in the quarter ended 30 June 2006.

**B3. Current year prospects**

The Group expects sales to continue to increase in view of the improving demand of its new products such as disposable adult diapers and high-end sanitary napkin. Sales from other product types are also improving as the Group has the capacity to meet higher demand from customers. Barring any unforeseen circumstances and on the assumption that the current situation remains, the Board expects the Group to continue to achieve satisfactory performance for the current financial year.

**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**

	<b>Year ended 30 June 2007 RM' 000</b>
In respect of the current period:	
Income Tax	788
Deferred Tax	--
Total	<u>788</u>

Effective tax rate for the period under review is comparable to the statutory income tax rate of 27%.

**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.

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**B8. Status of corporate proposal announced**

There was no corporate proposal announced but not completed as at the date of this announcement except for the MOU signed with Macro-Link International Ltd. with regards to setting up a joint-venture company involved in the mining of minerals in the People's Republic of China. The Management has secured the funding in the form of a RM20 million term loan from a local banking institution and is discussing details of the Joint-Venture Agreement. The Management has obtained an extension of time from the joint-venture partner to enable the Group to seek the necessary statutory and shareholders' approvals. The proposed amount to be invested and other details will be announced to the public whenever such information becomes available.

**B9. Group borrowings**

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000
Trust receipts and bankers' acceptance	37,528	-
Revolving credit	-	-
Term loans	1,417	8,690
Hire purchase	4,071	6,085
Total	<u>43,016</u>	<u>14,775</u>

**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.

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**B13. Basic earnings per share**

The basic earnings 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 30.06.07	Cumulative Current Year To Date 30.06.07
Profit for the period (RM' 000)	<u>1,295</u>	<u>2,129</u>
Number of ordinary share of RM0.50 each in issue (' 000)	<u>120,000</u>	<u>120,000</u>
Basic Earnings Per Share based on number of ordinary shares of RM0.50 each in issue (sen)	<u>1.08</u>	<u>1.77</u>

**B14. 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 23 August 2007.

By order of the Board

MARTIN LEONG TING SIONG  
Group Accountant  
23 August 2007