## Condensed Consolidated Income Statements for the fourth quarter ended 31 December 2008

(The figures presented here have not been audited)

	<b>Individua</b>	<u>ll Quarter</u>	<b>Cumulative Quarter</b>			
		Preceding year		Preceding year		
	Current year	Corresponding	Year	Corresponding		
	Quarter	Quarter	To date	Period		
	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07		
	RM'000	RM'000	RM'000	RM'000		
Revenue	54,962	59,695	238,372	200,821		
Operating expenses	(53,315)	(58,028)	(226,709)	(193,039)		
Other operating income	1,134	6,772	1,897	7,485		
Profit from operations	2,781	8,439	13,560	15,267		
Finance costs	(840)	(1,087)	(3,454)	(2,592)		
Investing results	0	0	0	0		
Profit before tax	1,941	7,352	10,106	12,675		
Taxation	(505)	(1,984)	(2,628)	(3,422)		
Net profit for the period	1,436	5,368	7,478	9,253		
EPS - Basic (sen)	1.20	4.47	6.23	7.71		
- Diluted (sen)	N/A	N/A	N/A	N/A		

The preceding year's quarterly profit is higher than the current quarter due to the Group receiving RM6.5million in insurance compensation, captured as Other operating income. Revenue for the year improved by RM37.5 million from the previous year as a result of the increased revenue from the disposable fibre-based segment.

In line with increased activities from the disposable fibre-based segment, operating expenses and finance costs also saw increases as compared to the previous year. Profit before tax for the 12 months ended 31 December 2008 is RM2.6 million lower than 2007 mainly due to the insurance income received in 2007.

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 2007 and the accompanying explanatory notes attached to the interim financial statements.

# Quarterly report on consolidated results for the fourth financial quarter ended 31 Dec 2008

## Condensed Consolidated Balance Sheets as at 31 December 2008

(The	figures	presented	here	have not	been	audited	l unle	ess st	ated o	otherwi	se)	

(The figures presented here have not been audited unless stated otherwise)	(Unaudited) As at end of Current Quarter 31 Dec 08 RM'000	Audited As at preceding Financial Year-End 31 Dec 2007 RM'000
Property, plant & equipment	40,183	40,321
Investment property	1,014	3,973
Intangible assets	0	0
Prepaid lease payments	8,963	9,069
Investment in Subsidiaries and Associates	0	0
Other Investments	16	16
Current assets Inventories Trade receivables Other receivables, deposits and prepayments Tax recoverable Cash & bank balances	30,257 51,935 2,538 1,213 17,021 102,964	54,439 50,906 2,864 1,413 15,707
Current liabilities Trade payables Other payables Amount owing to directors Short term borrowings Taxation	6,632 2,557 150 42,774 276 52,389	8,084 4,793 120 65,160 796 78,953
Net current assets	50,575	46,376 99,755
Share capital Share premium account Retained profits Shareholders' fund	60,000 838 29,118 89,956	60,000 838 24,748 85,586
Minorities interest	0	0
Long term liabilities Borrowings Deferred taxation	8,595 2,200 100,751	13,077 1,092 99,755
Net Asset per share (sen)	75	71

Decrease in investment property is due to the sale of a piece of freehold land.

Decrease in inventories holding by the processed paper segment due to sell-down from stock holding. Lower inventory holding resulted in lesser bank borrowings required and an increase in cash holdings.

Both short and long term borrowings also decreased due to continued repayment of hire purchase and term loan facilities.

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 2007 and the accompanying explanatory notes attached to the interim financial statements.

# Quarterly report on consolidated results for the fourth financial quarter ended 31 Dec 2008

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# Condensed Consolidated Cash Flow Statement as at 31 December 2008

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

Adjustments for:       4,136       3,3         Non-cash items       3,003       2,3         Non-operating items       3,003       2,3         Operating profit before working capital changes       17,245       18,3         (Increase)/Decrease in working capital:       24,182       (6,8         Inventories       24,182       (6,8         Trade and other receivables       (1,828)       (11,3         Trade and other payables       3,688)       1,9         Amount owing to directors       30       35,941       2,1         Cash generated from operations       35,941       2,1         Tax paid       (1,894)       (1,4         Net cash generated from operating activities       34,047       6         Cash flows from investing activities       34,047       6         Cash flows from disposal of property, plant and equipment       3,794       3         Purchase of property, plant and equipment (Note A)       (3,280)       (4,3)         Interest received       451       2         Net cash used in investing activities       (2,143)       (5,6         Cash flows from financing activities       (2,143)       (5,6         Cash flows from financing activities       (2,137)       4,5 <th></th> <th>Cumulative Current Year 31 Dec 08 RM'000</th> <th>Unaudited Cumulative Preceding Year 31 Dec 07 RM'000</th>		Cumulative Current Year 31 Dec 08 RM'000	Unaudited Cumulative Preceding Year 31 Dec 07 RM'000
Adjustments for:  Non-cash items Non-operating items 3,003 2,3  Operating profit before working capital changes  (Increase)/Decrease in working capital:  Inventories 17,245 18,3  (Increase)/Decrease in working capital:  Inventories 24,182 (6,8 1,828) 11,3 17ade and other receivables (1,828) 1,9 1,9 1,0 1,0 1,0 1,0 1,894) 1,1,4  Net cash generated from operations 1,894) 1,1,4  Net cash generated from operating activities  Dividend paid Proceeds from disposal of property, plant and equipment 3,794 3 Purchase of property, plant and equipment (Note A) 1,10 1,10 1,10 1,10 1,10 1,10 1,10 1,1	Cash flows from operating activities		
Non-cash items         4,136         3,3           Non-operating items         3,003         2,3           Operating profit before working capital changes         17,245         18,3           (Increase)/Decrease in working capital:	Profit before tax	10,106	12,675
Non-operating items         3,003         2,3           Operating profit before working capital changes         17,245         18,3           (Increase)/Decrease in working capital:	· ·		
Operating profit before working capital changes			3,366
(Increase)/Decrease in working capital:       24,182       (6,8         Trade and other receivables       (1,828)       (11,3         Trade and other payables       (3,688)       1,9         Amount owing to directors       30         Cash generated from operations       35,941       2,1         Tax paid       (1,894)       (1,4         Net cash generated from operating activities       34,047       6         Cash flows from investing activities       (3,108)       (1,8         Dividend paid       (3,108)       (1,8         Proceeds from disposal of property, plant and equipment       3,794       3         Purchase of property, plant and equipment (Note A)       (3,280)       (4,3)         Interest received       451       2         Net cash used in investing activities       (2,143)       (5,6         Cash flows from financing activities       2,036       5,1         Net repayment of bank borrowings       (27,137)       4,5         Interest paid       (3,454)       (2,5         Net cash used in financing activities       (28,555)       7,0         Net increase in cash and cash equivalents       3,349       2,0	Non-operating items	3,003	2,342
Inventories         24,182         (6,8)           Trade and other receivables         (1,828)         (11,3)           Trade and other payables         (3,688)         1,9           Amount owing to directors         30           Cash generated from operations         35,941         2,1           Tax paid         (1,894)         (1,4           Net cash generated from operating activities         34,047         6           Cash flows from investing activities         34,047         6           Cash flows from investing activities         (3,108)         (1,8           Proceeds from disposal of property, plant and equipment         3,794         3           Purchase of property, plant and equipment (Note A)         (3,280)         (4,3)           Interest received         451         2           Net cash used in investing activities         (2,143)         (5,6           Cash flows from financing activities         (27,137)         4,5           Upliftment of fixed deposit pledged to banking institutions         2,036         5,1           Net repayment of bank borrowings         (27,137)         4,5           Interest paid         (3,454)         (2,5           Net cash used in financing activities         (28,555)         7,0      <	Operating profit before working capital changes	17,245	18,383
Trade and other receivables         (1,828)         (11,3           Trade and other payables         (3,688)         1,9           Amount owing to directors         30         30           Cash generated from operations         35,941         2,1           Tax paid         (1,894)         (1,4           Net cash generated from operating activities         34,047         6           Cash flows from investing activities         34,047         6           Dividend paid         (3,108)         (1,8           Proceeds from disposal of property, plant and equipment         3,794         3           Purchase of property, plant and equipment (Note A)         (3,280)         (4,3           Interest received         451         2           Net cash used in investing activities         (2,143)         (5,6           Cash flows from financing activities         (2,143)         (5,6           Cash flows from financing activities         (27,137)         4,5           Interest paid         (3,454)         (2,5           Net cash used in financing activities         (28,555)         7,0           Net increase in cash and cash equivalents         3,349         2,0	(Increase)/Decrease in working capital:		
Trade and other payables       (3,688)       1,9         Amount owing to directors       30       20         Cash generated from operations       35,941       2,1         Tax paid       (1,894)       (1,4         Net cash generated from operating activities       34,047       6         Cash flows from investing activities       (3,108)       (1,8         Dividend paid       (3,108)       (1,8         Proceeds from disposal of property, plant and equipment       3,794       3         Purchase of property, plant and equipment (Note A)       (3,280)       (4,3)         Interest received       451       2         Net cash used in investing activities       (2,143)       (5,6         Cash flows from financing activities       2,036       5,1         Net repayment of bank borrowings       (27,137)       4,5         Interest paid       (3,454)       (2,5         Net cash used in financing activities       (28,555)       7,0         Net increase in cash and cash equivalents       3,349       2,0			(6,860)
Amount owing to directors       30         Cash generated from operations		,	(11,313)
Cash generated from operations Tax paid (1,894) (1,4  Net cash generated from operating activities  Cash flows from investing activities  Dividend paid Proceeds from disposal of property, plant and equipment Purchase of property, plant and equipment (Note A) Interest received  Net cash used in investing activities  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions Net repayment of bank borrowings (27,137) Interest paid (3,454) (2,5  Net cash used in financing activities  Net increase in cash and cash equivalents 3,349 2,0  Net increase in cash and cash equivalents 3,349 2,0			1,906
Tax paid         (1,894)         (1,4           Net cash generated from operating activities         34,047         6           Cash flows from investing activities         (3,108)         (1,8           Dividend paid         (3,108)         (1,8           Proceeds from disposal of property, plant and equipment         3,794         3           Purchase of property, plant and equipment (Note A)         (3,280)         (4,3           Interest received         451         2           Net cash used in investing activities         (2,143)         (5,6           Cash flows from financing activities         2,036         5,1           Upliftment of fixed deposit pledged to banking institutions         2,036         5,1           Net repayment of bank borrowings         (27,137)         4,5           Interest paid         (3,454)         (2,5           Net cash used in financing activities         (28,555)         7,0           Net increase in cash and cash equivalents         3,349         2,0	Amount owing to directors	30	12
Net cash generated from operating activities  Cash flows from investing activities  Dividend paid (3,108) (1,8 Proceeds from disposal of property, plant and equipment 3,794 3 Purchase of property, plant and equipment (Note A) (3,280) (4,3 Interest received 451 2  Net cash used in investing activities (2,143) (5,6)  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions (27,137) (4,5) Interest paid (3,454) (2,5)  Net cash used in financing activities (28,555) 7,0  Net increase in cash and cash equivalents 3,349 2,0	Cash generated from operations	35,941	2,128
Cash flows from investing activities  Dividend paid (3,108) (1,8 Proceeds from disposal of property, plant and equipment 3,794 3 Purchase of property, plant and equipment (Note A) (3,280) (4,3 Interest received 451 2  Net cash used in investing activities (2,143) (5,6)  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions 2,036 5,1 Net repayment of bank borrowings (27,137) 4,5 Interest paid (3,454) (2,5)  Net cash used in financing activities (28,555) 7,0  Net increase in cash and cash equivalents 3,349 2,0	Tax paid	(1,894)	(1,438)
Dividend paid Proceeds from disposal of property, plant and equipment Purchase of property, plant and equipment (Note A) Interest received  Net cash used in investing activities  Upliftment of fixed deposit pledged to banking institutions Net repayment of bank borrowings Interest paid  Net cash used in financing activities  (2,143)  (3,280) (4,3 (4,3 (2,143)  (5,6)  (2,143)  (5,6)  (27,137) (27,137) (3,454) (2,5)  Net cash used in financing activities  (28,555)  7,0  Net increase in cash and cash equivalents  3,349  2,0	Net cash generated from operating activities	34,047	690
Proceeds from disposal of property, plant and equipment Purchase of property, plant and equipment (Note A) Interest received  Net cash used in investing activities  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions Net repayment of bank borrowings Interest paid  Net cash used in financing activities  3,794 3,794 4,51 2,036 5,1 4,5 1,036 1,03,454) 1,0	Cash flows from investing activities		
Purchase of property, plant and equipment (Note A) (3,280) (4,3 Interest received 451 2  Net cash used in investing activities (2,143) (5,6 Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions 2,036 5,1 Net repayment of bank borrowings (27,137) 4,5 Interest paid (3,454) (2,5 Cash used in financing activities (28,555) 7,0 Net cash used in financing activities 3,349 2,0 Net increase in cash and cash equivalents 3,349 2,0	Dividend paid	(3,108)	(1,840)
Interest received 451 2  Net cash used in investing activities (2,143) (5,6)  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions 2,036 5,1  Net repayment of bank borrowings (27,137) 4,5  Interest paid (3,454) (2,5)  Net cash used in financing activities (28,555) 7,0  Net increase in cash and cash equivalents 3,349 2,0	Proceeds from disposal of property, plant and equipment	3,794	314
Net cash used in investing activities  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions Net repayment of bank borrowings (27,137) Interest paid (3,454) (2,5)  Net cash used in financing activities (28,555) 7,0  Net increase in cash and cash equivalents 3,349 2,0	Purchase of property, plant and equipment (Note A)	(3,280)	(4,362)
Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions 2,036 5,1 Net repayment of bank borrowings (27,137) 4,5 Interest paid (3,454) (2,5  Net cash used in financing activities (28,555) 7,0  Net increase in cash and cash equivalents 3,349 2,0	Interest received	451	250
Upliftment of fixed deposit pledged to banking institutions  Net repayment of bank borrowings Interest paid  Net cash used in financing activities  Net cash used in cash and cash equivalents  2,036 (27,137) 4,5 (3,454) (2,5)  Net cash used in financing activities  3,349 2,0	Net cash used in investing activities	(2,143)	(5,638)
Net repayment of bank borrowings (27,137) 4,5 Interest paid (3,454) (2,5  Net cash used in financing activities (28,555) 7,0  Net increase in cash and cash equivalents 3,349 2,0	Cash flows from financing activities		
Net repayment of bank borrowings (27,137) 4,5 Interest paid (3,454) (2,5  Net cash used in financing activities (28,555) 7,0  Net increase in cash and cash equivalents 3,349 2,0	Upliftment of fixed deposit pledged to banking institutions	2,036	5,102
Net cash used in financing activities       (28,555)       7,0         Net increase in cash and cash equivalents       3,349       2,0		(27,137)	4,511
Net increase in cash and cash equivalents  3,349  2,0	Interest paid	(3,454)	(2,592)
	Net cash used in financing activities	(28,555)	7,021
Cash and cash equivalents at beginning of financial period 13,672 13,5	Net increase in cash and cash equivalents	3,349	2,073
	Cash and cash equivalents at beginning of financial period	13,672	13,570
Cash and cash equivalents at end of financial period 17,021 15,6	Cash and cash equivalents at end of financial period	17,021	15,643

## Cash and cash equivalents at end of financial period comprise:

Cash & bank balances	17,021	15,643
Deposits in the licensed banks	-	-
Less: Deposits pledged to financial institutions	17,021	15,643
	17,021	15,643

#### Note A:

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM 3,549K, of which RM 269K was acquired by means of finance leases. Cash payments of RM 3,280K were made to purchase property, plant and equipment.

Non-cash item consist mainly of depreciation and gain on disposal of freehold land whereas none operating items consists of interest paid and interest earned.

Property, plant and equipment purchased consist mainly of construction costs of a new warehouse and factory equipment purchased.

The relevant subsidiary companies have released all fixed deposits from being pledged as security for certain banking facilities granted to them.

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 2007 and the accompanying explanatory notes attached

# Quarterly report on consolidated results for the fourth financial quarter ended 31 Dec 2008

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# Condensed Consolidated Statements of Changes in Equity for the fourth quarter ended 31 December 2008

(The figures presented here have not been audited)

		Non-distributable		Distributable	
	Share	Share	Reserves on	Retained	
	Capital	Premium	Consolidation	Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2008	60,000	838	-	24,748	85,586
Profit for the year				7,478	7,478
Dividend in respect of FY31.12.2007 at 3.5 sen gross less 26% taxation on 120,000,000 ordinary shares amounting to RM3,108,000				(3,108)	(3,108)
Balance as at 31 December 2008	60,000	838	-	29,118	89,956

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

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## Condensed Consolidated Statements of Changes in Equity for the fourth quarter ended 31 December 2007

(The figures presented here have been audited)

		Non-distributable		Distributable	
	Share	Share	Reserves on	Retained	
	Capital	Premium	Consolidation	Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2007	60,000	838	-	16,580	77,418
Profit for the year				10,008	10,008
Dividend in respect of FY31.12.2006 at 2.1 sen gross less 27% taxation on 120,000,000 ordinary shares amounting to RM1,839,600				(1,840)	(1,840)
Balance as at 31 December 2007	60,000	838	-	24,748	85,586

# 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 2007 and the accompanying explanatory notes attached to the financial statements.