## Condensed Consolidated Income Statements for the third quarter ended 30 September 2009

(The figures presented here have not been audited)

|                           | <u>Individua</u> | al Quarter      | <b>Cumulative Quarter</b> |                 |  |
|---------------------------|------------------|-----------------|---------------------------|-----------------|--|
|                           |                  | Preceding year  | Current                   | Preceding year  |  |
|                           | Current year     | Corresponding   | Year                      | Corresponding   |  |
|                           | Quarter          | Quarter         | To date                   | Period          |  |
|                           | 30 September 09  | 30 September 08 | 30 September 09           | 30 September 08 |  |
|                           | RM'000           | RM'000          | RM'000                    | RM'000          |  |
| Revenue                   | 54,218           | 63,168          | 153,270                   | 183,410         |  |
| Operating expenses        | (49,797)         | (60,942)        | (139,260)                 | (173,394)       |  |
| Other operating income    | 850              | 288             | 1,486                     | 763             |  |
| Profit from operations    | 5,271            | 2,514           | 15,496                    | 10,779          |  |
| Finance costs             | (654)            | (797)           | (1,787)                   | (2,614)         |  |
| Investing results         | 0                | 0               | 0                         | 0               |  |
| Profit before tax         | 4,617            | 1,717           | 13,709                    | 8,165           |  |
| Taxation                  | (1,154)          | (447)           | (3,427)                   | (2,123)         |  |
| Net profit for the period | 3,463            | 1,270           | 10,282                    | 6,042           |  |
| EPS - Basic (sen)         | 2.89             | 1.06            | 8.57                      | 5.04            |  |
| - Diluted (sen)           | N/A              | N/A             | N/A                       | N/A             |  |

Revenue decreased by RM8.9 million from preceding year's quarter mainly due to overall slow down in economy, especially in the disposable fibre-based segment. Operating expenses decreased by RM11.7 million due to drop in raw material prices. Finance cost decreased due to lower utilisation of trade line banking facilities and lower financing costs. However, in spite of drop in sales, higher margin enjoyed by paper segment and ovwith erall cost control measures in place resulted in higher profit before tax of RM2.9 million.

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

## Condensed Consolidated Balance Sheets as at 30 September 2009

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

| (The figures presented here have not been audited unless stated otherwise) | (Unaudited) As at end of Current Quarter 30 September 09 RM'000 | Audited<br>As at preceding<br>Financial Year-End<br>31 Dec 2008<br>RM'000 |
|--|---|---|
| Property, plant & equipment  | 40,671  | 40,246  |
| Investment property  | 995   | 1,014   |
| Intangible assets  | 0   | 0   |
| Prepaid lease payments   | 8,883   | 8,963   |
| Investment in Subsidiaries and Associates                                  | 0   | 0   |
| Other Investments  | 15  | 15  |
| Current assets Inventories   | 37,178  | 30,255  |
| Trade receivables  |   | 51,731  |
|  | 43,259<br>2,241   | 2,595   |
| Other receivables, deposits and prepayments  Tax recoverable               | 87  | 906   |
| Cash & bank balances   | 53,442  | 17,999  |
| Cush & bunk bundness   | 136,207   | 103,486   |
| Current liabilities  | 130,207   | 103,100   |
| Trade payables   | 7,331   | 7,325   |
| Other payables   | 5,621   | 3,254   |
| Amount owing to directors  | 150   | 150   |
| Short term borrowings  | 66,628  | 42,440  |
| Taxation   | 20  | 260   |
|  | 79,750  | 53,429  |
| Net current assets   | 56,457  | 50,057  |
|  | 107,021   | 100,295   |
| Share capital  | 60,000  | 60,000  |
| Share premium account  | 838   | 838   |
| Treasury shares  | (333)   | 0   |
| Retained profits   | 37,361  | 28,968  |
| Shareholders' fund   | 97,866  | 89,806  |
| Minorities interest  | 0   | 0   |
| Long term liabilities  |   |   |
| Borrowings   | 6,966   | 8,930   |
| Deferred taxation  | 2,189   | 1,559   |
|  | 107,021   | 100,295   |
| Net Asset per share (sen)  | 82  | 75  |

Aggresive collection of debts and prudent management of cash outflow results in lower debtor levels. This resulted in significant increase in cash holdings

Borrowings from banks increased mainly due to utilization of trade lines to finance inventory purchases and hire purchase financing to acquire motor vehicle and machinery during the quarter under review.

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

## Condensed Consolidated Cash Flow Statement as at 30 September 2009

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

| Adjustments for:  Non-cash items Non-operating items  Operating profit before working capital changes  Ilagray 1,293  Operating profit before working capital:  Inventories In |   | Cumulative<br>Current Year<br>30 September 09<br>RM'000 | Unaudited<br>Cumulative<br>Preceding Year<br>30 September 08<br>RM'000 |
|--|---|---|--|
| Adjustments for:     Non-cash items     Non-cash items     Non-operating items     1,393     2,605  Operating profit before working capital changes  (Increase)/Decrease in working capital:     Inventories     (6,923)     (6,662     Trade and other receivables     Trade and other payables     2,373     1,246  Cash generated from operations     Tax paid  Cash generated from operating activities  Cash flows from investing activities  Dividend paid Purchase of treasury shares 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 drawdown/(repayment) of bank borrowings     (1,787)     (2,614  Net cash generated from/(used in) financing activities  18,628  Cash and cash equivalents at beginning of financial year  17,999  13,672   | Cash flows from operating activities                        |   |  |
| Non-cash items   3,021   5,861     Non-operating items   1,393   2,605     Operating profit before working capital changes   18,123   16,631     (Increase)/Decrease in working capital: Inventories   (6,923)   6,662     Trade and other receivables   (6,923)   1,246     Trade and other payables   2,373   1,246     Cash generated from operations   22,264   23,905     Tax paid   (2,249)   (1,841     Net cash generated from operating activities   20,015   22,064      Cash flows from investing activities   20,015   22,064     Cash flows from investing activities   (1,889)   (3,108     Purchase of treasury shares   (333)   -  | Profit before tax   | 13,709  | 8,165  |
| Non-operating items  |   |   |  |
| Operating profit before working capital changes   18,123   16,631  |   |   | 5,861  |
| (Increase)/Decrease in working capital:       (6,923)       6,662         Trade and other receivables       8,691       (634         Trade and other payables       2,373       1,246         Cash generated from operations       22,264       23,905         Tax paid       (2,249)       (1,841         Net cash generated from operating activities       20,015       22,064         Cash flows from investing activities       30,108         Dividend paid       (1,889)       (3,108         Purchase of treasury shares       (333)       -         Proceeds from disposal of property, plant and equipment       6       3,772         Purchase of property, plant and equipment (Note A)       (1,378)       (1,317         Interest received       394       9         Net cash used in investing activities       (3,200)       (644         Cash flows from financing activities       -       2,036         Cash flows from financing activities       -       2,036         Lipitment of fixed deposit pledged to banking institutions       -       2,036         Net cash generated from/(used in) financing activities       18,628       (6,744         Net cash generated from/(used in) financing activities       17,999       13,672          Ca   | Non-operating items   | 1,393   | 2,605  |
| Inventories  | Operating profit before working capital changes             | 18,123  | 16,631   |
| Trade and other receivables         8,691         (634           Trade and other payables         2,373         1,246           Cash generated from operations         22,264         23,905           Tax paid         (2,249)         (1,841           Net cash generated from operating activities         20,015         22,064           Cash flows from investing activities         20,015         22,064           Cash flows from investing activities         (333)         -           Dividend paid         (1,889)         (3,108           Purchase of treasury shares         (3333)         -           Proceeds from disposal of property, plant and equipment         6         3,772           Purchase of property, plant and equipment (Note A)         (1,378)         (1,317)           Interest received         394         9           Net cash used in investing activities         (3,200)         (644           Cash flows from financing activities         2,036           Upliftment of fixed deposit pledged to banking institutions         -         2,036           Net drawdown/(repayment) of bank borrowings         20,415         (6,166           Interest paid         (1,787)         (2,614           Net cash generated from/(used in) financing activities         18,628 </td <td></td> <td></td> <td></td>   |   |   |  |
| Trade and other payables         2,373         1,246           Cash generated from operations  |   |   | 6,662  |
| Cash generated from operations         22,264         23,905           Tax paid         (2,249)         (1,841           Net cash generated from operating activities         20,015         22,064           Cash flows from investing activities         (1,889)         (3,108           Purchase of treasury shares         (333)         -           Proceeds from disposal of property, plant and equipment         6         3,772           Purchase of property, plant and equipment (Note A)         (1,378)         (1,317           Interest received         394         9           Net cash used in investing activities         (3,200)         (644           Cash flows from financing activities         -         2,036           Upliftment of fixed deposit pledged to banking institutions         -         2,036           Net drawdown/(repayment) of bank borrowings         20,415         (6,166           Interest paid         (1,787)         (2,614           Net cash generated from/(used in) financing activities         18,628         (6,744           Net increase in cash and cash equivalents         35,443         14,676           Cash and cash equivalents at beginning of financial year         17,999         13,672   |   |   | (634)  |
| Tax paid         (2,249)         (1,841)           Net cash generated from operating activities         20,015         22,064           Cash flows from investing activities         3,108         2,108           Dividend paid         (1,889)         (3,108           Purchase of treasury shares         (333)         -           Proceeds from disposal of property, plant and equipment         6         3,772           Purchase of property, plant and equipment (Note A)         (1,378)         (1,317)           Interest received         394         9           Net cash used in investing activities         (3,200)         (644           Cash flows from financing activities         -         2,036           Upliftment of fixed deposit pledged to banking institutions         -         2,036           Net drawdown/(repayment) of bank borrowings         20,415         (6,166           Interest paid         (1,787)         (2,614           Net cash generated from/(used in) financing activities         18,628         (6,744           Net increase in cash and cash equivalents         35,443         14,676           Cash and cash equivalents at beginning of financial year         17,999         13,672  | Trade and other payables                                    | 2,373   | 1,246  |
| Tax paid         (2,249)         (1,841)           Net cash generated from operating activities         20,015         22,064           Cash flows from investing activities         3,108         3,108           Dividend paid         (1,889)         (3,108           Purchase of treasury shares         (333)         -           Proceeds from disposal of property, plant and equipment         6         3,772           Purchase of property, plant and equipment (Note A)         (1,378)         (1,317           Interest received         394         9           Net cash used in investing activities         (3,200)         (644           Cash flows from financing activities         -         2,036           Upliftment of fixed deposit pledged to banking institutions         -         2,036           Net drawdown/(repayment) of bank borrowings         20,415         (6,166           Interest paid         (1,787)         (2,614           Net cash generated from/(used in) financing activities         18,628         (6,744           Net increase in cash and cash equivalents         35,443         14,676           Cash and cash equivalents at beginning of financial year         17,999         13,672   | Cash generated from operations                              | 22,264  | 23,905   |
| Dividend paid (1,889) (3,108 Purchase of treasury shares (333) - Proceeds from disposal of property, plant and equipment 6 3,772 Purchase of property, plant and equipment (Note A) (1,378) (1,317 Interest received 394 9  Net cash used in investing activities (3,200) (644)  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions - 2,036 Net drawdown/(repayment) of bank borrowings 20,415 (6,166 Interest paid (1,787) (2,614)  Net cash generated from/(used in) financing activities 18,628 (6,744)  Net increase in cash and cash equivalents 35,443 14,676  Cash and cash equivalents at beginning of financial year 17,999 13,672   | •   | (2,249)   | (1,841)  |
| Dividend paid Purchase of treasury shares Proceeds from disposal of property, plant and equipment Purchase 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 drawdown/(repayment) of bank borrowings Interest paid  Net cash generated from/(used in) financing activities  18,628  Cash and cash equivalents at beginning of financial year  17,999  13,672   | Net cash generated from operating activities                | 20,015  | 22,064   |
| Purchase of treasury shares Proceeds from disposal of property, plant and equipment Purchase of property, plant and equipment (Note A) 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 drawdown/(repayment) of bank borrowings Purchase of property, plant and equipment (Note A)  (1,378) (3,200) (644)  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions Net drawdown/(repayment) of bank borrowings Purchase of treatment (333) Proceeding the property, plant and equipment (Note A) Purchase of property (1,377) Purchase of prope | Cash flows from investing activities                        |   |  |
| 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 drawdown/(repayment) of bank borrowings Interest paid  Net cash generated from/(used in) financing activities  Net increase in cash and cash equivalents  Cash and cash equivalents at beginning of financial year  17,999  13,672  | Dividend paid   | (1,889)   | (3,108)  |
| Purchase of property, plant and equipment (Note A) (1,378) (1,317 Minterest received 394 99  Net cash used in investing activities (3,200) (644)  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions Net drawdown/(repayment) of bank borrowings 20,415 (6,166 Interest paid (1,787) (2,614)  Net cash generated from/(used in) financing activities 18,628 (6,744)  Net increase in cash and cash equivalents 35,443 14,676  Cash and cash equivalents at beginning of financial year 17,999 13,672  | Purchase of treasury shares                                 | (333)   | -  |
| Interest received 394 9  Net cash used in investing activities (3,200) (644  Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions Net drawdown/(repayment) of bank borrowings 20,415 (6,166 Interest paid (1,787) (2,614  Net cash generated from/(used in) financing activities 18,628 (6,744  Net increase in cash and cash equivalents 35,443 14,676  Cash and cash equivalents at beginning of financial year 17,999 13,672   | Proceeds from disposal of property, plant and equipment     | 6   | 3,772  |
| Net cash used in investing activities(3,200)(644)Cash flows from financing activitiesUpliftment of fixed deposit pledged to banking institutions<br>Net drawdown/(repayment) of bank borrowings<br>Interest paid-2,036<br>(6,166)<br>(1,787)Net cash generated from/(used in) financing activities18,628(6,744)Net increase in cash and cash equivalents35,44314,676Cash and cash equivalents at beginning of financial year17,99913,672   | Purchase of property, plant and equipment (Note A)          | (1,378)   | (1,317)  |
| Cash flows from financing activities  Upliftment of fixed deposit pledged to banking institutions Net drawdown/(repayment) of bank borrowings Interest paid  Net cash generated from/(used in) financing activities  18,628  Cash and cash equivalents  35,443  14,676  Cash and cash equivalents at beginning of financial year  17,999  13,672   | Interest received   | 394   | 9  |
| Upliftment of fixed deposit pledged to banking institutions Net drawdown/(repayment) of bank borrowings Interest paid  Net cash generated from/(used in) financing activities  18,628  (6,744  Net increase in cash and cash equivalents  35,443  14,676  Cash and cash equivalents at beginning of financial year  17,999  13,672   | Net cash used in investing activities                       | (3,200)   | (644)  |
| Net drawdown/(repayment) of bank borrowings Interest paid  Net cash generated from/(used in) financing activities  18,628  (6,166  (1,787)  (2,614  Net increase in cash and cash equivalents  35,443  14,676  Cash and cash equivalents at beginning of financial year  17,999  13,672  | Cash flows from financing activities                        |   |  |
| Interest paid(1,787)(2,614)Net cash generated from/(used in) financing activities18,628(6,744)Net increase in cash and cash equivalents35,44314,676Cash and cash equivalents at beginning of financial year17,99913,672  | Upliftment of fixed deposit pledged to banking institutions | -   | 2,036  |
| Net cash generated from/(used in) financing activities18,628(6,744Net increase in cash and cash equivalents35,44314,676Cash and cash equivalents at beginning of financial year17,99913,672  | Net drawdown/(repayment) of bank borrowings                 | 20,415  | (6,166)  |
| Net increase in cash and cash equivalents  35,443  14,676  Cash and cash equivalents at beginning of financial year  17,999  13,672  | Interest paid   | (1,787)   | (2,614)  |
| Cash and cash equivalents at beginning of financial year 17,999 13,672   | Net cash generated from/(used in) financing activities      | 18,628  | (6,744)  |
|  | Net increase in cash and cash equivalents                   | 35,443  | 14,676   |
| C 1 1 1 1 1 1 1 C 1 1 C 2 1 2 2 2 2 2 2  | Cash and cash equivalents at beginning of financial year    | 17,999  | 13,672   |
| Cash and cash equivalents at end of financial year 53,442 28,348   | Cash and cash equivalents at end of financial year          | 53,442  | 28,348   |

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

| Cash & bank balances                             | 53,442 | 28,348 |
|--|--------|--------|
| Deposits in the licensed banks                   | -      | -      |
| Less: Deposits pledged to financial institutions | 53,442 | 28,348 |
|  | 53,442 | 28,348 |

#### Note A:

During the period, the Group acquired property, plant and equipment with an aggregate cost of RM 3,187K, of which RM 1,809K was acquired by means of finance leases. Cash payments of RM 1,378K were made to purchase property, plant and equipment.

Non-cash item consist mainly of depreciation whereas none operating items consists of interest paid and interest earned.

Property, plant and equipment purchased consist mainly of factory equipment purchased.

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

## Condensed Consolidated Statements of Changes in Equity for the third quarter ended 30 September 2009

(The figures presented here have not been audited)

|  | Non-distri<br>Share<br>Capital<br>RM'000 | butable<br>Share<br>Premium<br>RM'000 | Distributa<br>Treasury<br>Shares<br>RM'000 | able<br>Retained<br>Profit<br>RM'000 | Total<br>RM'000 |
|--|--|---------------------------------------|--|--------------------------------------|-----------------|
| Balance as at 1 January 2009   | 60,000                                   | 838                                   | -  | 28,968                               | 89,806          |
| Profit for the year  | -  | -                                     | -  | 10,282                               | 10,282          |
| Repurchase of shares   | -  | -                                     | (333)                                      | -                                    | (333)           |
| Dividend in respect of FY31.12.2008 at 1.575 sen gross less 26% taxation on 120,000,000 ordinary shares amounting to RM1,888,944 | -  | -                                     | -  | (1,889)                              | (1,889)         |
| Balance as at 30 September 2009  | 60,000                                   | 838                                   | (333)                                      | 37,361                               | 97,866          |

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

Quarterly report on consolidated results for the third financial quarter ended 30 September 2009

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## Condensed Consolidated Statements of Changes in Equity for the second quarter ended 30 September 2008

(The figures presented here have been audited)

|  |         | Non-dist | ributable     | 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  |         |          |               | 6,042         | 6,042   |
| Dividend in respect of FY31.12.2007 at 3.5 sen gross less 27% taxation on 120,000,000 ordinary shares amounting to RM3,108,000 |         |          |               | (3,108)       | (3,108) |
| Balance as at 30 September 2008  | 60,000  | 838      | -             | 27,682        | 88,520  |

#### 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 2008 and the accompanying explanatory notes attached to the financial statements.