

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT - FRS 134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and Chapter 9 Part K 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 for the financial year ended 30 November 2007. These explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 November 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 30 November 2007.

A2 Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 30 November 2007 was not qualified.

A3 Seasonal or cyclical factors

The principal business operations of the Group were not significantly affected by seasonal or cyclical factors.

A4 Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size or incidence.

A5 Changes in estimates of amounts reported in prior interim years of the current and prior financial years

There were no significant changes in estimates of amounts reported in prior interim periods of the current or previous financial years that have a material effect in the current interim period.

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares as at the date of issue of the quarterly report.

SYARIKAT KAYU WANGI BERHAD (64915-T)
UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE
FIRST QUARTER ENDED 29 FEBRUARY 2008

A7 Dividends paid

There was no dividend paid for the financial year ended 30 November 2007.

A8 Segment information

The Group's segmental report for the current and corresponding financial period is as follows:

Year-To-Date Ended 29 February 2008	Property Development RM'000	Construction RM'000	Timber RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External Sales	1,319	-	4,191	-	5,510
Inter-segment sales	-	-	-	-	-
Total Revenue	<u>1,319</u>	<u>-</u>	<u>4,191</u>	<u>-</u>	<u>5,510</u>
Result					
Segment results	(45)	541	258	(781)	(27)
Finance costs	(595)	(886)	(170)	689	(962)
	<u>(640)</u>	<u>(345)</u>	<u>88</u>	<u>(92)</u>	<u>(989)</u>
Taxation					-
Loss after taxation					(989)
Minority interests					-
Net loss for the period					<u>(989)</u>
Assets					
Segment assets	47,231	52,877	53,141	(69,842)	83,407
Unallocated corporate assets					40
Consolidated total assets					<u>83,447</u>
Liabilities					
Segment liabilities	5,007	5,326	2,905	(3,812)	9,426
Unallocated corporate liabilities					63,362
Consolidated total liabilities					<u>72,788</u>
Other Information					
Capital expenditure	-	-	7	-	7
Depreciation	1	2	138	-	141

SYARIKAT KAYU WANGI BERHAD (64915-T)
UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE
FIRST QUARTER ENDED 29 FEBRUARY 2008

Year-To-Date Ended 28 February 2007	Property Development RM'000	Construction RM'000	Timber RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External Sales	366	5	4,361	-	4,732
Inter-segment sales	-	135	29	(164)	-
Total Revenue	<u>366</u>	<u>140</u>	<u>4,390</u>	<u>(164)</u>	<u>4,732</u>
Result					
Segment results	(295)	97	103	(771)	(866)
Finance costs	(591)	(790)	(185)	667	(899)
	<u>(886)</u>	<u>(693)</u>	<u>(82)</u>	<u>(104)</u>	<u>(1,765)</u>
Taxation					-
Loss after taxation					(1,765)
Minority interests					-
Net loss for the period					<u>(1,765)</u>
Assets					
Segment assets	38,286	48,730	44,100	(56,668)	74,448
Unallocated corporate assets					79
Consolidated total assets					<u>74,527</u>
Liabilities					
Segment liabilities	4,139	4,361	3,177	(3,356)	8,321
Unallocated corporate liabilities					63,146
Consolidated total liabilities					<u>71,467</u>
Other Information					
Capital expenditure	-	-	20	-	20
Depreciation	3	2	174	-	179

A9 Valuation of property, plant and equipment

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements except for the net book values of the property and equipment where depreciation have been provided for in the current quarter and current financial period.

A10 Subsequent events

There were no material events not reflected in the financial statements subsequent to the quarter ended 29 February 2008 up to 24 April 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

SYARIKAT KAYU WANGI BERHAD (64915-T)
UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE
FIRST QUARTER ENDED 29 FEBRUARY 2008

A11 The effect of changes in the composition of the Group during the interim year, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations

There were no changes in the composition of the Group during the current quarter and financial period.

A12 Contingent liabilities and contingent assets

As at the date of issue of this quarterly report, there were no contingent liabilities and contingent assets that had arisen since the last annual balance sheet date other than Corporate Guarantee issued by the Company to financial institutions for credit facilities utilised by subsidiaries amounting to RM6.005 million as at 24 April 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

By an agreement with the minority shareholder of Wangi KMB Bhd, the Company has given a guarantee that arising from the development project undertaken by that subsidiary company, pre-tax profit accruing to the minority shareholder of at least RM10 million will be generated, of which none has crystallised as at 24 April 2008. An amount of RM1 million has been advanced as at balance sheet date and included under Other Receivable in the Balance Sheet.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK
--

B. ADDITIONAL INFORMATION AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (PART A OF APPENDIX 9B)

B1 Review of performance

The current 1st quarter recorded a turnover of RM5.51 million as compared to last year same quarter of RM4.732 million. There is no significant change in the revenue recorded.

The Group's turnover was mainly generated from its timber division involved in timber saw milling, kiln drying and roof truss fabrication. The timber division contributed 76% of the total revenue with the remaining 24% was contributed by the property division.

For the same current quarter, the Group recorded a loss before tax of RM0.989 million as compared to a loss before tax of RM1.765 million for the corresponding quarter of previous year. The improvement in the loss before tax recorded was mainly due to the increase in revenue and reduction in administrative expenses where in the corresponding quarter of previous year, the administrative expenses was inclusive of corporate exercise expenses and other professional fees.

B2 Material change in loss before taxation for the current quarter compared to the immediate preceding quarter

The Group recorded a loss before tax of RM0.989 million for the current quarter as compared to an unaudited profit before tax of RM11.304 million in the immediate preceding quarter under review. The material change to a loss in the current quarter from a profit in the immediate preceding quarter was mainly due to the revaluation surplus of RM12.093 million (unaudited figure) on the land held for future development in the immediate preceding quarter. However, there is a variance of RM2.49 million between the unaudited figure (RM12.093 million) and audited figures (RM9.603 million) for the amount of the reversal of impairment loss on land held for future development, as announced on 1 April 2008.

B3 Prospects

The Group is the midst of formulating a revised restructuring plan for submission to the Securities Commission for approval. The details of the revised restructuring plan will be announced in due course.

The Group is optimistic that the revised corporate proposals will bring improvement to the Group's financial condition and results in the coming years.

B4 Variances from profit forecast and profit guarantee

Not applicable to the Group as no profit forecast or profit guarantee was published.

B5 Taxation

No provision for taxation is necessary, as the Group and Company has no chargeable income.

B6 Profits/(losses) on sale of unquoted investments and/or properties

There were no sales of unquoted investments and properties for the current quarter and financial period under review.

SYARIKAT KAYU WANGI BERHAD (64915-T)
UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE
FIRST QUARTER ENDED 29 FEBRUARY 2008

B7 Particulars of purchase or disposal of quoted securities

There were no purchases or disposals of quoted securities for the current quarter and financial period.

B8 Status of corporate proposals

The corporate proposal i.e. regularisation plan announced on 26 March 2007 was submitted to Securities Commission (“SC”) on 29 March 2007. SC had rejected the Groups’s regularisation plan and its appeal on 9 August 2007 and 6 November 2007 respectively. Subsequently, the Group has obtained a judicial review against the decision of Bursa Securities to de-list the securities of the Company.

As at 24 April 2008 (the latest practicable date which is not earlier than 7 days from the-date of issue of this quarterly report) the Company, pending the outcome of the judicial review, is in the midst of formulating a revised proposal for submission to SC.

B9 Borrowings and debt securities

The Group’s borrowings (all denominated in Malaysian currency) are as follows:-

	29/02/08	30/11/07
	RM '000	RM '000
<u>Short Term Borrowings</u>		
<u>Secured</u>		
Term Loan	54,134	53,588
Bankers Acceptances and Bill Discounted	2,188	2,136
Bank Overdraft	1,715	1,737
Leasing Creditor	35	35
	<u>58,072</u>	<u>57,496</u>
<u>Unsecured</u>		
Bankers Acceptances and Bill Discounted	3,345	3,395
Bank Overdraft	1,508	1,872
	<u>4,853</u>	<u>5,267</u>
Sub-total	62,925	62,763
<u>Long Term Borrowings</u>		
<u>Secured</u>		
Term Loan	-	-
Leasing Creditor	-	9
	<u>-</u>	<u>9</u>
Total Borrowings	62,925	62,772

SYARIKAT KAYU WANGI BERHAD (64915-T)
UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE
FIRST QUARTER ENDED 29 FEBRUARY 2008

B10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 24 April 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B11 Material litigation

There were no material litigations as at 24 April 2008 (the latest practicable date which is not earlier than 7 days from the-date of issue of this quarterly report).

B12 Dividends

The Board of Directors has not recommended any interim dividend for the period ended 29 February 2008.

B13 Earnings/ (Loss) per share

(i) Basic earnings/ (loss) per share

The calculation of basic earnings/ (loss) per share for the current quarter and financial period is based on the net loss attributable to ordinary shareholders and divided by the weighted average number of ordinary shares outstanding during the current quarter and financial period.

	Current Quarter Ended 29/02/08	Comparative Quarter Ended 28/02/07	3 Months Cumulative To Date 29/02/08	Comparative 3 Months Cumulative To Date 28/02/07
Net profit/ (loss) for the period (RM '000)	(989)	(1,765)	(989)	(1,765)
Weighted average number of ordinary shares in issue ('000)	42,553	42,553	42,553	42,553
Basic earnings/ (loss) per share (sen)	(2.32)	(4.15)	(2.32)	(4.15)

(ii) Diluted earnings/ (loss) per share

The diluted earning/ (loss) per share is not presented as the potential ordinary shares are anti-dilutive as their conversion to ordinary shares would decrease loss per share.

B14 Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 28 April 2008.