

**SYARIKAT KAYU WANGI BERHAD (64915-T)**  
**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE**  
**FIRST QUARTER ENDED 31 MARCH 2009 (LIMITED REVIEW)**

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

**A1 Basis of Preparation**

The Company's external auditors have reviewed the interim financial statements under a limited review scope.

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 period ended 31 December 2008. 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 financial period ended 31 December 2008.

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 year ended 31 December 2008.

**A2 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the period ended 31 December 2008 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.

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**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.

**A7 Dividends paid**

There was no dividend paid for current quarter ended 31 March 2009.

**A8 Segment information**

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

<b>Year-To-Date Ended 31 March 2009</b>	<b>Property Development RM'000</b>	<b>Construction RM'000</b>	<b>Timber RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External Sales	336	-	3,315	-	3,651
Inter-segment sales	-	223	36	(259)	-
<b>Total Revenue</b>	<b>336</b>	<b>223</b>	<b>3,351</b>	<b>(259)</b>	<b>3,651</b>
<b>Result</b>					
Segment results	(392)	573	(27)	(802)	(648)
Finance costs	(909)	(763)	(155)	699	(1,128)
	<b>(1,301)</b>	<b>(190)</b>	<b>(182)</b>	<b>(103)</b>	<b>(1,776)</b>
Taxation					-
Loss after taxation					(1,776)
Minority interests					-
<b>Net loss for the period</b>					<b>(1,776)</b>
<b>Assets</b>					
Segment assets	46,018	42,261	60,854	(60,524)	88,609
Unallocated corporate assets					40
<b>Consolidated total assets</b>					<b>88,649</b>
<b>Liabilities</b>					
Segment liabilities	6,652	5,690	3,017	9,505	24,864
Unallocated corporate liabilities					51,728
<b>Consolidated total liabilities</b>					<b>76,592</b>
<b>Other Information</b>					
Capital expenditure	-	-	1	-	1
Depreciation	-	-	162	-	162

**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 31 March 2009 up to 27 May 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**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 RM5.688 million as at 27 May 2009 (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 a subsidiary company, 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 27 May 2009. An amount of RM1 million has been advanced as at balance sheet date and included under Other Receivable in the Balance Sheet.

**A13 Change of Financial Year**

In prior year, the financial year-end of the Group has been changed from 30 November to 31 December commencing from financial period ended 31 December 2008 and thereafter to end on 31 December of every subsequent year.

Accordingly, there are no comparative figures for the current period ended 31 March 2009 against preceding year corresponding quarter and period.

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

**B1 Review of performance**

The Group has changed its accounting period from 30 November to 31 December. As such, there are no comparative figures for the current quarter and period to date ended 31 March 2009 against the preceding year corresponding quarter and period.

For the current quarter ended 31 March 2009, the Group recorded a net loss of RM1.776 million from the revenue of RM3.651 million.

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 91% of the total revenue with the remaining 9% was contributed by the property division.

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

The Group posted a loss before taxation of RM1.776 million for the current quarter under review as compared to a loss before taxation of RM1.366 million in the immediate preceding quarter. The higher loss was mainly due to lower revenue and higher administrative expenses in the current quarter as compared to the preceding quarter.

**B3 Prospects**

The Group is in 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 recognises the fact that the current economic situation is full of uncertainties and expects a challenging year ahead with anticipation of a slowdown in its performance. However, the Group's revised corporate restructuring plan is expected to be able to provide improvement to the Group's performance.

**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.

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**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. The next hearing date of the judicial review has been fixed on 2 July 2009.

As at 27 May 2009 (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:-

	<b>31/03/09</b>	<b>31/12/08</b>
	<b>RM '000</b>	<b>RM '000</b>
<b><u>Short Term Borrowings</u></b>		
<b><u>Secured</u></b>		
Term Loan	42,558	42,036
Bankers Acceptances and Bill Discounted	1,888	2,138
Bank Overdraft	1,542	1,756
Leasing Creditor	3	3
	<u>45,991</u>	<u>45,933</u>
<b><u>Unsecured</u></b>		
Bankers Acceptances and Bill Discounted	3,395	3,295
Bank Overdraft	1,543	1,728
	<u>4,938</u>	<u>5,023</u>
Sub-total	<b>50,929</b>	<b>50,956</b>
<b><u>Long Term Borrowings</u></b>		
<b><u>Secured</u></b>		
Term Loan	-	-
Leasing Creditor	-	-
	<u>-</u>	<u>-</u>
<b>Total Borrowings</b>	<b><u>50,929</u></b>	<b><u>50,956</u></b>

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Included in the term loan is an amount of RM40,733,978 attributable to the Construction Division of the Company. This term loan is repayable over 5 years with quarterly interest servicing commencing from year 1 and quarterly principal repayment commencing from year 3 after the implementation of the restructuring of the debts in 2005. The Company is currently negotiating with the financial institution on the repayment terms. In previous years, the Company applied to this financial institution concerned for partial waiver of the term loan.

In previous financial period, there was a difference of RM35,484,505 between the amount of term loan recorded in the accounting records of RM40,153,114 compared to the amount confirmed by the financial institution concerned of RM4,668,609. The difference has not been recognised in the accounts since there is no written confirmation has been obtained from the financial institution of any waiver.

In the current quarter under review, there is a difference of RM36,076,749 between the amount of term loan recorded in the accounting records of RM40,733,978 compared to the amount confirmed by the financial institution concerned of RM4,657,229. The difference has not been recognised in the current quarter since no written confirmation has been obtained from the financial institution of any waiver.

**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at 27 May 2009 (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 27 May 2009 (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 31 March 2009.

**B13 Loss per share**

**(i) Basic 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.

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	<b>Current Quarter Ended 31/03/09</b>	<b>3 Months Cumulative To Date 31/03/09</b>
Net loss for the period (RM '000)	(1,776)	(1,776)
Weighted average number of ordinary shares in issue ('000)	42,553	42,553
Basic loss per share (sen)	(4.17)	(4.17)

**(ii) Diluted loss per share**

The diluted 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 27 May 2009.