

**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.

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**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:

<b>Year-To-Date Ended 31 May 2008</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	2,458	-	8,442	-	10,900
Inter-segment sales	-	557	-	(557)	-
<b>Total Revenue</b>	<b>2,458</b>	<b>557</b>	<b>8,442</b>	<b>(557)</b>	<b>10,900</b>
<b>Result</b>					
Segment results	126	1,108	395	(1,593)	36
Finance costs	(1,193)	(2,016)	(337)	1,383	(2,163)
	<b>(1,067)</b>	<b>(908)</b>	<b>58</b>	<b>(210)</b>	<b>(2,127)</b>
Taxation					-
Loss after taxation					(2,127)
Minority interests					-
<b>Net loss for the period</b>					<b>(2,127)</b>
<b>Assets</b>					
Segment assets	47,467	53,092	60,551	(70,352)	90,758
Unallocated corporate assets					40
<b>Consolidated total assets</b>					<b>90,798</b>
<b>Liabilities</b>					
Segment liabilities	5,555	5,111	2,993	(3,824)	9,835
Unallocated corporate liabilities					64,279
<b>Consolidated total liabilities</b>					<b>74,114</b>
<b>Other Information</b>					
Capital expenditure	-	-	8	-	8
Depreciation	2	3	276	-	281

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<b>Year-To-Date Ended 31 May 2007</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	593	4	9,764	-	10,361
Inter-segment sales	-	165	45	(210)	-
<b>Total Revenue</b>	<b>593</b>	<b>169</b>	<b>9,809</b>	<b>(210)</b>	<b>10,361</b>
<b>Result</b>					
Segment results	(416)	403	725	(1,550)	(838)
Finance costs	(1,193)	(1,545)	(362)	1,349	(1,751)
	<b>(1,609)</b>	<b>(1,142)</b>	<b>363</b>	<b>(201)</b>	<b>(2,589)</b>
Taxation					-
Loss after taxation					(2,589)
Minority interests					-
<b>Net loss for the period</b>					<b>(2,589)</b>
<b>Assets</b>					
Segment assets	38,633	49,295	44,607	(57,569)	74,966
Unallocated corporate assets					79
<b>Consolidated total assets</b>					<b>75,045</b>
<b>Liabilities</b>					
Segment liabilities	52,235	4,906	3,429	(51,126)	9,444
Unallocated corporate liabilities					63,365
<b>Consolidated total liabilities</b>					<b>72,809</b>
<b>Other Information</b>					
Capital expenditure	-	-	93	-	93
Depreciation	6	4	361	-	371

**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 assets of land and buildings in the timber division were revalued on 16 May 2008 by an independent professional valuer. The resultant net revaluation surplus of RM7.158 million has been incorporated in the unaudited quarterly report for the period ended 31 May 2008.

**A10 Subsequent events**

There were no material events not reflected in the financial statements subsequent to the quarter ended 31 May 2008 up to 24 July 2008 (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 RM5.934 million as at 24 July 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 July 2008. An amount of RM1 million has been advanced as at balance sheet date and included under Other Receivable in the Balance Sheet.

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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 current quarter recorded a turnover of RM5.39 million as compared to last year same quarter of RM5.629 million. The current year-to-date (YTD) turnover of RM10.9 million was recorded as compared to RM10.361 million for the corresponding period of previous year. 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 77% of the total revenue with the remaining 23% was contributed by the property division.

For current quarter, the Group recorded a loss before tax of RM1.138 million as compared to a loss before tax of RM0.824 million for the corresponding quarter of previous year. The increase in loss was mainly due to a drop in production and higher production cost in the timber division as a result of increase in raw materials and indirect materials prices. The Group recorded a YTD loss of RM2.127 million as compared to a loss of RM2.589 million for the corresponding period of previous year.

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

There was no material change in loss before taxation for the current quarter as compared to the immediate preceding quarter. The Group posted a loss before tax of RM1.138 million for the current quarter reported as compared to a loss before tax of RM0.989 million in the immediate preceding quarter under review. The increase in current quarter loss was mainly due to less production and higher production cost in the timber division as a result of increase in raw materials and indirect materials prices.

**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.

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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 hearing of the judicial review, which was fixed on 25 June 2008, has been postponed to 22 October 2008.

As at 24 July 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:-

	<b>31/05/08</b>	<b>30/11/07</b>
	<b>RM '000</b>	<b>RM '000</b>
<b><u>Short Term Borrowings</u></b>		
<u>Secured</u>		
Term Loan	54,864	53,588
Bankers Acceptances and Bill Discounted	2,185	2,136
Bank Overdraft	1,735	1,737
Leasing Creditor	27	35
	<u>58,811</u>	<u>57,496</u>
<u>Unsecured</u>		
Bankers Acceptances and Bill Discounted	3,345	3,395
Bank Overdraft	1,686	1,872
	<u>5,031</u>	<u>5,267</u>
Sub-total	<b>63,842</b>	<b>62,763</b>
<b><u>Long Term Borrowings</u></b>		
<u>Secured</u>		
Term Loan	-	-
Leasing Creditor	-	9
	<u>-</u>	<u>9</u>
<b>Total Borrowings</b>	<b>63,842</b>	<b>62,772</b>

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**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at 24 July 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 July 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 31 May 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.

	<b>Current Quarter Ended 31/05/08</b>	<b>Comparative Quarter Ended 31/05/07</b>	<b>6 Months Cumulative To Date 31/05/08</b>	<b>Comparative 6 Months Cumulative To Date 31/05/07</b>
Net profit/ (loss) for the period (RM '000)	(1,138)	(824)	(2,127)	(2,589)
Weighted average number of ordinary shares in issue ('000)	42,553	42,553	42,553	42,553
Basic earnings / (loss) per share (sen)	(2.67)	(1.94)	(5.00)	(6.08)

**(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 26 July 2008.