

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 period ended 31 August 2008.

A8 Segment information

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

Year-To-Date Ended 31 August 2008	Property Development RM'000	Construction RM'000	Timber RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External Sales	2,948	-	12,914	-	15,862
Inter-segment sales	-	757	-	(757)	-
Total Revenue	2,948	757	12,914	(757)	15,862
Result					
Segment results	(16)	1,694	1,176	(2,399)	455
Finance costs	(1,793)	(3,031)	(509)	2,083	(3,250)
	(1,809)	(1,337)	667	(316)	(2,795)
Taxation					-
Loss after taxation					(2,795)
Minority interests					-
Net loss for the period					(2,795)
Assets					
Segment assets	47,125	53,495	61,408	(71,706)	90,322
Unallocated corporate assets					40
Consolidated total assets					90,362
Liabilities					
Segment liabilities	5,717	4,905	3,089	(4,463)	9,248
Unallocated corporate liabilities					65,093
Consolidated total liabilities					74,341
Other Information					
Capital expenditure	7	4	16	-	27
Depreciation	2	3	430	-	435

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Year-To-Date Ended 31 August 2007	Property Development RM'000	Construction RM'000	Timber RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External Sales	748	4	15,233	-	15,985
Inter-segment sales	-	165	44	(209)	-
Total Revenue	<u>748</u>	<u>169</u>	<u>15,277</u>	<u>(209)</u>	<u>15,985</u>
Result					
Segment results	(610)	1,006	1,023	(2,331)	(912)
Finance costs	<u>(1,797)</u>	<u>(2,269)</u>	<u>(533)</u>	<u>2,038</u>	<u>(2,561)</u>
	<u>(2,407)</u>	<u>(1,263)</u>	<u>490</u>	<u>(293)</u>	<u>(3,473)</u>
Taxation					-
Loss after taxation					(3,473)
Minority interests					-
Net loss for the period					<u>(3,473)</u>
Assets					
Segment assets	38,252	49,896	47,281	(59,635)	75,794
Unallocated corporate assets					43
Consolidated total assets					<u>75,837</u>
Liabilities					
Segment liabilities	52,744	5,044	6,403	(53,100)	11,091
Unallocated corporate liabilities					63,393
Consolidated total liabilities					<u>74,484</u>
Other Information					
Capital expenditure	-	2	101	-	103
Depreciation	10	15	541	-	566

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 revaluation surplus has been incorporated in the unaudited quarterly report for the period ended 31 August 2008.

A10 Subsequent events

There were no material events not reflected in the financial statements subsequent to the quarter ended 31 August 2008 up to 16 October 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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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 RM6.031 million as at 16 October 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 16 October 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 RM4.962 million as compared to last year same quarter of RM5.624 million. The current year-to-date (YTD) turnover of RM15.862 million was recorded as compared to RM15.985 million for the corresponding period of previous year. The reduction in revenue was mainly due to a drop in production.

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 81% of the total revenue with the remaining 19% was contributed by the property division.

For current quarter, the Group recorded a loss before tax of RM0.668 million as compared to a loss before tax of RM0.884 million for the corresponding quarter of previous year. The Group recorded a YTD loss of RM2.795 million as compared to a loss of RM3.473 million for the corresponding period of previous year. The reduction in loss for the current quarter and for the period was mainly due reduction in administrative expenses, gain from disposal of unutilised/ excess machinery and better control of production cost in the sawmills.

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

The Group posted a loss before tax of RM0.668 million for the current quarter reported as compared to a loss before tax of RM1.138 million in the immediate preceding quarter under review. The reduction in current quarter loss was mainly due to gain generated from the disposal of unutilised/ excess machinery in the sawmills.

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 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

The disposals of unquoted investment held in a subsidiary company for the current quarter and financial period under review were as follows:

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	Current Quarter Ended 31/08/2008	9 Months Cumulative To Date 31/08/2008
	RM `000	RM `000
<u>Disposal of unquoted investment:</u>		
Sales proceeds	10	10
Less: Carrying value	(5)	(5)
Gain on disposal	<u>5</u>	<u>5</u>

There were no disposals of properties for the current quarter and financial period under review.

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 16 October 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:-

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	31/08/08	30/11/07
	RM '000	RM '000
<u>Short Term Borrowings</u>		
<u>Secured</u>		
Term Loan	41,635	53,588
Bankers Acceptances and Bill Discounted	2,186	2,136
Bank Overdraft	1,896	1,737
Leasing Creditor	15	35
	<u>45,732</u>	<u>57,496</u>
<u>Unsecured</u>		
Bankers Acceptances and Bill Discounted	3,395	3,395
Bank Overdraft	1,638	1,872
	<u>5,033</u>	<u>5,267</u>
 Sub-total	 50,765	 62,763
 <u>Long Term Borrowings</u>		
<u>Secured</u>		
Term Loan	-	-
Leasing Creditor	-	9
	<u>-</u>	<u>9</u>
 Total Borrowings	 50,765	 62,772

B10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 16 October 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 16 October 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 August 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.

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	Current Quarter Ended 31/08/08	Comparative Quarter Ended 31/08/07	9 Months Cumulative To Date 31/08/08	Comparative 9 Months Cumulative To Date 31/08/07
Net profit/ (loss) for the period (RM '000)	(668)	(884)	(2,795)	(3,473)
Weighted average number of ordinary shares in issue ('000)	42,553	42,553	42,553	42,553
Basic earnings / (loss) per share (sen)	(1.57)	(2.08)	(6.57)	(8.16)

(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 17 October 2008.