

Notes on the quarterly report – 31 March 2007

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (FRS)134 (Interim Financial Reporting) and Paragraph 9.22 and Part A of Appendix 9B 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 of the Group for the financial year ended 31 December 2006. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

The accounting policies, method of computation and basis of consolidation adopted for this quarterly financial report is consistent with those adopted for the Group's audited financial statements for the financial year ended 31 December 2006.

A2. Qualification of Annual Financial Statements

There were no audit qualifications on the annual financial statements for the year ended 31 December 2006.

A3. Seasonal and cyclical factors

The Group's business operation results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A5. Material changes in estimates

There were no material changes in estimates of amounts reported in the current quarter under review.

A6. Issuances and repayment of debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

A7. Dividend Paid

There was no dividend paid by the company during the quarter under review.

Notes on the quarterly report – 31 March 2007

A8. Segment information

The Group's operations are categorized as fibre-based products. These can be further categorized into sub-groups of disposable fibre-based products such as disposable baby diapers, sanitary napkin, cotton products, serviettes and box tissue. Another sub-group would be processed paper which includes printing paper, color paper, newsprint and corrugated carton boxes. As the products are all fibre-based and the Group only operates out of Malaysia, no segmental reporting is prepared.

A9. Valuation of property, plant and equipment

The property, plant and equipment except for freehold land are stated at cost less accumulated depreciation. No depreciation is provided on freehold land. There was no revaluation of property, plant and equipment for the current quarter and financial year to date.

A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A12. Changes in contingent liabilities

As at the date of announcement, there were no material contingent liabilities incurred by the Group which, upon becoming enforceable, may have material impact on the financial position of the Group.

A13. Capital commitments

There were no significant capital commitments as at 31 March 2007.

A14. Comparison with preceding quarter's results

The improved performance is mainly due to recovery of the disposable fibre-based segment. The Group is able to commence own manufacturing activities, thus lowering losses incurred while improving capacity utilisation.

Revenue increased by about RM1.4 million. The increase was due to higher sales from disposable fibre-based section which is recovering from the fire incident on 12 September 2005. The processed paper section continues to perform and grows at a steady pace.

Operating expenses increased by RM0.7 million mainly due to increased expenses associated with generating higher revenue from both the disposable fibre-based products and the processed paper section. Finance cost decreased mainly due to lower utilisation of trade line banking facilities as the Group has sufficient inventory level to generate additional revenue.

Notes on the quarterly report – 31 March 2007

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

The Group achieved a revenue of RM42.8 million and profit before tax of RM1.1 million for the 3 months period to date.

B2. Variation of results against preceding quarter

In the preceding corresponding quarter ended 31 March 2006, the Group achieved a revenue of RM41.4 million and profit before tax of RM0.2 million as compared to the current quarter revenue of RM42.8 million and profit before tax of RM1.1 million.

The increase in revenue is mainly due to higher revenue contribution by the disposable fibre-based products as mentioned in **A14**. The current quarter profit before tax of RM1.1 million is mainly due to the Group commencing its own manufacturing activities, relying less on third party manufacturers, thus improving margin.

B3. Current year prospects

The Group expects sales to continue to increase in view of the improving demand of its new products such as disposable adult diapers and high-end sanitary napkin. Sales from other product types are also improving as the Group has the capacity to meet higher demand from customers. Barring any unforeseen circumstances and on the assumption that the current situation remains, the Board expects the Group to continue to achieve satisfactory performance for the current financial year.

B4. Variance of actual and forecast profit

The Group has not provided any quarterly profit forecast and therefore no variance information is available for presentation.

B5. Tax expense

	Year ended 31 Mar 2007 RM' 000
In respect of the current period:	
Income Tax	309
Deferred Tax	--
Total	<u>309</u>

The effective tax rate for the period under review is comparable to the statutory income tax rate of 27%.

B6. Unquoted investments and/or properties

The Group has not disposed off any investments in any unquoted investments and/or properties during the financial quarter under review.

Notes on the quarterly report – 31 March 2007

B7. Quoted and marketable investments

There were no investments in quoted and marketable securities made during the financial quarter under review.

B8. Status of corporate proposal announced

There was no corporate proposal announced but not completed as at the date of this announcement.

B9. Group borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short Term (Secured) RM' 000	Long Term (Secured) RM' 000
Trust receipts and bankers' acceptance	35,993	-
Revolving credit	7,000	-
Term loans	1,417	9,170
Hire purchase	4,071	6,961
Total	<u>48,481</u>	<u>16,131</u>

B10. Off balance sheet financial instrument

There are no financial instruments with off balance sheet risk as at the date of this report.

B11. Changes in material litigation

Neither WZB nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect the financial position of Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of Company or any of its subsidiaries.

B12. Dividends

There was no dividend declared by the company during the quarter under review.

Notes on the quarterly report – 31 March 2007

B13. Basic earnings per share

The basic earnings per share for the current quarter and cumulative year to date are computed as follows:-

The basic earnings per share for the current quarter and cumulative year to date are computed as follows:

	Individual Current Year Quarter 31.03.07	Cumulative Current Year To Date 31.03.07
Profit for the period (RM' 000)	<u>834</u>	<u>834</u>
Number of ordinary share of RM0.50 each in issue (' 000)	<u>120,000</u>	<u>120,000</u>
Basic Earnings Per Share based on number of ordinary shares of RM0.50 each in issue (sen)	<u>0.70</u>	<u>0.70</u>

B14. Authorisation for issue

The first quarterly report was authorized for issue by the Board of Directors in accordance with the resolution of the directors on 24 March 2007.

By order of the Board

MARTIN LEONG TING SIONG
Group Accountant
24 May 2007