Condensed Consolidated Income Statements for the fourth quarter ended 31 December 2005
(The figures presented here have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 31 December 05	Preceding year Corresponding Quarter 31 December 04	Current Year To date 31 December 05	Preceding year Corresponding Period 31 December 04
	RM'000	RM'000	RM'000	RM'000
Revenue	38,351	40,166	178,715	171,724
Operating expenses	(39,854)	(36,105)	(186,838)	(152,235)
Other operating income	10,357	196	10,136	649
Profit from operations	8,854	4,257	2,013	20,138
Finance costs	(658)	(261)	(1,939)	(1,275)
Investing results	0	0	0	0
Profit before tax	8,196	3,996	74	18,863
Taxation	(11)	(667)	(1,904)	(4,736)
Net profit/(loss) for the period	8,185	3,329	(1,830)	14,127
EPS - Basic (sen)	6.82	2.77	(1.53)	11.77
- Diluted (sen)	N/A	N/A	N/A	N/A

Revenue decreased by about RM1.8 million quarter-on-quarter (q-o-q) but increased by RM6.0 million year-on-year (y-o-y). The q-o-q decrease was due to lower sales from disposable fibre-based section due to the fire incident on September 2005. However, the processed paper section continues to perform strongly, resulting in overall increase in y-o-y sales.

Operating expenses increased by RM3.7 million q-o-q and RM34.6 million y-o-y. This is mainly due to inventory, plant and equipment written off amounting to RM16.4 million in the 3rd quarter of 2005. The write-off was due to a fire incident mentioned above. Operating expenses was also affected by higher raw material prices due to increases in oil prices. The q-o-q increases are in line with the increased expenses associated with generating higher revenue from the processed paper section. Finance cost increased mainly due to higher utilisation of trade line banking facilities for the financing of additional inventory acquisition to generate additional revenue.

Lower tax expenses are due to lower profit margin, caused by higher raw material prices and losses due to fire.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements of WZB and its subsidiaries for the financial year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements

Condensed Consolidated Balance Sheets as at 31 December 2005
(The figures presented here have not been audited unless stated otherwise)

	(Unaudited) As at end of Current Quarter 31 December 05 RM'000	Audited As at preceding Financial Year-End 31 Dec 04 RM'000
Property, plant & equipment	18,300	20,381
Intangible assets	0	0
Deferred tax assets	0	0
Investment in Subsidiaries and Associates	0	0
Other Investments	18	18
Current assets		
Inventories	38,158	25,529
Trade receivables	35,081	33,509
Other receivables, deposits and prepayments	18,289	1,469
Tax recoverable	1,994	1,130
Cash & bank balances	23,296	32,372
	116,818	94,009
Current liabilities		
Trade payables	6,319	9,990
Other payables	5,324	3,163
Short term borrowings	42,428	23,031
Taxation	126	1,694
	54,197	37,878
Net current assets	62,621	56,131
	80,939	76,530
Share capital	60,000	60,000
Share premium account	838	838
Reserve on consolidation	6,318	6,318
Retained profits	1,541	6,395
Shareholders' fund	68,697	73,551
Minorities interest	0	0
Long term liabilities		
Borrowings	11,101	1,862
Deferred taxation	1,141	1,117
	80,939	76,530
	-	-
Net Asset per share (sen)	57	61

Lower book value of property, plant and equipment is mainly due to plant and machinery written-off due to fire amounting to approximately RM7.7 million. Increase in other receivables, deposits and prepayments of RM16.8 million is mainly deposits made for renovation and construction works to be done at the Group's new factory-cum-office building and for new machineries for the Group's up-coming new products. The deposits paid also contributed to the decrease in cash and bank balances. Similarly, the increase in short-term borrowings is mainly to fund additional inventory acquisition in view of higher revenue level.

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements of WZB and its subsidiaries for the financial year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

WANG-ZHENG BERHAD
(Company No. 612237-K)

Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2005 Page 3

Condensed Consolidated Cash Flow Statement as at 31 December 2005
(The figures presented here have not been audited unless stated otherwise)

	Cumulative Current Year 31 December 05 RM'000	Audited Cumulative Preceding Year 31 December 04 RM'000
Cash flows from operating activities		
Profit before tax	74	19,650
Adjustments for:		
Non-cash items	9,558	(8,331)
Non-operating items	1,620	697
Operating profit before working capital changes	11,252	12,016
(Increase)/Decrease in working capital:		
Inventories	(12,629)	4,368
Trade and other receivables	(18,392)	3,786
Trade and other payables	(1,510)	(4,115)
Cash used in operations	(21,279)	16,055
Tax paid	(4,322)	(3,145)
Net cash (used in)/generated from operating activities	(25,601)	12,910
Cash flows from investing activities		
Dividend paid	(3,024)	-
Acquisition of shares in subsidiary (Note A)	-	6,900
Proceeds from disposal of property, plant and equipment	8	18
Purchase of property, plant and equipment (Note B)	(2,470)	(606)
Interest received	319	138
Net cash used in investing activities	(5,167)	6,450
Cash flows from financing activities		
Proceeds from issuance of shares	-	19,622
Share premium net of listing expenses	-	838
Fixed deposit pledged to banking institutions	-	(3,600)
Net drawdown of bank borrowings	23,630	(6,612)
Interest paid	(1,939)	(835)
Net cash generated from financing activities	21,691	9,413
Net decrease in cash and cash equivalents	(9,077)	28,773
Cash and cash equivalents at beginning of financial year	28,773	*
Cash and cash equivalents at end of financial year	**19,696**	**28,773**

Cash and cash equivalents at end of financial year comprise:

Cash & bank balances	18,068	23,388
Deposits in the licensed banks	5,228	3,205
Bank overdrafts	-	(797)
	23,296	25,796
Less: Deposits pledged to financial institutions	(3,600)	(3,600)
	19,696	22,196

*Denotes RM2

Note A:
During the period ended 30 September 2004, the group acquired 6 subsidiaries and associated companies as an integral part of the restructuring exercise in conjunction with its listing on the Second Board of Bursa Securities. The fair value of assets acquired and liabilities assumed were as follows:

	RM '000
Cash	6,801
Intangible asset	50
Investments	18
Inventories	30,106
Accounts receivable	33,353
Property, plant and equipment	20,749
Payables	(12,216)
Short term borrowings	(28,668)
Long term debts	(3,481)
Less: Reserve on consolidation	(6,333)
Total purchase consideration	40,379
Less: Portion discharged by issuance of the Company's shares	(40,379)
Discharged by cash	0
Less: Cash and cash equivalent of subsidiary companies	6,900
Cash inflow on acquisition	6,900

The acquisition was satisfied wholly with the issuance of Wang-Zheng Berhad shares of RM0.50 each.

Note B:
During the year, the Group acquired property, plant and equipment with an aggregate cost of RM7,476K, of which RM5,006K was acquired by means of finance leases. Cash payments of RM2,470K were made to purchase property, plant and equipment.

Non-cash item consist mainly of plant and equipment written off due to fire and depreciation. Increase in inventory is mainly due to acquisition of processed paper inventory in view of favourable prices. Cash outflow in trade and other receivables mainly reflects payment of deposits for renovation and construction work on the Group's new office-cum-factory building. The Group's expanded operational activities is funded by trade line banking facilities, resulting in increased borrowings.

The relevant subsidiary companies are in the process of securing the release of fixed deposits as security for certain banking facilities granted to them. All such banking facilities will be on a 'clean' basis, secured by corporated guarantees.

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Audited Financial Statements of WZB and its subsidiaries for the financial year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Changes in Equity for the fourth quarter ended 31 December 2005
(The figures presented here have not been audited)

		Non-distributable		Distributable	
	Share Capital RM'000	Share Premium RM'000	Reserves on Consolidation RM'000	Retained Profit RM'000	Total RM'000
Balance as at 1 January 2005	60,000	838	6,318	6,395	73,551
Loss for the year				(1,830)	(1,830)
Dividend in respect of FY31.12.2004 at 3.5 sen gross less 28% taxation on 120,000,000 ordinary shares amounting to RM3,024,000				(3,024)	(3,024)
Balance as at 31 December 2005	60,000	838	6,318	1,541	68,697

Condensed Consolidated Statements of Changes in Equity for the fourth quarter ended 31 December 2004
(The figures presented here have not been audited)

		Non-distributable		Distributable	
	Share Capital RM'000	Share Premium RM'000	Reserves on Consolidation RM'000	Retained Profit RM'000	Total RM'000
Balance as at 1 Jan 2004	*	-	-	(7)	(7)
Issue of ordinary shares pursuant to the acquisition of subsidiary and associated companies	40,379	-	-	-	40,379
Issue of ordinary shares pursuant to the restricted issue	6,350				6,350
Issue of ordinary shares pursuant to the rights issue	11,021				11,021
Public Issue of ordinary shares	2,250	2,250			4,500
Listing expenses		(1,412)			(1,412)
Reserves on consolidation arising from the acquisition of subsidiary companies	-	-	6,318	-	6,318
Profit for the year	-	-	-	6,402	6,402
Balance as at 31 December 2004	60,000	838	6,318	6,395	73,551

* Represents RM2

Notes:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements of WZB and its subsidiaries for the financial year ended 31 December 2004 and the accompanying explanatory notes attached to the financial statements.

PART A: EXPLANATORY NOTES AS PER MASB 26

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134 (Interim Financial Reporting) (formerly known as MASB 26) 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 2004. 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 2004.

A2. Qualification of Annual Financial Statements

There were no audit qualifications on the annual financial statements for the year ended 31 December 2004.

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

The Group's disposable fibre-based products manufacturing facility, located in Rawang, Selangor Darul Ehsan, was destroyed by a fire on 12 September 2005. The Group has always been adequately covered by insurance for both material losses and business loss. Its insurance companies are processing the Group's claims and have yet to finalize their report. The Group has received RM6.0 million in November 2005 and approximately RM3.8 million in January 2006 as compensation from the insurance companies, which has been reflected in the financial statements.

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.

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 include 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

The Group received RM3.8 million in January 2006 from its insurers as partial settlement for material losses due to the September 2005 fire.

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 capital commitments as at 31 December 2005.

A14. Comparison with preceding quarter's results

Revenue decreased by about RM1.8 million quarter-on-quarter (q-o-q) but increased by RM6.0 million year-on-year (y-o-y). The q-o-q decrease was due to lower sales from disposable fibre-based section due to the fire incident on 12 September 2005. However, the processed paper section continues to perform strongly, resulting in overall increase in y-o-y sales.

Operating expenses increased by RM3.7 million q-o-q and RM34.6 million y-o-y. This is mainly due to inventory, plant and equipment written off amounting to RM16.4 million in the 3rd quarter of 2005. The write-off was due to a fire incident mentioned above. Operating expenses was also affected by higher raw material prices due to increases in oil prices. The q-o-q increases are in line with the increased expenses associated with generating higher revenue from the processed paper section. Finance cost increased mainly due to higher utilisation of trade line banking facilities for the financing of additional inventory acquisition to generate additional revenue.

Lower tax expenses are due to lower profit margin, caused by reasons mentioned above.

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

B1. Review of performance

The Group achieved a revenue of RM178.7 million and profit before tax of RM0.07 million for the 12 months period to date.

B2. Variation of results against preceding quarter

In the preceding corresponding quarter ended 31 December 2004, the Group achieved a revenue of RM40.1 million and profit before tax of RM4.0 million as compared to the current quarter revenue of RM38.4 million and loss before tax of RM8.2 million.

The decrease in revenue is mainly due to lower revenue contribution by the disposable fibre-based products. The current quarter profit before tax of RM8.2 million is mainly due to insurance income of RM9.8 million. The Group also faced higher cost of goods sold as the manufacturing of disposable fibre-based products is mainly outsourced to third parties after the September 2005 incident. This resulted in significantly lower gross profit margin.

B3. Next financial year prospects

The Group expects the remaining insurance claims to be received in 2006. The total amount is expected to exceed RM20 million. The incoming funds will enable the Group to acquire newer and more efficient machineries at competitive terms. The Group is also looking for a site to construct a new factory to replace the one destroyed by fire.

The newly operational factory in Shah Alam will save the Group more than RM100,000 a month in terms of rental and enable the centralization of the Group's administrative function. It also houses the Group's new products, disposable adult diapers and sanitary napkins, which are expected to be launched by the first half of 2006. These products command a better margin from the Group's previous products and are expected to contribute favorably to the Group's results.

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 Dec 2005 RM' 000
In respect of the current period:	
Income Tax	1,904
Deferred Tax	--
Total	1,904

The effective tax rate for the year under review is higher than the statutory income tax rate of 28% due to the non-availability of group tax relief.

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.

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	39,221	-
Term loans	1,801	3,492
Hire purchase	1,406	7,609
Total	42,428	11,101

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.

B13. Basic earnings per share

The basic earning 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 31.12.05	Cumulative Current Year To Date 31.12.05
Profit for the period (RM'000)	8,185	(1,830)
Number of ordinary share of RM0.50 each in issue ('000)	120,000	120,000
Basic Earnings Per Share based on number of ordinary shares of RM0.50 each in issue (sen)	6.82	(1.53)

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 23 February 2006.

By order of the Board

MARTIN LEONG TING SIONG
Group Accountant
23 February 2006