



**WANG-ZHENG BERHAD**  
[Registration No.: 200301009817 (612237-K)]  
(Incorporated in Malaysia)

**CONSOLIDATED FINANCIAL RESULTS AND NOTES**  
**1st QUARTER ENDED 31 MARCH 2025**

## Condensed Consolidated Income Statement for the quarter ended 31 March 2025

(The figures presented here have not been audited unless stated otherwise)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 31 Mar 2025 RM'000	Preceding Year Corresponding Quarter 31 Mar 2024 RM'000	Current Year To Date 31 Mar 2025 RM'000	Preceding Year Corresponding Period 31 Mar 2024 RM'000
Revenue	80,044	69,473	80,044	69,473
Cost of sales	(71,960)	(62,114)	(71,960)	(62,114)
Gross profit	8,084	7,359	8,084	7,359
Other income	745	1,402	745	1,402
Marketing and distribution expenses	(4,064)	(3,278)	(4,064)	(3,278)
Administration expenses	(3,902)	(3,665)	(3,902)	(3,665)
Operating Profit	863	1,818	863	1,818
Interest income	637	1,002	637	1,002
Finance costs	(794)	(793)	(794)	(793)
Profit before tax	706	2,027	706	2,027
Income tax expense	(204)	(561)	(204)	(561)
Profit for the period	502	1,466	502	1,466
Profit attributed to:				
Equity holders of the parent	502	1,466	502	1,466
	502	1,466	502	1,466
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	0.32	0.92	0.32	0.92
Diluted (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements)

## Quarterly report on consolidated results for the first financial quarter ended 31 March 2025

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## Condensed Consolidated Statement of Comprehensive Income for the quarter ended 31 March 2025

(The figures presented here have not been audited unless stated otherwise)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 31 Mar 2025 RM'000	Preceding Year Corresponding Quarter 31 Mar 2024 RM'000	Current Year To Date 31 Mar 2025 RM'000	Preceding Year Corresponding Period 31 Mar 2024 RM'000
Profit for the period	502	1,466	502	1,466
Other comprehensive income:				
- Foreign currency translation	8	7	8	7
Total comprehensive income for the period	<u>510</u>	<u>1,473</u>	<u>510</u>	<u>1,473</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>510</u>	<u>1,473</u>	<u>510</u>	<u>1,473</u>
	<u>510</u>	<u>1,473</u>	<u>510</u>	<u>1,473</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements)

## Quarterly report on consolidated results for the first financial quarter ended 31 March 2025

## Condensed Consolidated Statement of Financial Position as at 31 March 2025

(The figures presented here have not been audited unless stated otherwise)

	As At End Of Current Quarter 31 Mar 2025 RM'000	(Audited) Preceding Financial Year-Ended 31 Dec 2024 RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment	25,564	25,209
Investment properties	6,097	6,124
Right-of-use assets	26,670	27,075
Other assets	23	24
Deferred tax assets	957	957
Other receivables, deposits and prepayments	18	18
	59,329	59,407
<b>Current Assets</b>		
Inventories	66,984	78,044
Trade receivables	65,803	60,140
Other receivables, deposits and prepayments	2,687	4,797
Tax recoverable	2,749	3,237
Fixed deposits with licensed banks	42,700	55,200
Cash and bank balances	41,895	38,224
	222,818	239,642
<b>TOTAL ASSETS</b>	282,147	299,049
<b>Equity</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	86,977	86,977
Treasury shares	(432)	(432)
Exchange translation reserve	(29)	(37)
Retained earnings	114,730	114,228
<b>Total equity</b>	201,246	200,736
<b>Non-Current Liabilities</b>		
Lease liabilities	-	4
Borrowings	-	-
Deferred taxation	203	203
	203	207
<b>Current Liabilities</b>		
Trade payables	14,122	18,712
Other payables	5,815	10,273
Short term lease liabilities	558	831
Short term borrowings	58,693	66,247
Tax payable	436	523
Provision	1,074	846
Contract liabilities	-	674
	80,698	98,106
<b>Total Liabilities</b>	80,901	98,313
<b>TOTAL EQUITY AND LIABILITIES</b>	282,147	299,049
	-	
<b>Net Asset per share attributable to ordinary equity holders of the parent (RM)</b>	1.26	1.27

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements)

**Condensed Consolidated Statement of Cash Flows for the quarter ended 31 March 2025**

(The figures presented here have not been audited unless stated otherwise)

	<b>Cumulative Current Year 31 Mar 2025 RM'000</b>	<b>Cumulative Preceding Year 31 Mar 2024 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	706	2,027
Adjustments for:		
Bad debt recovered	(5)	(33)
Depreciation of property, plant and equipment	1,076	777
Depreciation of investment properties	27	27
Depreciation of right-of-use assets	577	323
Gain on disposal of property, plant and equipment	-	(77)
Interest expense	794	793
Interest income	(637)	(1,002)
Reversal of impairment loss on trade receivables	(221)	(101)
Unrealised (gain)/loss on foreign exchange	(13)	(162)
Operating profit before working capital changes	<u>2,304</u>	<u>2,572</u>
Changes in working capital:		
Inventories	11,060	7,635
Trade and other receivables	(3,313)	699
Trade and other payables	(9,148)	(844)
Amount owing to directors	(674)	-
Cash generated from/(used in) operations	<u>229</u>	<u>10,062</u>
Interest received	637	1,002
Interest paid	(794)	(793)
Income tax refunded	624	-
Income tax paid	(406)	(550)
<b>Net cash generated from/(used in) operating activities</b>	<u>290</u>	<u>9,721</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	77
Purchase of property, plant and equipment	(1,431)	(3,704)
<b>Net cash used in from investing activities</b>	<u>(1,431)</u>	<u>(3,627)</u>

**Condensed Consolidated Statement of Cash Flows for the quarter ended 31 March 2025**

(The figures presented here have not been audited unless stated otherwise)

	<b>Cumulative Current Year 31 Mar 2025 RM'000</b>	<b>Cumulative Preceding Year 31 Mar 2024 RM'000</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(105)	(259)
Repayment of bank borrowings	(53,053)	(61,656)
Drawdown of bank borrowings	45,499	39,349
<b>Net cash (used in)/generated from financing activities</b>	<b><u>(7,659)</u></b>	<b><u>(22,566)</u></b>
Net decrease in cash and cash equivalents	(8,800)	(16,472)
Effect of exchange rate fluctuations on cash held	(29)	7
Cash and cash equivalents at beginning of financial year	93,424	122,932
Cash and cash equivalents at end of financial period	<b><u>84,595</u></b>	<b><u>106,467</u></b>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits with licensed banks	42,700	62,200
Cash and bank balances	<u>41,895</u>	<u>44,267</u>
	<b><u>84,595</u></b>	<b><u>106,467</u></b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements)

## Quarterly report on consolidated results for the first financial quarter ended 31 March 2025

## Condensed Consolidated Statement of Changes in Equity for the quarter ended 31 March 2025

(The figures presented here have not been audited)

	----- Attributable to Equity Holders of the Parent -----			Distributable	Total
	Non-distributable		Foreign		
	Share Capital RM'000	Treasury Shares RM'000	Exchange Reserve RM'000	Retained Profit RM'000	RM'000
<b>Balance as at 1 January 2025</b>	86,977	(432)	(37)	114,228	200,736
Profit for the period	-	-	8	502	510
Other comprehensive income:	-	-	-	-	-
Total comprehensive income for the period	-	-	8	502	510
<b>Balance as at 31 March 2025</b>	<b>86,977</b>	<b>(432)</b>	<b>(29)</b>	<b>114,730</b>	<b>201,246</b>
<b>Balance as at 1 January 2024</b>	86,677	(650)	(6)	117,937	203,958
Profit for the period	-	-	7	1,466	1,473
Settlement of share grant plan	-	-	-	-	-
Total comprehensive income for the period	-	-	7	1,466	1,473
<b>Balance as at 31 March 2024</b>	<b>86,677</b>	<b>(650)</b>	<b>1</b>	<b>119,403</b>	<b>205,431</b>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements)

## Notes on the quarterly report – 31 March 2025

### PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

#### A1. Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 (Interim Financial Reporting) issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9, Paragraph 9.22 of the Main Market 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 2024. 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 since the year ended 31 December 2024.

#### Changes in Accounting Policies

The accounting policies, methods of computation and basis of consolidation adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2024.

The Group and the Company have not early adopted the following new MFRSs, new interpretation and amendments to MFRSs, which have been issued by the Malaysian Accounting Standards Board (“MASB”) as at the date of authorisation of these interim financial statements but are not yet effective for the Group and the Company as stated below:

		<u>Effective date for financial periods beginning on or after</u>
Amendments to MFRS 121	The Effects of Changes in Foreign exchange rate - Lack of Exchangeability	1 January 2025
MFRS 1	Annual Improvements to MFRS Accounting Standards—Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	to be announced by MASB

The Group and the Company intend to adopt the above new MFRSs, new Interpretations and amendments to MFRSs when they become effective. The initial application of the above MFRSs will not have any significant impact on the financial statements.

#### A2. Qualification of annual financial statements

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2024.

**Notes on the quarterly report – 31 March 2025**

**A3. Seasonal and cyclical factors**

The Group's business operation results were not materially affected by any major seasonal or cyclical factors in the quarter under review.

**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 has been no other issuance, cancellations, repurchase, resale and repayment of debt and equity securities for the current quarter under review, except for the following: -

The details of shares held as treasury shares for the period ended 31 March 2025 are as follows:

	Number of Treasury Shares	Total consideration RM
Balance as at 31 December 2024	945,933	432,012
Transfer for settlement of Share Grant Plan during the quarter	0	0
Repurchased during the quarter	0	0
Balance as at 31 March 2025	945,933	432,012

There were no additional repurchase of shares since 1 January 2025.

**A7. Dividend paid**

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

**A8. Segment information**

Details segmental analysis for the period ended 31 March 2024 are as follows:

**(a) Geographical segments**

Revenue by geographical location of customers:

<u>Location</u>	Consolidated RM'000
Malaysia	70,813
Asia (other than Malaysia)	2,768
Africa (Mauritius)	6,463
Total	<u>80,044</u>

**Notes on the quarterly report – 31 March 2025**

**A8. Segment information-continued**

**(b) Business segments**

	<b>Processed papers products RM'000</b>	<b>Disposable fibre-based products RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Adjustments and elimination RM'000</b>	<b>Consolidation RM'000</b>
<b>Revenue</b>					
External customer	59,172	20,872	-	-	80,044
Inter-segment	19,514	8,743	375	(28,632)	-
Total revenue	<b>78,686</b>	<b>29,615</b>	<b>375</b>	<b>(28,632)</b>	<b>80,044</b>
<b>Results</b>					
Segment results	968	(27)	(36)	(42)	863
Interest income	420	244	205	(232)	637
Finance costs	(977)	(49)	-	232	(794)
Profit before taxation	410	168	170	(42)	706
Taxation	(141)	(12)	(50)	-	(204)
Net profit for the financial period	<b>269</b>	<b>156</b>	<b>120</b>	<b>(42)</b>	<b>502</b>
<b>Assets</b>					
Additions to non-current assets	57	1,366	8	-	1,431
Segment assets	<b>160,832</b>	<b>120,328</b>	<b>89,908</b>	<b>(88,921)</b>	<b>282,147</b>

**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. Acquisitions and Disposals of Property, Plant and Equipment**

There were no major acquisitions and disposal of property, plant and equipment during the quarter under review.

**A11. Material events subsequent to the end of the interim period**

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

**A12. Changes in the composition of the Group**

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

**A13. 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.

**Notes on the quarterly report – 31 March 2025**

**A14. Capital commitments**

Capital commitments for the purchase of property, plant and equipment in the interim financial statements as at 31 March 2025 are as below:

Authorised and contracted for:

- Property, plant and equipment

RM356,624

**Notes on the quarterly report – 31 March 2025**

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

**B1. Review of performance**

	Individual Period			Cumulative Period		
	Current Year Quarter 31.03.2025 RM'000	Preceding Year Corresponding Quarter 31.03.2024 RM'000	Changes (RM'000 / %)	Current Year To- date 31.03.2025 RM'000	Preceding Year Corresponding Period 31.03.2024 RM'000	Changes (RM'000 / %)
Revenue	80,044	69,473	10,571 / 15.2%	80,045	69,473	10,571 / 15.2%
Operating Profit	863	1,818	(955) / (52.5%)	863	1,818	(955) / (52.5%)
Profit Before Tax	706	2,027	(1,321) / (65.2%)	706	2,027	(1,321) / (65.2%)
Profit After Tax	502	1,466	(964) / (65.8%)	502	1,466	(964) / (65.8%)
Profit Attributable to Ordinary Equity Holders of the Parent	502	1,466	(964) / (65.8%)	502	1,466	(964) / (65.8%)

The Group recorded revenue of RM80.0 million for the current quarter, an increase of approximately RM10.5 million as compared to RM69.5 million in the preceding year corresponding quarter mainly due to an increase sales in both processed paper products and disposable fibre-based products as a result of paper price increase in processed paper products and higher demand in disposable fibre-based products.

The Group recorded a profit before tax of RM0.7 million for the current quarter under review, a substantial decrease of RM1.3 million as compared to profit before tax of RM2.0 million in the preceding year corresponding quarter mainly attributed to the increase in operational expenses.

**B2. Variation of results against immediate preceding quarter**

	Current Quarter 31.03.2025 RM'000	Immediate Preceding Quarter 31.12.2024 RM'000	Changes (Amount / %) RM'000 / %
Revenue	80,044	85,601	(5,557) / (6.5%)
Operating Profit	863	(1,793)	2,656 / 148.1%
Profit Before Tax	706	(1,055)	1,761 / 166.9%
Profit After Tax	502	(1,485)	1,987 / 133.8%
Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	502	(1,485)	1,987 / 133.8%

The Group recorded profit before tax of RM0.7 million for the current quarter compared to loss before tax of RM1.0 million in the immediate preceding quarter for the period ended 31 December 2024 mainly due to attributed to impairment loss on properties, plant and equipment and right-of-use assets in a subsidiary company for the previous quarter.

**Notes on the quarterly report – 31 March 2025**

**B3. Prospects**

The Group's business operations have been significantly impacted by inflation, along with fluctuations in commodity prices and currency exchange rates. The inflationary pressure has led to shifts in consumer spending behavior and demand patterns with a direct impact on cost structures and market dynamics. By addressing these challenges, the Directors of the Company continue to prioritize rigorous cost management and optimization measures aimed at enhancing the operational efficiency and financial performance of the Group, thereby ensuring alignment with evolving market demands.

In addition, the Group leverages social media marketing to enhance brand awareness and educate consumers about our products and their benefits. The Group will continue to develop new products for both online and offline markets by leveraging e-commerce platforms, enhancing product competitiveness, expanding into new domestic and international markets, and driving revenue growth throughout the remaining quarters of the year.

**B4. Variance of actual and forecast profit**

Not applicable as there was no profit forecast has been published.

**B5. Tax expense**

	Current quarter ended 31.03.2025 RM'000	Current year to date 31.03.2025 RM'000
Estimated tax payable:		
Current	204	204
Total	<u>204</u>	<u>204</u>

The effective tax rate for the current quarter and financial year to date under review is higher than the statutory income tax rate mainly due to certain expenses which are disallowed for tax deduction purposes and profit before tax of certain subsidiary companies, which for tax purposes, cannot be offset against loss before tax of other companies in the Group.

**B6. Status of corporate proposal**

There was no corporate proposal announced as at the date of this announcement.

**B7. Group borrowings**

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

Group borrowings	Short Term (Secured) RM'000	Long Term (Secured) RM'000	Total RM'000
Trust receipts and bankers' acceptance	58,693	-	58,693
Hire purchase	-	-	-
Total	<u>58,693</u>	<u>-</u>	<u>58,693</u>

**B8. Off balance sheet financial instruments**

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

**B9. Material litigation**

There was no pending material litigation as at the date of this report.

**Notes on the quarterly report – 31 March 2025**

**B10. Dividends**

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

**B11. Basic earnings per share**

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

	Individual Quarter		Cumulative Quarter	
	3 months Ended 31.03.2025 RM'000	3 months Ended 31.03.2024 RM'000	3 months Ended 31.03.2025 RM'000	3 months Ended 31.03.2024 RM'000
a) Profit attributable to equity holders of the parent (RM'000)	502	1,466	502	1,466
b) Weighted average number of ordinary shares ('000):	159,356	158,581	159,356	158,581
c) Earnings per ordinary share (sen):				
i) Basic	0.32	0.92	0.32	0.92
ii) Diluted	Note	Note	Note	Note

Note:

The diluted earnings per share are not presented as there were no potential ordinary shares to be issued as at the end of the reporting period.

**B12. Notes to the statement of comprehensive income**

	Quarter Ended	
	31.03.2025 RM'000	31.03.2024 RM'000
Bad debt recovered	(5)	(33)
Interest income -	(637)	(1,002)
Interest expense	794	793
Depreciation and amortization	1,680	1,127
Reversal of impairment loss on trade receivables	(221)	(101)
Gain on disposal of property, plant and equipment	-	(77)
Unrealised (gain)/loss on foreign exchange	(13)	(162)

Other than the above, there were no gain or loss on disposal of quoted investments, gain or loss on derivatives and exceptional items for the current quarter ended 31 March 2025.

**B13. Authorisation for issue**

The interim financial report was authorised for issuance by the Board of Directors of the Company on 27 May 2025.