



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

**CONSOLIDATED FINANCIAL RESULTS AND NOTES**  
**3rd QUARTER ENDED 30 SEPTEMBER 2025**

## Condensed Consolidated Income Statement for the quarter ended 30 September 2025

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 30 Sep 2025 RM'000	Preceding Year Corresponding Quarter 30 Sep 2024 RM'000	Current Year To Date 30 Sep 2025 RM'000	Preceding Year Corresponding Period 30 Sep 2024 RM'000
Revenue	77,722	79,625	237,120	223,394
Cost of sales	(67,496)	(71,862)	(209,446)	(201,247)
Gross profit	10,226	7,763	27,674	22,147
Other income	340	433	2,968	3,663
Marketing and distribution expenses	(4,940)	(3,476)	(14,341)	(9,805)
Administration expenses	(7,526)	(3,495)	(17,081)	(12,039)
Operating (Loss) Profit	(1,900)	1,225	(780)	3,966
Interest income	535	863	1,777	2,810
Finance costs	(487)	(903)	(1,867)	(2,696)
Other expenses	(335)	-	(10,767)	-
(Loss) Profit before tax	(2,187)	1,185	(11,637)	4,080
Income tax expense	(557)	(626)	(755)	(1,477)
(Loss) Profit for the period	<u>(2,744)</u>	<u>559</u>	<u>(12,392)</u>	<u>2,603</u>
(Loss) Profit attributed to: Equity holders of the parent	<u>(2,744)</u>	<u>559</u>	<u>(12,392)</u>	<u>2,603</u>
	<u>(2,744)</u>	<u>559</u>	<u>(12,392)</u>	<u>2,603</u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	<u>(1.71)</u>	<u>0.35</u>	<u>(7.76)</u>	<u>1.64</u>
Diluted (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</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 2024 and the accompanying explanatory notes attached to the interim financial statements)

## Quarterly report on consolidated results for the third financial quarter ended 30 September 2025

## Condensed Consolidated Statement of Comprehensive Income for the quarter ended 30 September 2025

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year</u> <u>Quarter</u> <u>30 Sep 2025</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>30 Sep 2024</u> RM'000	<u>Current Year</u> <u>To Date</u> <u>30 Sep 2025</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>30 Sep 2024</u> RM'000
(Loss) Profit for the period	(2,744)	559	(12,392)	2,603
Other comprehensive income:				
- Foreign currency translation	-	(89)	-	(89)
Total comprehensive income for the period	<u>(2,744)</u>	<u>470</u>	<u>(12,392)</u>	<u>2,514</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>(2,744)</u>	<u>470</u>	<u>(12,392)</u>	<u>2,514</u>
	<u>(2,744)</u>	<u>470</u>	<u>(12,392)</u>	<u>2,514</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 2024 and the accompanying explanatory notes attached to the interim financial statements)

**Condensed Consolidated Statement of Financial Position as at 30 September 2025**

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

	As At End Of Current Quarter 30 Sep 2025 RM'000	(Audited) Preceding Financial Year-Ended 31 Dec 2024 RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment	19,309	25,209
Investment properties	6,043	6,124
Right-of-use assets	26,338	27,075
Other assets	24	24
Deferred tax assets	957	957
Other receivables, deposits and prepayments	29	18
	52,700	59,407
<b>Current Assets</b>		
Inventories	68,667	78,044
Trade receivables	59,593	60,140
Other receivables, deposits and prepayments	4,170	4,797
Tax recoverable	2,961	3,237
Fixed deposits with licensed banks	41,000	55,200
Cash and bank balances	27,639	38,224
	204,030	239,642
<b>TOTAL ASSETS</b>	<b>256,730</b>	<b>299,049</b>
<b>Equity</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	87,152	86,977
Treasury shares	(214)	(432)
Exchange translation reserve	(65)	(37)
Retained earnings	101,039	114,228
<b>Total equity</b>	<b>187,912</b>	<b>200,736</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	-	4
Deferred taxation	203	203
	203	207
<b>Current Liabilities</b>		
Trade payables	14,453	18,712
Other payables	9,011	10,273
Short term lease liabilities	251	831
Short term borrowings	43,363	66,247
Tax payable	223	523
Provision	1,314	846
Contract liabilities	-	674
	68,615	98,106
<b>Total Liabilities</b>	<b>68,818</b>	<b>98,313</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>256,730</b>	<b>299,049</b>
<b>Net Asset per share attributable to ordinary equity holders of the parent (RM)</b>	<b>1.18</b>	<b>1.27</b>

(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 30 September 2025**

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

	<b>Cumulative Current Year 30 Sep 2025 RM'000</b>	<b>Cumulative Preceding Year 30 Sep 2024 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	(11,637)	4,080
Adjustments for:		
Bad debt recovered	(5)	(45)
Depreciation of property, plant and equipment	2,912	2,366
Depreciation of investment properties	81	81
Depreciation of right-of-use assets	1,534	1,345
Gain on disposal of property, plant and equipment	(1)	(103)
Impairment loss on trade receivables	205	172
Interest expense	1,867	2,696
Interest income	(1,777)	(2,810)
Inventories written off	4,994	-
Property, plant and equipment written off	5,438	44
Reversal of impairment on slow moving inventories	-	(37)
Reversal of impairment loss on trade receivables	(409)	(178)
Unrealised loss on foreign exchange	36	495
Operating profit before working capital changes	<u>3,238</u>	<u>8,106</u>
Changes in working capital:		
Inventories	4,383	(3,389)
Trade and other receivables	1,335	3,634
Trade and other payables	(5,728)	(1,503)
Cash generated from operations	<u>3,228</u>	<u>6,848</u>
Interest received	1,777	2,810
Interest paid	(1,867)	(2,696)
Income tax refunded	746	-
Income tax paid	(1,450)	(1,672)
<b>Net cash generated from operating activities</b>	<u><u>2,434</u></u>	<u><u>5,290</u></u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	5	103
Purchase of property, plant and equipment	(2,672)	(5,878)
Placement of fixed deposits with licensed banks	300	-
Withdrawal of deposits with licensed banks	(1,500)	-
<b>Net cash used in from investing activities</b>	<u><u>(3,867)</u></u>	<u><u>(5,775)</u></u>

**Condensed Consolidated Statement of Cash Flows for the quarter ended 30 September 2025**

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

	<b>Cumulative Current Year 30 Sep 2025 RM'000</b>	<b>Cumulative Preceding Year 30 Sep 2024 RM'000</b>
<b>Cash flows from financing activities</b>		
Settlement of share grant plan	393	518
Dividend paid	(796)	(4,781)
Repayment of lease liabilities	-	(8,517)
Repayment of bank borrowings	(162,950)	(175,488)
Drawdown of bank borrowings	140,066	155,445
<b>Net cash used in financing activities</b>	<b>(23,287)</b>	<b>(32,823)</b>
Net decrease in cash and cash equivalents	(24,720)	(33,308)
Effect of exchange rate fluctuations on cash held	(65)	(111)
Cash and cash equivalents at beginning of financial year	93,424	122,932
Cash and cash equivalents at end of financial period	<b>68,639</b>	<b>89,513</b>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits with licensed banks	41,000	53,200
Cash and bank balances	27,639	36,313
	<b>68,639</b>	<b>89,513</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 third financial quarter ended 30 September 2025

## Condensed Consolidated Statement of Changes in Equity for the quarter ended 30 September 2025

(The figures presented here have not been audited)

	----- Attributable to Equity Holders of the Parent -----				Total RM'000
	Non-distributable			Distributable	
	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Reserve RM'000	Retained Profit RM'000	
<b>Balance as at 1 January 2025</b>	86,977	(432)	(37)	114,228	200,736
Loss for the period	-	-	-	(12,392)	(12,392)
Settlement of share grant plan	175	218	-	-	393
Exchange translation reserve	-	-	(28)	-	(28)
Total comprehensive income for the period	175	218	(28)	(12,392)	(12,027)
Dividends	-	-	-	(797)	(797)
<b>Balance as at 30 September 2025</b>	<b>87,152</b>	<b>(214)</b>	<b>(65)</b>	<b>101,039</b>	<b>187,912</b>
<b>Balance as at 1 January 2024</b>	86,677	(650)	(6)	117,937	203,958
Profit for the period	-	-	(89)	2,603	2,514
Settlement of share grant plan	300	218	-	-	518
Total comprehensive income for the period	300	218	(89)	2,603	3,032
Dividends	-	-	-	(4,781)	(4,781)
<b>Balance as at 30 September 2024</b>	<b>86,977</b>	<b>(432)</b>	<b>(95)</b>	<b>115,759</b>	<b>202,209</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 – 30 September 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:

		Effective date for financial periods beginning on or after
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 – 30 September 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 30 September 2025 are as follows:

	Number of Treasury Shares	Total consideration RM
Balance as at 30 June 2025	472,966	214,447
Transfer for settlement of Share Grant Plan during the quarter	0	0
Repurchased during the quarter	0	0
Balance as at 30 September 2025	472,966	214,447

There were no additional repurchase of shares since 1 July 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 30 September 2025 are as follows:

**(a) Geographical segments**

Revenue by geographical location of customers:

<u>Location</u>	Consolidated RM'000
Malaysia	202,366
Asia (other than Malaysia)	4,616
Africa (Mauritius)	994
Oceania (Papua New Guinea)	29,144
Total	<u>237,120</u>

**Notes on the quarterly report – 30 September 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	168,197	68,923	-	-	237,120
Inter-segment	64,071	20,500	1,075	(85,646)	-
<b>Total revenue</b>	<b>232,268</b>	<b>89,423</b>	<b>1,075</b>	<b>(85,646)</b>	<b>237,120</b>
<b>Results</b>					
Segment results	3,144	(2,810)	(1,141)	27	(780)
Interest income	1,025	686	761	(695)	1,777
Finance costs	(2,404)	(211)	-	748	(1,867)
Other expenses	-	(10,767)	-	-	(10,767)
Profit (Loss) before taxation	1,765	(13,102)	(380)	80	(11,637)
Taxation	(641)	(55)	(59)	-	(755)
<b>Net profit (loss) for the financial period</b>	<b>1,124</b>	<b>(13,157)</b>	<b>(439)</b>	<b>80</b>	<b>(12,392)</b>
<b>Assets</b>					
Additions to non-current assets	602	2,042	28	-	2,672
<b>Segment assets</b>	<b>151,239</b>	<b>98,432</b>	<b>88,701</b>	<b>(81,642)</b>	<b>256,730</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**

On 22 July 2025, the Company incorporated a new subsidiary company in Singapore, namely, Wang-Zheng Singapore Pte. Ltd. (“WZSPL”). A Certificate Confirming Incorporation of Company of WZSPL dated 22 July 2025 has been issued by the Accounting and Corporate Regulatory Authority (ACRA). The issued share capital of WZSPL is SGD1.00, comprising 1 ordinary share of SGD1.00, and WZSPL is a wholly-owned subsidiary of Wang-Zheng Berhad.

**Notes on the quarterly report – 30 September 2025**

The principal activities of WZSPL are to carry out marketing, distribution, and trading of a wide range of personal healthcare, hygiene, household products, processed paper products, and related services, both online and offline.

The incorporation of WZSPL is not expected to have any material impact on the earnings and net assets of WZB for the financial year ending 31 December 2025.

Save for the above, there were no changes in the composition of the Group during the financial period ended 30 September 2025.

**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.

**A14. Capital commitments**

Capital commitments for the purchase of property, plant and equipment in the interim financial statements as at 30 September 2025 are as below:

Authorised and contracted for:	
- Property, plant and equipment	RM2,876,188

**Notes on the quarterly report – 30 September 2025**

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

**B1. Review of performance**

	Individual Period			Cumulative Period		
	Current Year Quarter 30.09.2025 RM'000	Preceding Year Corresponding Quarter 30.09.2024 RM'000	Changes (RM'000 / %)	Current Year To- date 30.09.2025 RM'000	Preceding Year Corresponding Period 30.09.2024 RM'000	Changes (RM'000 / %)
Revenue	77,722	79,625	(1,903) / (2.4%)	237,120	223,394	13,726 / 6.1%
Operating (Loss) Profit	(1,900)	1,225	(3,125) / (255.1%)	(780)	3,966	(4,746) / (119.7%)
(Loss) Profit Before Tax	(2,187)	1,185	(3,372) / (284.6%)	(11,637)	4,080	(15,717) / (385.2%)
(Loss) Profit After Tax	(2,744)	559	(3,303) / (590.9%)	(12,392)	2,603	(14,995) / (576.1%)
(Loss) Profit Attributable to Ordinary Equity Holders of the Parent	(2,744)	559	(3,303) / (590.9%)	(12,392)	2,603	(14,995) / (576.1%)

The Group recorded revenue of RM77.7 million for the current quarter, an decrease of approximately RM1.9 million as compared to RM79.6 million in the preceding year's corresponding quarter mainly due to decrease sales in processed paper products as a result of paper price decrease and lower demand in processed paper products.

The Group recorded a loss before tax of RM2.2 million for the current quarter under review, a substantial decrease of RM3.4 million as compared to profit before tax of RM1.2 million in the preceding year corresponding quarter mainly attributed due to the increase in marketing and distribution expenses, administration expenses and an additional of other expenses of RM0.4 million in relation to the fire broke out at the factory and warehouse of a wholly-owned subsidiary.

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

	Current Quarter 30.09.2025 RM'000	Immediate Preceding Quarter 30.06.2025 RM'000	Changes (Amount / %) RM'000 / %
Revenue	77,722	79,353	(1,631) / (2.1%)
Operating (Loss) Profit	(1,900)	257	(2,157) / (839.3%)
Loss Before Tax	(2,187)	(10,154)	7,967 / 78.5%
Loss After Tax	(2,744)	(10,149)	7,405 / 73.0%
Loss Attributable to Ordinary Equity Holders of the Parent holders of the parent	(2,744)	(10,149)	7,405 / 73.0%

The Group recorded a lower loss before tax of RM2.7 million for the current quarter as compared to loss before tax of RM10.1 million in the immediate preceding quarter for the period ended 30 June 2025 mainly due to losses after a fire broke out at the factory and warehouse of a wholly-owned subsidiary in the immediate preceding quarter.

## Notes on the quarterly report – 30 September 2025

### B3. Prospects

The Group remains focused on effectively navigating inflationary pressures, commodity price volatility, and currency fluctuations through prudent cost management and ongoing operational optimisation. To strengthen long-term competitiveness, the Group is accelerating its digital commerce strategy by leveraging social media, online marketplaces, and direct-to-consumer e-commerce channels to enhance brand visibility, improve customer acquisition efficiency, and expand market penetration.

Following the fire incident at the factory and warehouse of a wholly owned subsidiary, The Group initiated a structured recovery plan to restore operations as quickly as possible and is working closely with insurance adjusters to assess the losses incurred. The Group intends to claim insurance for both property damage and business interruption, and any recoverable amounts will be recognised in accordance with the relevant accounting standards once confirmation is obtained.

Despite the challenges in the current global economic landscape, the Group will continuously focus on consumer habits, and increasing demand to ensure sustainable growth in a competitive market. It will continue to drive achieving satisfactory results for the fourth quarter 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 30.09.2025 RM'000	Current year to date 30.09.2025 RM'000
Estimated tax payable:		
Current	592	790
(Over) / Under provision in prior financial year	(35)	(35)
Total	557	755

The effective tax rate for the current quarter and financial year to date under review is lower than the statutory income tax rate, mainly due to unabsorbed capital and reinvestment allowance balance brought forward from the previous year 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	43,363	-	43,363
Total	43,363	-	43,363

### B8. Off balance sheet financial instruments

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

**Notes on the quarterly report – 30 September 2025**

**B9. Material litigation**

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

**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 30.09.2025 RM'000	3 months Ended 30.09.2024 RM'000	9 months Ended 30.09.2025 RM'000	9 months Ended 30.09.2024 RM'000
a) Profit attributable to equity holders of the parent (RM'000)	(2,744)	559	(12,392)	2,603
b) Weighted average number of ordinary shares ('000):	160,162	159,356	159,663	159,356
c) Earnings per ordinary share (sen):				
i) Basic	(1.71)	0.35	(7.76)	1.64
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	
	30.09.2025 RM'000	30.09.2024 RM'000
Bad debt recovered	(5)	(45)
Depreciation and amortization	4,527	3,792
Gain on disposal of property, plant and equipment	(1)	(103)
Impairment loss on trade receivables	205	172
Interest expense	1,867	2,696
Interest income	(1,777)	(2,810)
Inventory written off	4,994	-
Property, plant and equipment written off	5,438	44
Reversal of impairment loss on trade receivables	(409)	(178)
Reversal of impairment on slow moving inventories	-	(37)
Unrealised loss on foreign exchange	36	495

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 30 September 2025.

**Notes on the quarterly report – 30 September 2025**

**B13. Authorisation for issue**

The interim financial report was authorised for issuance by the Board of Directors of the Company on 24 November 2025.