



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

CONSOLIDATED FINANCIAL RESULTS AND NOTES
4th QUARTER ENDED 31 DECEMBER 2025

Condensed Consolidated Income Statement for the quarter ended 31 December 2025

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

	<u>Individual Quarter</u> (Unaudited)		<u>Cumulative Quarter</u> (Audited)	
	Current year Quarter 31 Dec 2025 RM'000	Preceding Year Corresponding Quarter 31 Dec 2024 RM'000	Current Year To Date 31 Dec 2025 RM'000	Preceding Year Corresponding Period 31 Dec 2024 RM'000
Revenue	65,497	85,601	302,617	308,760
Cost of sales	(64,422)	(80,981)	(273,868)	(281,726)
Gross profit	1,075	4,620	28,749	27,034
Other income	4,526	1,706	7,493	5,180
Marketing and distribution expenses	(2,381)	(1,380)	(16,721)	(11,183)
Administration expenses	522	(5,239)	(16,559)	(16,612)
Other expense	(560)	(1,500)	(11,326)	(1,500)
Operating Profit (Loss)	3,182	(1,793)	(8,364)	2,919
Interest income	537	822	2,314	2,851
Finance costs	(384)	(84)	(2,252)	(2,718)
Profit (Loss) before tax	3,335	(1,055)	(8,302)	3,052
Income tax expense	1,427	(430)	672	(1,981)
Profit (Loss) for the period	4,762	(1,485)	(7,630)	1,071
Profit attributed to:				
Equity holders of the parent	4,762	(1,485)	(7,630)	1,071
	4,762	(1,485)	(7,630)	1,071
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	2.97	(0.93)	(4.78)	0.68
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 2024 and the accompanying explanatory notes attached to the interim financial statements)

Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2025

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

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

	<u>Individual Quarter</u> (Unaudited)		<u>Cumulative Quarter</u> (Audited)	
	Current year Quarter 31 Dec 2025 RM'000	Preceding Year Corresponding Quarter 31 Dec 2024 RM'000	Current Year To Date 31 Dec 2025 RM'000	Preceding Year Corresponding Period 31 Dec 2024 RM'000
Profit (Loss) for the period	4,762	(1,485)	(7,630)	1,071
Other comprehensive income:				
- Foreign currency translation	-	(31)	-	(31)
Total comprehensive income (loss) for the period	<u>4,762</u>	<u>(1,516)</u>	<u>(7,630)</u>	<u>1,040</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>4,762</u>	<u>(1,516)</u>	<u>(7,630)</u>	<u>1,040</u>
	<u>4,762</u>	<u>(1,516)</u>	<u>(7,630)</u>	<u>1,040</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 fourth financial quarter ended 31 December 2025

Condensed Consolidated Statement of Financial Position as at 31 December 2025

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

	(Unaudited) As At End Of Current Quarter 31 Dec 2025 RM'000	(Audited) Preceding Financial Year-Ended 31 Dec 2024 RM'000
Non-Current Assets		
Property, plant and equipment	22,213	25,209
Investment properties	6,016	6,124
Right-of-use assets	28,870	27,075
Other assets	23	24
Deferred tax assets	956	957
Other receivables, deposits and prepayments	20	18
	<u>58,098</u>	<u>59,407</u>
Current Assets		
Inventories	67,010	78,044
Trade receivables	58,426	60,140
Other receivables, deposits and prepayments	2,732	4,797
Tax recoverable	2,075	3,237
Fixed deposits with licensed banks	37,122	55,200
Cash and bank balances	37,596	38,224
	<u>204,961</u>	<u>239,642</u>
TOTAL ASSETS	<u>263,059</u>	<u>299,049</u>
Equity		
Equity attributable to equity holders of the parent		
Share capital	87,195	86,977
Treasury shares	(214)	(432)
Exchange translation reserve	(210)	(37)
Retained earnings	105,801	114,228
Total equity	<u>192,572</u>	<u>200,736</u>
Non-Current Liabilities		
Lease liabilities	1,206	4
Deferred taxation	-	203
	<u>1,206</u>	<u>207</u>
Current Liabilities		
Trade payables	13,386	18,712
Other payables	8,987	10,273
Short term lease liabilities	1,726	831
Short term borrowings	43,856	66,247
Tax payable	-	523
Provision	991	846
Contract liabilities	335	674
	<u>69,281</u>	<u>98,106</u>
Total Liabilities	<u>70,487</u>	<u>98,313</u>
TOTAL EQUITY AND LIABILITIES	<u>263,059</u>	<u>299,049</u>
Net Asset per share attributable to ordinary equity holders of the parent (RM)	<u>1.21</u>	<u>1.27</u>

(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 December 2025

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

	(Unaudited) Cumulative Current Year 31 Dec 2025 RM'000	(Audited) Cumulative Preceding Year 31 Dec 2024 RM'000
Cash flows from operating activities		
Profit before tax	(8,302)	3,052
Adjustments for:		
Amortisation of other assets	-	1
Bad debt recovered	(43)	-
Bad debt written off	-	5
Depreciation of property, plant and equipment	3,721	3,391
Depreciation of investment properties	108	108
Depreciation of right-of-use assets	2,151	1,389
Fair value loss on financial assets	-	1
Gain on disposal of property, plant and equipment	(1)	(43)
Allowance for slow moving inventories	439	3
Impairment loss on trade receivables	571	1,043
Impairment loss on property, plant and equipment and right-of-use assets	-	1,500
Interest expense	2,252	2,718
Interest income	(2,314)	(2,850)
Inventories written off	5,862	-
Inventories written down in value	162	-
Property, plant and equipment written off	5,464	74
Provision for sales tax	-	845
Reversal of impairment loss on trade receivables	(619)	-
Reversal of slow moving inventories	(54)	-
Unrealised loss on foreign exchange	203	160
Gain on lease modification	-	(2)
Operating profit before working capital changes	<u>9,600</u>	<u>11,395</u>
Changes in working capital:		
Inventories	4,624	(8,826)
Trade and other receivables	3,822	(4,202)
Trade and other payables	(6,806)	13,579
Contract liabilities	(339)	36
Cash generated from operations	<u>10,901</u>	<u>11,982</u>
Interest received	2,314	2,850
Interest paid	(2,252)	(2,718)
Income tax refunded	3,184	-
Income tax paid	(1,693)	(1,966)
Net cash generated from operating activities	<u>12,454</u>	<u>10,148</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	5	198
Purchase of property, plant and equipment	(5,157)	(7,252)
Addition of right-of-use assets	(3,356)	(7,440)
Placement of fixed deposits with licensed banks	(6,222)	-
Withdrawal of deposits with licensed banks	8,500	-
Net cash used in from investing activities	<u>(6,230)</u>	<u>(14,494)</u>

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

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

	(Unaudited) Cumulative Current Year 31 Dec 2025 RM'000	(Audited) Cumulative Preceding Year 31 Dec 2024 RM'000
Cash flows from financing activities		
Settlement of share grant plan	393	-
Dividend paid	(797)	(4,781)
Repayment of hire purchase payables	(117)	(1,363)
Repayment of lease liabilities	(1,955)	(1,015)
Repayment of bank borrowings	(203,590)	(230,224)
Drawdown of bank borrowings	181,316	212,294
Net cash used in financing activities	(24,750)	(25,089)
Net decrease in cash and cash equivalents	(18,526)	(29,435)
Effect of exchange rate fluctuations on cash held	(180)	(73)
Cash and cash equivalents at beginning of financial year	93,424	122,932
Cash and cash equivalents at end of financial period	74,718	93,424
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	37,122	55,200
Cash and bank balances	37,596	38,224
	74,718	93,424

(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 forth financial quarter ended 31 December 2025

Page 6

Condensed Consolidated Statement of Changes in Equity for the quarter ended 31 December 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	
Balance as at 1 January 2025	86,977	(432)	(37)	114,228	200,736
Profit for the period	-	-	-	(7,630)	(7,630)
Employee benefit reserve	43	-	-	-	43
Settlement of share grant plan	175	218	-	-	393
Exchange translation reserve	-	-	(173)	-	(173)
Total comprehensive income for the period	218	218	(173)	(7,630)	(7,367)
Dividends	-	-	-	(797)	(797)
Balance as at 31 December 2025	87,195	(214)	(210)	105,801	192,572
Balance as at 1 January 2024	86,677	(650)	(6)	117,937	203,958
Profit for the period	-	-	-	1,071	1,071
Settlement of share grant plan	300	218	-	-	518
Exchange difference on translation of foreign operation	-	-	(31)	-	(31)
Total comprehensive income for the period	-	-	(31)	1,071	1,558
Dividends	-	-	-	(4,780)	(4,780)
Balance as at 31 December 2024	86,977	(432)	(37)	114,228	200,736

(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 December 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 December 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 December 2025 are as follows:

	Number of Treasury Shares	Total consideration RM
Balance as at 30 September 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 31 December 2025	472,966	214,447

There were no additional repurchase of shares since 1 October 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 December 2025 are as follows:

(a) Geographical segments

Revenue by geographical location of customers:

<u>Location</u>	Consolidated RM'000
Malaysia	257,158
Asia (other than Malaysia)	5,354
Africa (Mauritius)	1,239
Oceania (Papua New Guinea)	38,866
Total	<u>302,617</u>

Notes on the quarterly report – 31 December 2025

A8. Segment information-continued

(b) Business segments

	Processed papers products RM'000	Disposable fibre-based products RM'000	Investment holding and others RM'000	Adjustments and elimination RM'000	Consolidation RM'000
Revenue					
External customer	219,737	82,800	-	-	302,617
Inter-segment	82,928	25,225	1,375	(109,528)	-
Total revenue	<u>302,665</u>	<u>108,025</u>	<u>1,375</u>	<u>(109,528)</u>	<u>302,617</u>
Results					
Segment results	3,045	(10,671)	(542)	(196)	(8,364)
Interest income	1,277	893	1,058	(914)	2,314
Finance costs	(2,944)	(288)	-	980	(2,252)
Profit (Loss) before taxation	1,378	(10,066)	516	(130)	(8,302)
Taxation	(350)	267	755	-	672
Net profit (loss) for the financial period	<u>1,028</u>	<u>(9,799)</u>	<u>1,271</u>	<u>(130)</u>	<u>(7,630)</u>
Assets					
Additions to non-current assets	886	4,243	28	-	5,157
Segment assets	<u>150,722</u>	<u>107,570</u>	<u>90,104</u>	<u>(85,337)</u>	<u>263,059</u>

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 December 2025

A14. Capital commitments

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

Authorised and contracted for:	
- Property, plant and equipment	RM1,710,312

Notes on the quarterly report – 31 December 2025

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

B1. Review of performance

	Individual Period			Cumulative Period		
	Current Year Quarter 31.12.2025 RM'000	Preceding Year Corresponding Quarter 31.12.2024 RM'000	Changes (RM'000 / %)	Current Year To- date 31.12.2025 RM'000	Preceding Year Corresponding Period 31.12.2024 RM'000	Changes (RM'000 / %)
Revenue	65,497	85,601	(20,104) / (23.5%)	302,617	308,760	(6,143) / (2.0%)
Operating Profit (Loss)	3,182	(1,793)	4,975 / 277.5%	(8,364)	2,919	(11,283) / (386.5%)
Profit (Loss) Before Tax	3,335	(1,055)	4,390 / 416.1%	(8,302)	3,052	(11,354) / (372.0%)
Profit (Loss) After Tax	4,762	(1,485)	7,740 / 521.2%	(7,630)	1,071	(8,701) / (812.4%)
Profit (Loss) Attributable to Ordinary Equity Holders of the Parent	4,762	(1,485)	5,247 / 420.7%	(7,630)	1,071	(8,701) / (812.4%)

The Group recorded revenue of RM65.5 million for the current quarter, a decrease of approximately RM20.1 million as compared to RM85.6 million in the preceding year's corresponding quarter mainly due to decrease sales in both processed paper products and disposable fibre-based products as a result of a decrease in the paper price of processed paper products and lower demand in disposable fibre-based products.

The Group recorded a profit before tax of RM3.3 million for the current quarter under review, a substantial increase of RM4.3 million as compared to a loss before tax of RM1.0 million in the preceding year's corresponding quarter mainly attributed to insurance compensation recognised in relation to the fire incident at the factory and warehouse of a wholly-owned subsidiary.

B2. Variation of results against immediate preceding quarter

	Current Quarter 31.12.2025 RM'000	Immediate Preceding Quarter 30.09.2025 RM'000	Changes (Amount / %) RM'000 / %
Revenue	65,497	77,722	(12,225) / (15.7%)
Operating Profit (Loss)	3,182	(1,900)	5,082 / 267.5%
Profit (Loss) Before Tax	3,335	(2,187)	5,522 / 252.5%
Profit (Loss) After Tax	4,762	(2,744)	7,506 / 273.5%
Profit (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	4,762	(2,744)	7,506 / 273.5%

The Group recorded revenue of RM65.5 million for the current quarter, a decrease of approximately RM12.2 million as compared to RM77.7 million in the immediate preceding quarter mainly due to decrease sales in both processed paper products and disposable fibre-based products as a result

Notes on the quarterly report – 31 December 2025

of a decrease in the paper price of processed paper products and lower export sales in disposable fibre-based products.

The Group recorded a profit before tax of RM3.3 million for the current quarter as compared to a loss before tax of RM2.2 million in the immediate preceding quarter for the period ended 30 September 2025 mainly due to insurance compensation recognised in relation to the fire incident at the factory and warehouse of a wholly-owned subsidiary.

B3. Prospects

The Group remains proactive in navigating inflationary pressures, commodity price volatility, and currency fluctuations through disciplined cost management and ongoing operational optimisation. Looking ahead, the Group is actively accelerating its digital commerce initiatives by leveraging social media platforms, online marketplaces, and direct-to-consumer e-commerce channels to drive revenue growth, enhance brand visibility, improve customer acquisition efficiency, and broaden market reach. These initiatives are expected to strengthen the Group's competitive positioning and support sustainable long-term growth.

The Company remains focused on safeguarding and enhancing shareholder value through prudent financial management and sustainable business practices. Despite external challenges, management is confident in the Group's long-term prospects, supported by stable operations, disciplined cost control, and strategic growth initiatives. The Board believes that these efforts will continue to deliver sustainable returns and strengthen value creation for shareholders.

B4. Variance of actual and forecast profit

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

B5. Tax expense

	Current quarter ended 31.12.2025 RM'000	Current year to date 31.12.2025 RM'000
Estimated tax payable:		
Current	205	708
(Over) / Under provision in prior financial year	(1,430)	(1,179)
Deffered taxation	(201)	(201)
Total	<u>(1,427)</u>	<u>(672)</u>

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 and tax credit as a result of tax refund from IRB.

B6. Status of corporate proposal

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

Notes on the quarterly report – 31 December 2025

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	43,856	-	43,856
Total	43,856	-	43,856

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.

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 31.12.2025 RM'000	3 months Ended 31.12.2024 RM'000	12 months Ended 31.12.2025 RM'000	12 months Ended 31.12.2024 RM'000
a) Profit attributable to equity holders of the parent (RM'000)	4,762	(1,485)	(7,630)	1,071
b) Weighted average number of ordinary shares ('000):	160,162	159,356	159,789	159,356
c) Earnings per ordinary share (sen):				
i) Basic	2.97	(0.93)	(4.78)	0.68
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.

Notes on the quarterly report – 31 December 2025

B12. Notes to the statement of comprehensive income

	Quarter Ended	
	31.12.2025	31.12.2024
	RM'000	RM'000
Allowance for slow moving inventories	439	3
Bad debt recovered	(43)	-
Bad debt written off	-	5
Depreciation and amortization	5,980	4,888
Gain on disposal of property, plant and equipment	(1)	(43)
Impairment loss on trade receivables	571	1,043
Interest expense	2,252	2,718
Interest income	(2,314)	(2,850)
Impairment loss on property, plant and equipment and right-of-use assets	-	1,500
Inventory written off	5,862	-
Inventories written down in value	162	-
Property, plant and equipment written off	5,464	74
Provision for sales tax	-	845
Reversal of impairment loss on trade receivables	(619)	-
Reversal of impairment on slow moving inventories	(54)	-
Unrealised loss on foreign exchange	203	160
Gain on lease modification	-	2

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 December 2025.

B13. Authorisation for issue

The interim financial report was authorised for issuance by the Board of Directors of the Company on 26 February 2026.