WANG-ZHENG BERHAD

[Registration No.: 200301009817 (612237-K)]

(Incorporated in Malaysia)

CONSOLIDATED FINANCIAL RESULTS AND NOTES
2nd QUARTER ENDED 30 JUNE 2026

Condensed Consolidated Income Statement for the quarter ended 30 June 2026
(The figures presented here have not been audited unless stated otherwise)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 30 Jun 2026 RM'000	Preceding Year Corresponding Quarter 30 Jun 2025 RM'000	Current Year To Date 30 Jun 2026 RM'000	Preceding Year Corresponding Period 30 Jun 2025 RM'000
Revenue	81,557	79,353	148,770	159,398
Cost of sales	(70,514)	(69,989)	(129,727)	(141,950)
Gross profit	11,043	9,364	19,043	17,448
Other income	7,417	1,882	16,062	2,628
Marketing and distribution expenses	(7,063)	(5,336)	(12,749)	(9,400)
Administration expenses	(4,757)	(5,653)	(9,308)	(9,556)
Operating Profit	6,640	257	13,048	1,120
Interest income	541	605	983	1,241
Finance costs	(545)	(585)	(1,008)	(1,379)
Other Expenses	-	(10,431)	-	(10,431)
Profit before tax	6,636	(10,154)	13,023	(9,449)
Income tax expense	(198)	5	(379)	(198)
Profit for the period	6,438	(10,149)	12,644	(9,647)
Profit attributed to:				
Equity holders of the parent	6,438	(10,149)	12,644	(9,647)
	6,438	(10,149)	12,644	(9,647)
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	4.02	(6.36)	7.89	(6.05)
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 2025 and the accompanying explanatory notes attached to the interim financial statements)

Condensed Consolidated Statement of Comprehensive Income for the quarter ended 30 June 2026
(The figures presented here have not been audited unless stated otherwise)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 30 Jun 2026 RM'000	Preceding Year Corresponding Quarter 30 Jun 2025 RM'000	Current Year To Date 30 Jun 2026 RM'000	Preceding Year Corresponding Period 30 Jun 2025 RM'000
Profit for the period	6,438	(10,149)	12,644	(9,647)
Other comprehensive income:				
- Foreign currency translation	-	(49)	-	(57)
Total comprehensive income for the period	6,438	(10,198)	12,644	(9,704)
Total comprehensive income attributable to:				
Equity holders of the parent	6,438	(10,198)	12,644	(9,704)
	6,438	(10,198)	12,644	(9,704)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements)

Condensed Consolidated Statement of Financial Position as at 30 June 2026
(The figures presented here have not been audited unless stated otherwise)

	As At End Of Current Quarter 30 Jun 2026 RM'000	(Audited) Preceding Financial Year-Ended 31 Dec 2025 RM'000
Non-Current Assets		
Property, plant and equipment	27,120	22,213
Investment properties	5,467	5,515
Right-of-use assets	28,537	29,371
Other assets	23	23
Deferred tax assets	957	957
Other receivables, deposits and prepayments	340	255
	62,444	58,334
Current Assets		
Inventories	56,318	67,134
Trade receivables	57,071	58,653
Other receivables, deposits and prepayments	1,881	2,239
Tax recoverable	1,474	2,044
Fixed deposits with licensed banks	36,356	37,122
Cash and bank balances	61,265	37,596
	214,365	204,788
TOTAL ASSETS	276,809	263,122
Equity		
Equity attributable to equity holders of the parent		
Share capital	87,125	87,152
Treasury shares	-	(214)
Employee share options reserve	64	43
Exchange translation reserve	(202)	(192)
Retained earnings	118,394	105,750
Total equity	205,381	192,539
Non-Current Liabilities		
Lease liabilities	88	1,831
	88	1,831
Current Liabilities		
Trade payables	8,544	13,548
Other payables	7,740	8,926
Short term lease liabilities	2,302	1,101
Short term borrowings	52,339	43,852
Tax payable	23	-
Provision	392	990
Contract liabilities	-	335
	71,340	68,752
Total Liabilities	71,428	70,583
TOTAL EQUITY AND LIABILITIES	276,809	263,122
Net Asset per share attributable to ordinary equity holders of the parent (RM)	1.29	1.20

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements)

Condensed Consolidated Statement of Cash Flows for the quarter ended 30 June 2026
(The figures presented here have not been audited unless stated otherwise)

	Cumulative Current Year 30 Jun 2026 RM'000	Cumulative Preceding Year 30 Jun 2025 RM'000
Cash flows from operating activities		
Profit before tax	13,023	(9,449)
Adjustments for:		
Allowance for slow moving inventories	112	-
Bad debt recovered	-	(5)
Depreciation of property, plant and equipment	1,890	2,144
Depreciation of investment properties	48	54
Depreciation of right-of-use assets	1,234	1,164
Gain on disposal of property, plant and equipment	(100)	-
Interest expense	1,008	1,379
Interest income	(983)	(1,241)
Inventories written off	-	4,994
Property, plant and equipment written off	-	5,437
Reversal of impairment loss on trade receivables	(368)	(356)
Unrealised gain on foreign exchange	(532)	(1,725)
Share grant plan expenses	174	-
Operating profit before working capital changes	15,506	2,396
Changes in working capital:		
Inventories	10,704	15,077
Trade and other receivables	2,755	(4,661)
Trade and other payables	(6,788)	(5,437)
Contract liabilities	(335)	-
Cash generated from operations	21,842	7,375
Interest received	983	1,241
Interest paid	(1,008)	(1,379)
Income tax refunded	877	624
Income tax paid	(606)	(860)
Net cash generated from operating activities	22,088	7,001
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	100	-
Purchase of property, plant and equipment	(6,797)	(1,583)
Placement of fixed deposits with licensed banks	1,019	-
Withdrawal of deposits with licensed banks	(1,785)	-
Net cash used in from investing activities	(7,463)	(1,583)

Condensed Consolidated Statement of Cash Flows for the quarter ended 30 June 2026
(The figures presented here have not been audited unless stated otherwise)

	Cumulative Current Year 30 Jun 2026 RM'000	Cumulative Preceding Year 30 Jun 2025 RM'000
Cash flows from financing activities		
Dividend paid	-	(797)
Repayment of lease liabilities	(7)	(535)
Repayment of bank borrowings	(74,564)	(106,656)
Drawdown of bank borrowings	83,051	88,276
Net cash generated from/(used in) financing activities	8,480	(19,712)
Net increase/(decrease) in cash and cash equivalents	23,105	(14,294)
Effect of exchange rate fluctuations on cash held	(202)	(95)
Cash and cash equivalents at beginning of financial year	74,718	93,424
Cash and cash equivalents at end of financial period	**97,621**	**79,035**
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	36,356	42,200
Cash and bank balances	61,265	36,835
	97,621	**79,035**

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements)

Condensed Consolidated Statement of Changes in Equity for the quarter ended 30 June 2026
(The figures presented here have not been audited)

	-------------- Attributable to Equity Holders of the Parent ------------					
		Non-distributable			Distributable	
	Share Capital RM'000	Treasury Shares RM'000	Employee Share Options Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Profit RM'000	Total RM'000
Balance as at 1 January 2026	87,152	(214)	43	(192)	105,750	192,539
Profit for the period	-	-	-	-	12,644	12,644
Employee benefit reserve	-	-	21	-	-	21
Settlement of share grant plan	(27)	214	-	-	-	187
Exchange translation reserve	-	-	-	(10)	-	(10)
Total comprehensive income for the period	(27)	214	21	(10)	12,644	12,842
Balance as at 30 June 2026	87,125	-	64	(202)	118,394	205,381
Balance as at 1 January 2025	86,977	(432)	-	(37)	114,228	200,736
Profit for the period	-	-	-	(58)	(9,647)	(9,705)
Settlement of share grant plan	175	218	-		-	393
Total comprehensive income for the period	-	-	-	(58)	(9,647)	(9,312)
Dividends	-	-		-	(797)	(797)
Balance as at 30 June 2025	87,152	(214)	-	(95)	103,784	190,627

(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 June 2026

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 2025. 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 2025.

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 2025.

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
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to 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 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: -

On 25 June 2026, the Company transferred 472,966 of its treasury shares for the settlement of shares granted to eligible employees and executive directors of the Group under the Share Grant Plan Awards pursuant to the Long-Term Incentive Plan (LTIP) approved by the shareholders at an Extraordinary General Meeting held on 30 January 2024.

The details of shares held as treasury shares for the period ended 30 June 2026 are as follows:

	Number of Treasury Shares	Total consideration RM
Balance as at 31 March 2026	472,966	214,447
Transfer for the settlement of Share Grant Plan during the quarter	(472,966)	(214,447)
Repurchased during the quarter	0	0
Balance as at 30 June 2026	0	0

There were no additional repurchase of shares since 1 April 2026.

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 June 2026 are as follows:

(a) **Geographical segments**

Revenue by geographical location of customers:

Location	Consolidated RM'000
Malaysia	129,991
Asia (other than Malaysia)	1,781
Africa (Mauritius)	443
Oceania (Papua New Guinea)	16,555
Total	148,770

Notes on the quarterly report – 30 June 2026

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	103,473	45,297	-	-	148,770
Inter-segment	36,111	18,085	720	(54,916)	-
Total revenue	139,584	63,382	720	(54,916)	148,770
Results					
Segment results	1,547	12,336	(740)	(95)	13,048
Interest income	496	406	488	(407)	983
Finance costs	(1,225)	(210)	-	427	(1,008)
Other expanses	-	-	-	-	-
Profit (Loss) before taxation	818	12,532	(252)	(75)	13,023
Taxation	(375)	(11)	(7)	-	(379)
Net profit (loss) for the financial period	443	12,521	(245)	(75)	12,644
Assets					
Additions to non-current assets	791	6,000	6	-	6,797
Segment assets	153,334	118,938	90,324	(85,787)	276,809

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.

A14. Capital commitments

Capital commitments for the purchase of property, plant and equipment in the interim financial statements as at 30 June 2026 are as below:

Authorised and contracted for:	
- Property, plant and equipment	RM1,024,994

Notes on the quarterly report – 30 June 2026

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

B1. Review of performance

	Individual Period			Cumulative Period		
	Current Year Quarter 30.06.2026 RM'000	Preceding Year Corresponding Quarter 30.06.2025 RM'000	Changes (RM'000 / %)	Current Year To- date 30.06.2026 RM'000	Preceding Year Corresponding Period 30.06.2025 RM'000	Changes (RM'000 / %)
Revenue	81,557	79,353	2,204 / 2.8%	148,770	159,398	(10,628) / (6.7%)
Operating Profit	6,814	257	6,557 / 2,551.4%	13,222	1,120	12,102 / 1,080.5%
Profit/(Loss)Before Tax	6,810	(10,154)	16,964 / 167.1%	13,197	(9,449)	22,646 / 239.7%
Profit/(Loss) After Tax	6,569	(10,149)	16,718 / 164.7%	12,775	(9,647)	22,422 / 232.4%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	6,569	(10,149)	16,718 / 164.7%	12,775	(9,647)	22,422 / 232.4%

The Group recorded revenue of RM81.6 million for the current quarter, an increase of approximately RM2.2 million as compared to RM79.4 million in the preceding year corresponding quarter was mainly due to increase sales in processed paper products as a result of higher demand in processed paper products.

The Group recorded a profit before tax of RM6.8 million for the current quarter under review, a significant increase of RM17 million as compared to a loss before tax of approximately RM10.2 million in the preceding year 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 30.06.2026 RM'000	Immediate Preceding Quarter 31.03.2026 RM'000	Changes (Amount / %) RM'000 / %
Revenue	81,557	67,213	14,344 / 21.3%
Operating Profit	6,814	6,407	407 / 6.4%
Profit Before Tax	6,810	6,387	423 / 6.6%
Profit After Tax	6,569	6,206	363 / 5.8%
Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	6,569	6,206	363 / 5.8%

The Group recorded a profit before tax of RM6.8 million for the current quarter compared to profit before tax of RM6.4 million in the immediate preceding quarter for the period ended 31 March 2026 mainly attributed to insurance compensation recognised in relation to the fire incident at the factory and warehouse of a wholly-owned subsidiary.

B3. Prospects

The Group continues to operate in a challenging business environment characterised by inflationary pressures, fluctuations in commodity prices, foreign exchange volatility, and ongoing geopolitical uncertainties. The continued tensions in the Middle East have contributed to higher oil prices, increased shipping costs, and rising raw material prices, all of which have placed additional pressure on the Group's operating costs.

In response, the Group has reinforced its cost management initiatives by enhancing procurement planning, strengthening operational efficiency, and implementing prudent cost control measures to safeguard business resilience and operational stability. Concurrently, the Group continues to accelerate its digital commerce strategy by leveraging social media platforms and e-commerce channels to drive sales growth, expand market reach, and strengthen customer engagement.

Despite the challenging operating landscape, the Board and Management remain cautiously optimistic about the Group's current year prospects. This confidence is underpinned by disciplined financial management, stable business operations, ongoing cost optimisation initiatives, and the Group's commitment to enhancing operational excellence while pursuing sustainable long-term growth.

B4. Variance of actual and forecast profit

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

B5. Tax expense

	Current quarter ended 30.06.2026 RM'000	Current year to date 30.06.2026 RM'000
Estimated tax payable:		
Current	198	379
Total	198	379

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	52,339	-	52,339
Total	52,339	-	52,339

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 30.06.2026 RM'000	3 months Ended 30.06.2025 RM'000	6 months Ended 30.06.2026 RM'000	6 months Ended 30.06.2025 RM'000
a)	Profit (Loss) attributable to equity holders of the parent (RM'000)	6,438	(10,149)	12,644	(9,647)
b)	Weighted average number of ordinary shares ('000):	160,188	159,463	160,175	159,410
c)	Earnings per ordinary share (sen):				
	i) Basic	4.10	(6.36)	7.98	(6.05)
	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 30.06.2026 RM'000	Quarter Ended 30.06.2025 RM'000
Allowance for slow moving inventories	112	-
Bad debt recovered	-	(5)
Interest income	(983)	(1,241)
Interest expense	1,008	1,379
Inventories written off	-	4,994
Depreciation and amortisation	3,172	3,362
Property, plant and equipment written off	-	5,437
Reversal of impairment loss on trade receivables	(368)	(356)
Gain on disposal of property, plant and equipment	(100)	-
Unrealised gain on foreign exchange	(532)	(1,725)
Share grant plan expenses	174	-

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 June 2026.

Notes on the quarterly report – 30 June 2026

B13. Authorisation for issue

The interim financial report was authorised for issuance by the Board of Directors of the Company on 12 August 2026.