WANG-ZHENG BERHAD

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

(Incorporated in Malaysia)

CONSOLIDATED FINANCIAL RESULTS AND NOTES
1st QUARTER ENDED 31 MARCH 2026

Condensed Consolidated Income Statement for the quarter ended 31 March 2026
(The figures presented here have not been audited unless stated otherwise)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 31 Mar 2026 RM'000	Preceding Year Corresponding Quarter 31 Mar 2025 RM'000	Current Year To Date 31 Mar 2026 RM'000	Preceding Year Corresponding Period 31 Mar 2025 RM'000
Revenue	67,213	80,044	67,213	80,044
Cost of sales	(59,213)	(71,960)	(59,213)	(71,960)
Gross profit	8,000	8,084	8,000	8,084
Other income	8,645	745	8,645	745
Marketing and distribution expenses	(5,687)	(4,064)	(5,687)	(4,064)
Administration expenses	(4,551)	(3,902)	(4,551)	(3,902)
Operating Profit	6,407	863	6,407	863
Interest income	442	637	442	637
Finance costs	(462)	(794)	(462)	(794)
Profit before tax	6,387	706	6,387	706
Income tax expense	(181)	(204)	(181)	(204)
Profit for the period	6,206	502	6,206	502
Profit attributed to:				
Equity holders of the parent	6,206	502	6,206	502
	6,206	502	6,206	502
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	3.87	0.32	3.87	0.32
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 31 March 2026
(The figures presented here have not been audited unless stated otherwise)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 31 Mar 2026 RM'000	Preceding Year Corresponding Quarter 31 Mar 2025 RM'000	Current Year To Date 31 Mar 2026 RM'000	Preceding Year Corresponding Period 31 Mar 2025 RM'000
Profit for the period	6,206	502	6,206	502
Other comprehensive income:				
- Foreign currency translation	-	8	-	8
Total comprehensive income for the period	6,206	510	6,206	510
Total comprehensive income attributable to:				
Equity holders of the parent	6,206	510	6,206	510
	6,206	510	6,206	510

(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 31 March 2026
(The figures presented here have not been audited unless stated otherwise)

	As At End Of Current Quarter 31 Mar 2026 RM'000	(Audited) Preceding Financial Year-Ended 31 Dec 2025 RM'000
Non-Current Assets		
Property, plant and equipment	24,805	22,213
Investment properties	5,491	5,515
Right-of-use assets	28,950	29,371
Other assets	23	23
Deferred tax assets	957	957
Other receivables, deposits and prepayments	20	255
	60,246	58,334
Current Assets		
Inventories	56,821	67,134
Trade receivables	54,967	58,653
Other receivables, deposits and prepayments	1,942	2,239
Tax recoverable	1,345	2,044
Fixed deposits with licensed banks	37,766	37,122
Cash and bank balances	32,317	37,596
	185,158	204,788
TOTAL ASSETS	245,404	263,122
Equity		
Equity attributable to equity holders of the parent		
Share capital	87,210	87,195
Treasury shares	(214)	(214)
Exchange translation reserve	(218)	(192)
Retained earnings	111,956	105,750
Total equity	198,734	192,539
Non-Current Liabilities		
Lease liabilities	40	1,831
	40	1,831
Current Liabilities		
Trade payables	10,511	13,548
Other payables	9,270	8,926
Short term lease liabilities	2,619	1,101
Short term borrowings	23,654	43,852
Provision	576	990
Contract liabilities	-	335
	46,630	68,752
Total Liabilities	46,670	70,583
TOTAL EQUITY AND LIABILITIES	245,404	263,122
	-	
Net Asset per share attributable to ordinary equity holders of the parent (RM)	1.24	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 31 March 2026
(The figures presented here have not been audited unless stated otherwise)

	Cumulative Current Year 31 Mar 2026 RM'000	Cumulative Preceding Year 31 Mar 2025 RM'000
Cash flows from operating activities		
Profit before tax	6,387	706
Adjustments for:		
Bad debt recovered	-	(5)
Depreciation of property, plant and equipment	896	1,076
Depreciation of investment properties	24	27
Depreciation of right-of-use assets	618	577
Gain on disposal of property, plant and equipment	(20)	-
Interest expense	462	794
Interest income	(442)	(637)
Reversal of impairment loss on trade receivables	(243)	(221)
Unrealised gain on foreign exchange	(214)	(13)
Operating profit before working capital changes	7,468	2,304
Changes in working capital:		
Inventories	10,313	11,060
Trade and other receivables	4,675	(3,313)
Trade and other payables	(3,442)	(9,149)
Contract liabilities	(335)	(674)
Cash generated from operations	18,679	228
Interest received	442	637
Interest paid	(462)	(794)
Income tax refunded	877	624
Income tax paid	(302)	(406)
Net cash generated from operating activities	19,234	289
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	20	-
Purchase of property, plant and equipment	(3,488)	(1,431)
Net cash used in from investing activities	(3,468)	(1,431)

Condensed Consolidated Statement of Cash Flows for the quarter ended 31 March 2026
(The figures presented here have not been audited unless stated otherwise)

	Cumulative Current Year 31 Mar 2026 RM'000	Cumulative Preceding Year 31 Mar 2025 RM'000
Cash flows from financing activities		
Repayment of lease liabilities	-	(105)
Repayment of bank borrowings	(52,898)	(53,053)
Drawdown of bank borrowings	32,700	45,499
Net cash used in financing activities	(20,198)	(7,659)
Net decrease in cash and cash equivalents	(4,432)	(8,801)
Effect of exchange rate fluctuations on cash held	(203)	(29)
Cash and cash equivalents at beginning of financial year	74,718	93,424
Cash and cash equivalents at end of financial period	**70,083**	**84,594**
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	37,766	42,700
Cash and bank balances	32,317	41,895
	70,083	84,595

(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 31 March 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	-	-	-	-	6,206	6,206
Employee benefit reserve	-	-	15		-	15
Exchange translation reserve	-	-	-	(26)	-	(26)
Total comprehensive income for the period	-	-	15	(26)	6,206	6,195
Balance as at 31 March 2026	87,152	(214)	58	(218)	111,956	198,734
Balance as at 1 January 2025	86,977	(432)	-	(37)	114,228	200,736
Profit for the period	-	-	-	8	502	510
Settlement of share grant plan	-	-	-		-	-
Total comprehensive income for the period	-	-	-	8	502	510
Balance as at 31 March 2025	86,977	(432)	-	(29)	114,730	201,246

(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 2025 and the accompanying explanatory notes attached to the financial statements)

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: -

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 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 March 2026	472,966	214,447

There were no additional repurchase of shares since 1 January 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 31 March 2026 are as follows:

(a) **Geographical segments**

Revenue by geographical location of customers:

Location	Consolidated RM'000
Malaysia	58,591
Asia (other than Malaysia)	514
Africa (Mauritius)	172
Oceania (Papua New Guinea)	7,936
Total	67,213

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	46,493	20,720	-	-	67,213
Inter-segment	15,589	7,940	360	(23,889)	-
Total revenue	62,082	28,660	360	(23,889)	67,213
Results					
Segment results	683	6,120	(367)	(29)	6,407
Interest income	264	157	228	(207)	442
Finance costs	(586)	(94)	-	218	(462)
Profit (Loss) before Taxation	361	6,183	(139)	(18)	6,387
Taxation	(182)	-	1	-	(181)
Net profit (loss) for the financial period	179	6,183	(138)	(18)	6,206
Assets					
Additions to non-current assets	424	3,312	1	-	3,737
Segment assets	121,010	119,281	90,028	(84,915)	245,404

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 31 March 2026 are as below:

Authorised and contracted for:	
- Property, plant and equipment	RM2,326,059

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

B1. Review of performance

	Individual Period			Cumulative Period		
	Current Year Quarter 31.03.2026 RM'000	Preceding Year Corresponding Quarter 31.03.2025 RM'000	Changes (RM'000 / %)	Current Year To- date 31.03.2026 RM'000	Preceding Year Corresponding Period 31.03.2025 RM'000	Changes (RM'000 / %)
Revenue	67,213	80,044	(12,831) / (16.0%)	67,213	80,044	(12,831) / (16.0%)
Operating Profit	6,407	863	5,544 / 642.4%	6,407	863	5,544 / 642.4%
Profit Before Tax	6,387	706	5,681 / 804.7%	6,387	706	5,681 / 804.7%
Profit After Tax	6,206	502	5,704 / 1,136.3%	6,206	502	5,704 / 1,136.3%
Profit Attributable to Ordinary Equity Holders of the Parent	6,206	502	5,704 / 1,136.3%	6,206	502	5,704 / 1,136.3%

The Group recorded revenue of RM67.2 million for the current quarter, a decrease of approximately RM12.8 million as compared to RM80.0 million in the preceding year corresponding quarter mainly due to a decrease sale in processed paper products as a result of intensified competition and lower demand in processed paper products.

The Group recorded a profit before tax of RM6.4 million for the current quarter under review, a substantial increase of RM5.7 million as compared to profit before tax of RM0.7 million in the preceding year corresponding quarter mainly due 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 31.03.2026 RM'000	Immediate Preceding Quarter 31.12.2025 RM'000	Changes (Amount / %) RM'000 / %
Revenue	67,213	65,497	1,716 / 2.6%
Operating Profit	6,407	3,182	3,225 / 101.4%
Profit Before Tax	6,387	3,335	3,052 / 91.5%
Profit After Tax	6,206	4,762	1,444 / 30.3%
Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	6,206	4,762	1,444 / 30.3%

The Group recorded profit before tax of RM6.4 million for the current quarter compared to profit before tax of RM3.3 million in the immediate preceding quarter for the period ended 31 December 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 continues to face challenges arising from inflationary pressures, commodity price fluctuations, foreign exchange volatility, and geopolitical uncertainties. Ongoing tensions in the Middle East have resulted in higher oil prices, increased shipping costs, and rising raw material prices, which continue to impact the Group's operating costs.

To mitigate these challenges, the Group has strengthened its cost control measures, procurement planning, and operational efficiency initiatives to maintain business resilience and stability. At the same time, the Group continues to expand its digital commerce strategy through social media and e-commerce channels to enhance sales growth and market presence.

Despite the challenging business environment, management remains cautiously optimistic on the Group's prospects, supported by prudent financial management, stable operations, and ongoing cost optimisation efforts.

B4. Variance of actual and forecast profit

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

B5. Tax expense

	Current quarter ended 31.03.2026 RM'000	Current year to date 31.03.2026 RM'000
Estimated tax payable:		
Current	181	181
Total	181	181

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	23,654	-	23,654
Hire purchase	-	-	-
Total	23,654	-	23,654

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 31.03.2026 RM'000	3 months Ended 31.03.2025 RM'000	3 months Ended 31.03.2026 RM'000	3 months Ended 31.03.2025 RM'000
a)	Profit attributable to equity holders of the parent (RM'000)	6,206	502	6,206	502
b)	Weighted average number of ordinary shares ('000):	160,162	159,356	160,162	159,356
c)	Earnings per ordinary share (sen):				
	i) Basic	3.87	0.32	3.87	0.32
	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	
	31.03.2026 RM'000	31.03.2025 RM'000
Bad debt recovered	-	(5)
Interest income	(442)	(637)
Interest expense	462	794
Depreciation and amortization	1,538	1,680
Reversal of impairment loss on trade receivables	(243)	(221)
Gain on disposal of property, plant and equipment	(20)	-
Unrealised gain on foreign exchange	(214)	(13)

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 2026.

B13. Authorisation for issue

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