

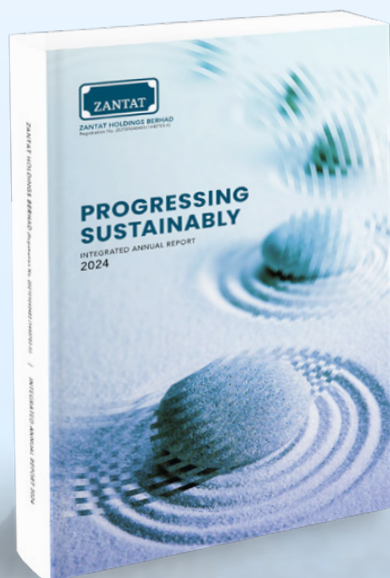


**ZANTAT HOLDINGS BERHAD**  
Registration No. 202101040483 (1440783-X)

# **PROGRESSING SUSTAINABLY**

**INTEGRATED ANNUAL REPORT  
2024**





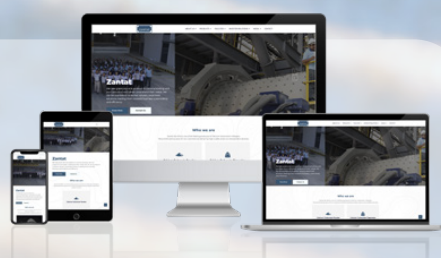
# PROGRESSING SUSTAINABLY

## COVER RATIONALE

The cover of Zantat Holdings Berhad's Integrated Annual Report 2024 illustrates sustainable progress with an image of ripples radiating outward from a central stone. The stone signifies the company's strong foundation, while the ripples reflect its far-reaching impact and commitment to sustainability. The tagline, "Progressing Sustainably," highlights Zantat's focus on harmonious growth and adaptability in a changing landscape. The dynamic distortion of the ripples conveys resilience, symbolising the company's readiness to evolve while maintaining its core values. This design encapsulates Zantat's dedication to driving progress responsibly and creating lasting value for its stakeholders.



Read the online version of Zantat Holdings Berhad Integrated Annual Report 2024 here.



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3<sup>rd</sup>

## Annual General Meeting



### Address

M World Hotel PJ (formerly known as AVANTÉ Hotel), 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor



### Date

Friday, 30 May 2025



### Time

10:00 a.m.

## About this Report

Zantat Holdings Berhad ("Zantat" or the "the Group") is pleased to present our Integrated Annual Report 2024 ("IAR2024"). This report aims to provide a comprehensive overview of Zantat's utilisation of capitals to create long-term sustainable value, for the financial year ended 31 December 2024 ("FYE2024"). The report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

### Reporting Scope & Boundary

Unless otherwise indicated, the content of this IAR2024 reflects data and activities of the Group from 1 January 2024 to 31 December 2024. Where available, data is presented for time frames of 2 to 5 years. Kindly refer to the Five-Years Financial Highlights for specific information. The report focuses on business operations information of Zantat disclosed through the impact it has on the capitals as defined by International Intergrated Reporting Council ("IIRC"). All the six capitals cover information on a consolidated basis.

### Related Information

This IAR2024 is supplemented with additional online disclosures for our stakeholders. These include financial statements, policies and structures of governance, organisational policies and other pertinent information.

The Group's latest corporate announcements are available for viewing on our website: <https://www.zantat.com.my/>

The Group's corporate governance policies, including the Board Charter and its Terms of Reference, Anti-Bribery & Corruption Policy, Code of Conduct & Ethics, and Whistleblowing Policy, can be viewed at: <https://www.zantat.com.my/>

### Reporting Framework

#### Six Capital



Natural Capital



Intellectual Capital



Social & Relationship Capital



Manufactured Capital



Human Capital



Financial Capital

#### Seven Guiding Principles



Strategic Focus & Future Orientation



Connectivity of Information



Conciseness



Reliability & Completeness



Consistency & Comparability



Materiality



Stakeholder Relationships



## About this Report (Cont'd)

### Forward-Looking Statements

The report contains forward-looking statements relating to Zantat's plans, objectives, goals, strategies, future operations, and performance. These statements are subject to inherent risks and uncertainties and should not be construed as guarantees or predictions of the Group's future performance.

Accordingly, readers are cautioned not to place undue reliance on forward-looking statements as actual results and outcomes could differ significantly from those expressed or implied.

### Regulatory Frameworks or Disclosure Guides

- ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad
- The Companies Act 2016 ("Act")
- Malaysian Financial Reporting Standards ("MFRS")
- Malaysian Code On Corporate Governance 2021 ("MCCG 2021")
- Bursa Malaysia Sustainability Reporting Guide – Second Edition
- Global Reporting Initiative (GRI) Standards
- International Integrated Reporting Framework of IIRC

### Online Version and Feedback

This IAR2024 can be downloaded from: <https://www.zantat.com.my/> as well as Bursa Malaysia Securities Berhad's website.

Feedback on this report may be channelled to:

**Ms Aw Ee Ling**

Email: elaw@zantat.com.my

### Eight Content Elements



Governance



Business Model



Risks & Opportunities



Strategy & Resource Allocation



Performance



Outlook



Basis of Preparation & Presentation



Organisational Overview & External Environment

### Material Topics

#### ENVIRONMENTAL STEWARDSHIP



Energy management



Waste management



Water Use Management



Air and greenhouse gas emissions



Biodiversity and Land remediation

#### GOOD GOVERNANCE



Anti-corruption and whistle-blowing



Data privacy and protection



Corporate governance

#### SOCIAL RESPONSIBILITY



Occupational health and safety



Human rights and labour practice



Diversity and inclusion



Community engagement and contribution



Talent management



Supply chain management

## Who We Are, Vision & Mission

# Determination To Excel

Established in 1985 as Zantat Sdn Bhd, our company has evolved into Zantat Holdings Berhad ("**Zantat**") in 2023, marking our public listing in 2024 and continuing our legacy as one of Malaysia's foremost producers of high-grade Calcium Carbonate powder and Calcium Carbonate dispersion products. Helmed by a highly devoted team of over thirty years experience and industry know-how, we are known to create lasting value for our customers and business partners by delivering superior quality products and excellent services across diverse industries.

With a determined mindset and unwavering commitment, we ensure our business operations are all carried out with utmost integrity, sincerity and efficiency.

Constantly keeping abreast with the current industry trends, innovation and technology, Zantat is always gearing towards greater heights in our expansion to the international market scene, upholding the same vision and principles laid down by our founders.





## Who We Are, Vision & Mission (Cont'd)

### VISION

To establish our presence as a top manufacturer of Calcium Carbonate products and a reliable partner that provides optimum value to customers in diverse industries.



### MISSION

To deliver on our promise of providing high-quality products and excellent services through strong customer relationships, innovative R&D, and state-of-the-art facilities.

# Our Brand

## Our Brand Positioning

**Back by over three decades of experience and industry knowhow, we create lasting value for our customers by providing high-quality products and excellent services across various industries.**

Driven by the core values of reliable, determined and resilient, we constantly strive to deliver high quality products and services to our customers. Our humble and sincere approach make us a better partner. We are attentive and we understand the dynamics of our industry. We keep things simple, we are hardworking and we act with swiftness and agility. We are constantly on the look out for more effective and efficient ways to support our customers and keep them up-to-date.

At Zantat, we look upon our customers as business partners and personal friends. We are committed to provide customised and personalised supports to our customers to run and grow a successful business.

### Our Logo

The Zantat logo represents us at the highest level and is vitally important to our brand. It acts as a signature, an identifier and a stamp of quality. It is, and should always be, the most consistent component in our communications.

Key characteristics of our identity

- Balance of stability and agility
- Reflects an appreciation of detail and precision
- Provides a unique, honest expression
- Sophistication, infused with passion and aspiration

Our tagline, **RELIABLE | DETERMINED | RESILIENT**, works as a self declaration and as a way of being.

### Our Brand Purpose

Our purpose reflects our true goals, abilities and contributions. It connects us with the customers we serve and support, and reminds us of the valuable contributions we make each day to people's lives.

**1**

Emphasises our focus on **partnership**

**2**

Is **empowering** and **optimistic**

**3**

Is **practical** and **down-to-earth**

**4**

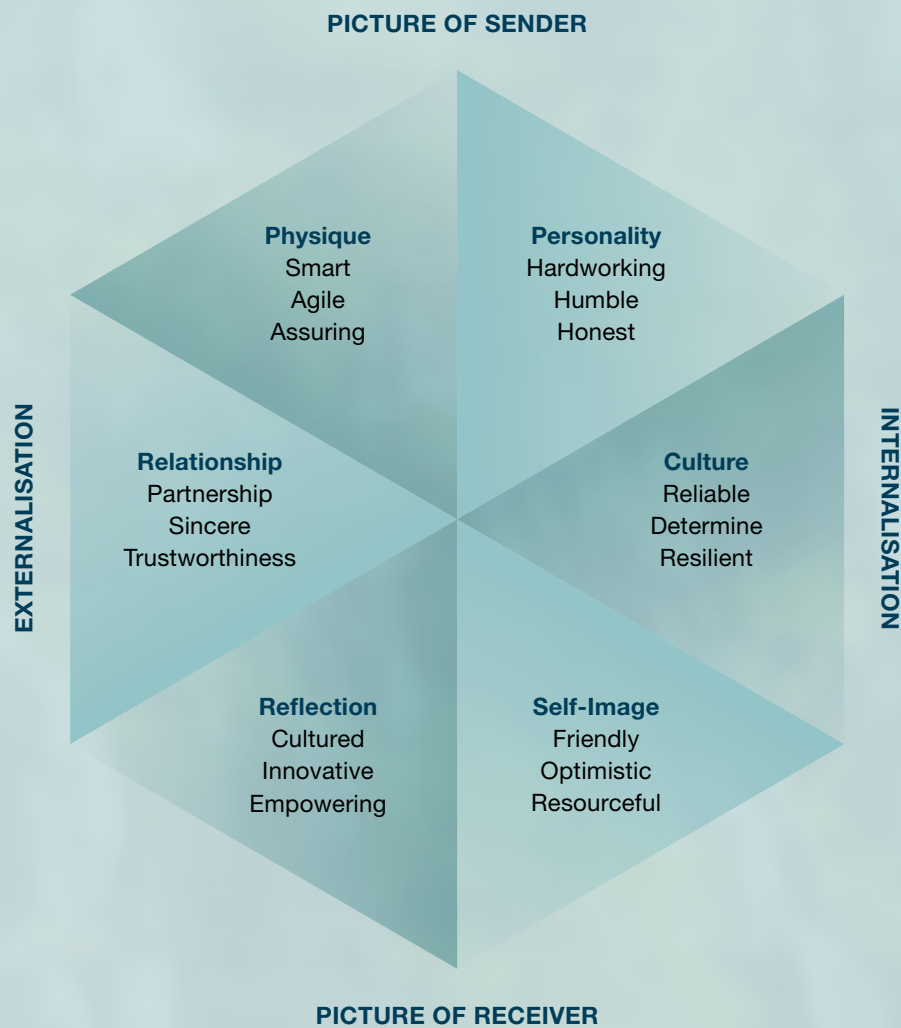
Reminds all employees of our ability to make **positive impact** every day



## Our Brand (Cont'd)

### Our Personality Prism

Our brand positioning and purpose are the guidelines to our communication, action and interaction. By adhering to our brand personality, we ensure that we appropriately serve our customers as well as building a stronger Zantat.



## Our Presence

# Establishing Worldwide Connection

Zantat has established its presence and made a significant impact in exports to countries across Asia Pacific. We are confidently moving forward for greater expansion in Malaysia and overseas to continuously explore and secure new potential opportunities.



## Our Presence (Cont'd)





## Key Milestones

### 1985

Chan Hup Ooi and Teh Ah Soon @ Teh Soon Tick, our Promoters and founders, as well as 5 third-party shareholders acquired and allotted new shares in Zantat Sdn Bhd ("Zantat").

### 1986

Zantat commenced operations to produce Ground Calcium Carbonate ("GCC") at KL Plant. We invested in a ball milling machine to produce coated and uncoated GCC. Our customers were manufacturers of polyvinyl chloride ("PVC") pipes and cables, as well as rubber and rubber products.

### 1987

We made our first export of coated GCC to Singapore serving customers involved in the manufacturing of PVC pipes and cables.

### 2000

Chan Hup Ooi acquired a 50.0% equity stake in Calrock Sdn Bhd ("Calrock") while the remaining 50.0% equity stake was held by a third party, Asia Quest Industrial Sdn Bhd ("Asia Quest"). At the time of acquisition, Calrock, incorporated in 1970, was a producer of uncoated GCC at the Calrock Perak Plant. Its customers were mainly manufacturers of paint, ceramic, glass, plywood and plaster as well as operators from the construction sector.

### 2002

We relocated Zantat's ball milling machine from the KL Plant to Calrock Perak Plant for the production of GCC to be closer to the source of raw materials in Perak to reduce transportation costs. Meanwhile, we invested and installed a wet milling machine at KL Plant to develop a new range of calcium carbonate products.

We successfully commercialised the production of PCC dispersion at our KL Plant, whereby PCC dispersion is used as filler in the production of rubber gloves.

### 2003

Zantat Light C.C. Sdn Bhd ("Zantat Light"), incorporated in 2000, acquired a 10-acres leasehold land with limestone reserves located in Keramat Pulai, Perak ("Perak Quarry 1"). At the time of the acquisition, it was inactive and had a lease expiring in 2015.

## 1980s

## 1990s

## 2000s

## 2010s

### 1997

We introduced a new product, namely ultrafine Precipitated Calcium Carbonate ("PCC") powder, which functions as a release or anti-tack agent in the production of rubber gloves.

### 2004

We invested in another wet milling machine and started the production of GCC dispersion at our KL Plant for the rubber glove manufacturing industry.

### 2005

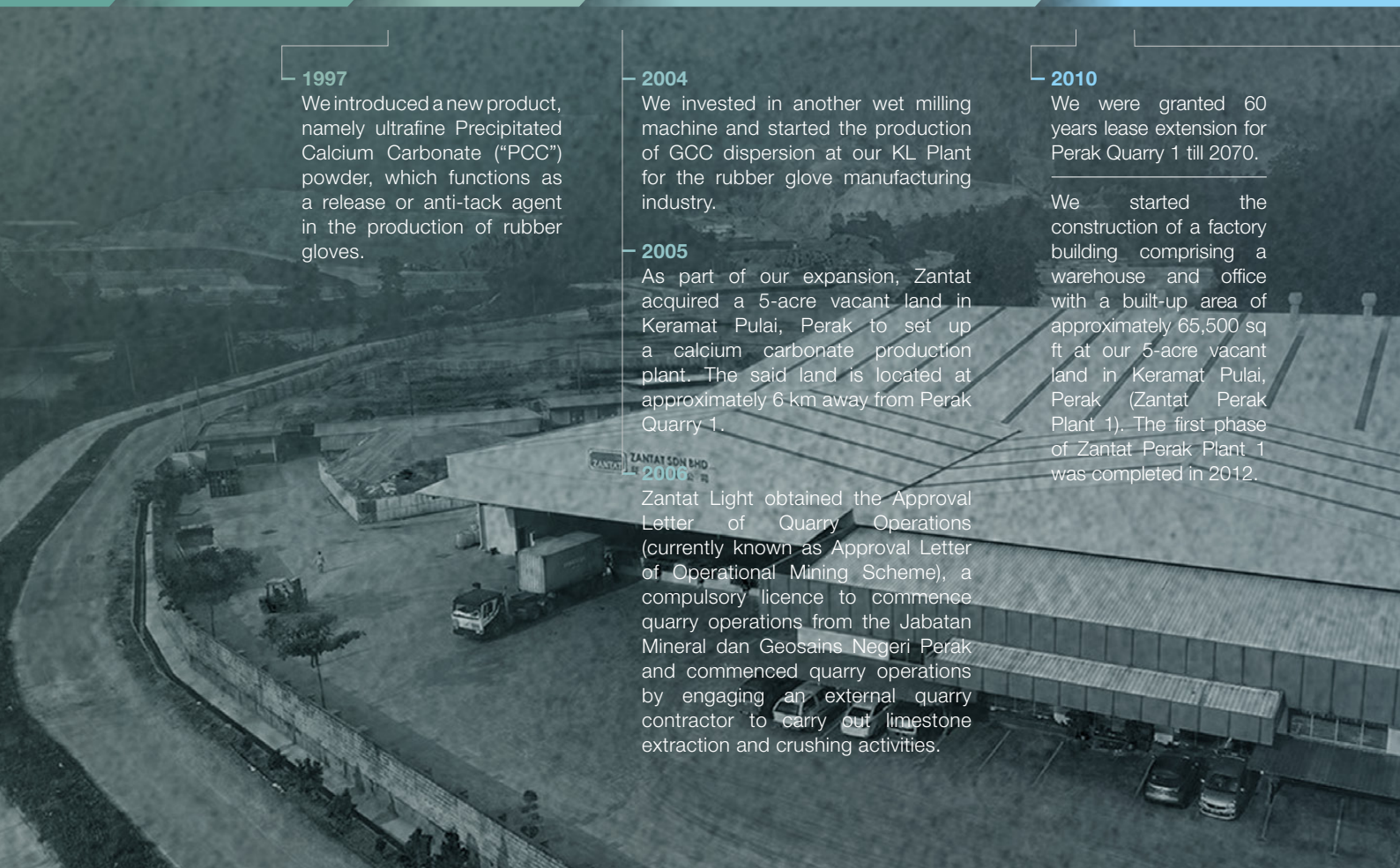
As part of our expansion, Zantat acquired a 5-acre vacant land in Keramat Pulai, Perak to set up a calcium carbonate production plant. The said land is located at approximately 6-km away from Perak Quarry 1.

Zantat Light obtained the Approval Letter of Quarry Operations (currently known as Approval Letter of Operational Mining Scheme), a compulsory licence to commence quarry operations from the Jabatan Mineral dan Geosains Negeri Perak and commenced quarry operations by engaging an external quarry contractor to carry out limestone extraction and crushing activities.

### 2010

We were granted 60 years lease extension for Perak Quarry 1 till 2070.

We started the construction of a factory building comprising a warehouse and office with a built-up area of approximately 65,500 sq ft at our 5-acre vacant land in Keramat Pulai, Perak (Zantat Perak Plant 1). The first phase of Zantat Perak Plant 1 was completed in 2012.





## Key Milestones (Cont'd)

### 2011

We installed 3 production lines comprising 1 hammer mill and 3 vertical roller mills for the production of GCC at Zantat Perak Plant 1 with an annual production capacity of approximately 78,000 tonnes of GCC.

### 2012

We started to export coated GCC to India mainly serving customers involved in the manufacturing of plastic masterbatch, a raw material used for the manufacturing of plastics and plastic products.

We also started exporting coated GCC to Australia mainly serving customers involved in the manufacturing of PVC pipes.

### 2013

Due to increasing demand from India and Australia, we invested in a fourth GCC production line at our Zantat Perak Plant 1 increasing our annual production capacity for GCC at Zantat Perak Plant 1 to approximately 104,000 tonnes.

We started the construction of the second phase of development of our Zantat Perak Plant 1 with a built-up area of approximately 52,500 sq ft.

### 2014

The second phase of development of the Zantat Perak Plant 1 was completed in 2014 and we installed 2 additional vertical roller mills and 1 hammer mill.

### 2015

In 2015, we further installed 2 additional vertical roller mills at our Zantat Perak Plant 1, increasing the annual production capacity of GCC powder at our Zantat Perak Plant 1 to approximately 208,000 tonnes. The additional capacity is to support the increased demand from export markets where our total export quantity for the year reached 140,000 tonnes.

We acquired a 4.7-acre leasehold land and a 14.8-acre leasehold land with limestone reserves ("Perak Quarry 2"), both of which are situated next to our Zantat Perak Plant 1. At the time of acquisition, Perak Quarry 2 was inactive with the lease expiring in 2068.

### 2020

We developed and commenced the production of kaolin dispersion which functions as a filler to produce synthetic rubber gloves.

We set-up a crushing plant at Zantat Perak Plant 2 to crush and reduce the size of the 6" x 9" limestone rocks produced by our external quarry contractor for our GCC production.

### 2021

We incorporated Zaneco Sdn Bhd ("Zaneco") to undertake bioplastic compounding.

## 2020s

### 2016

Chan Hup Ooi purchased the remaining 50.0% equity stake in Calrock from Asia Quest at RM3.6 million based on the net assets of Calrock as at August 2016.

### 2017

We started the construction of a factory building comprising a warehouse and office with a built-up area of approximately 107,000 sq ft on the newly acquired 4.7-acre land (Zantat Perak Plant 2).

### 2018

Zantat Perak Plant 2 was completed and we installed a new ball milling system mainly to manufacture our ultrafine grade GCC powder namely "Zanelite" with a production capacity of 45,000 tonnes annually.

### 2022

We commenced research and development ("R&D") on the formulation for the bioplastic compound where we mix polylactic acid ("PLA") (imported from China and USA) and polybutylene adipate terephthalated ("PBAT") (imported from China and Taiwan) with our GCC as fillers and other additives, to form bioplastic pellets. We intend to sell these bioplastic pellets to plastic product manufacturers for the production of biodegradable plastic products such as disposable gloves, and plastic packaging bags and films.

Zaneco purchased and installed a bioplastic compounding production line with a monthly production capacity of 300 tonnes at Zantat Perak Plant 2.

### 2023

In April 2023, we obtained the OK compost INDUSTRIAL certification from TUV Austria Cert GmbH for our first bioplastic compound namely a compostable packaging film compound.

### 2024

Zantat Holdings Berhad debuted on the ACE Market of the Bursa Malaysia Securities Berhad on 27 March 2024.

In the first quarter of 2024, Zaneco commercialised the bioplastic compound, namely Earthya™, a 100% compostable material that offers a sustainable alternative to traditional plastics, reducing waste and promoting circular economy solutions.



## Zantat In The News

**TheStar**

### Zantat aims to expand bioplastic product line



KUALA LUMPUR: Zantat Holdings Bhd managing director Ivan Chan says the launch of its bioplastic compound Earthya has been well-received by the industry, with increasing interest coming from both existing and potential clients.

Since the launch of Earthya in the first quarter of 2024, the group has been collaborating with downstream strategic partners to promote the product in the consumer market to reach a broader audience.

"In anticipation of this growing demand, we are dedicated to enhancing our production capabilities.

"Additionally, our research and development team are actively working on expanding our bioplastic product line," said Chan in a statement.

Zantat announced a net profit of RM1.93mil in the first quarter ended March 31, 2024, on revenue of RM28.76mil, of which 85.8% was derived from the production of ground calcium carbonate.

On a quarter-on-quarter (q-o-q) basis, Zantat's net profit was up 75.9% from RM1.1mil due to unrealised foreign exchange gain resulting from the stronger US dollar, as well as lower provision for bonus in the current quarter.

Revenue, however, was down 9.3% q-o-q from RM31.71mil due to lower demand for ground calcium carbonate products.

There are no comparative figures for the preceding year's corresponding quarter as Zantat was listed on the ACE Market of Bursa Malaysia on March 27 this year.

Zantat's board of directors declared a first interim dividend of 1.5 sen per share with entitlement date on June 11, 2024, and payable on June 25, 2024.



## Zantat In The News (Cont'd)



### Zantat seeks to raise RM14 mil via share issuance to Bumiputera investors

KUALA LUMPUR (Sept 10): Having raised RM18.2 million from its initial public offering (IPO) in March, Zantat Holdings Bhd (KL:ZANTAT) is now seeking to raise another estimated RM14 million via a special issue of shares to Bumiputera investors.

The calcium carbonate producer said the special issue of up to 40 million new shares or 12.5% of its enlarged share base will be offered to independent third-party Bumiputera investors to be identified by the Ministry of Investment, Trade and Industry.

The actual proceeds to be raised from the special issue is dependent on the issue price and the actual number of shares issued. For illustrative purposes, assuming the special issue shares are priced at 35 sen each, it is expected to raise gross proceeds of up to RM14 million.

Of the proceeds, RM11.6 million will be used to fund its working capital, RM2 million will be for repayment of bank borrowings, and the remaining RM400,000 to defray placement expenses.

Zantat has outstanding borrowings, inclusive of trade facilities, of RM8.1 million as at Sept 6, 2024.

M&A Securities has been appointed as the principal agent for the special issue, which is expected to be completed by the fourth quarter.

Zantat produces ground calcium carbonate and calcium hydroxide, PVC cables and cables, and in other products such as paints and coatings.

Zantat raised RM14 million from its IPO exercise, which will be used for the expansion of its Calrock plant's infrastructure. The proceeds would also be used for investment in machine components and other capital expenditure.

Zantat shares closed unchanged at 34 sen, up 36% from 25 sen, on the last trading day, ending at a market capitalisation of RM95 million.

### Zantat posts 1Q net profit of RM1.9m, declares dividend of 1.5 sen

KUALA LUMPUR (May 23): Zantat Holdings Bhd (KL:ZANTAT) posted a net profit of RM1.9 million, on the back of RM28.8 million in revenue, for the first quarter ended March 31, 2024 (1QFY2024), derived from the production of ground calcium carbonate.

In a statement on Thursday, the high-grade calcium carbonate powder producer declared a dividend of RM4.2 million or 1.5 sen per share, to be paid on June 25.

Reviewing its 1QFY2024 performance, Zantat managing director Ivan Chan said the company recognised a net profit of RM1.9 million for the quarter under review after deducting expenses, which were mainly attributed to selling and distribution expenses and administrative expenses.

He said the selling and distribution expenses mainly comprised logistic costs.

Chan said the administrative expenses consisted of directors' fees and remuneration, staff related costs, professional fees (including initial public offering related expenses), office and upkeep expenses, licensing and certification, insurance, quit rent expenses, travelling and entertainment expenses, training fees, research and development expenses, and other general and administrative expenses.



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### UTAR's Sustainable Development Club and Green Bank Project merge for a greener future

A total of 62 students from the UTAR PR CSR Project June 2024: We Want No Plastic, guided by Ms Diong Fong Wei from the Faculty of Arts and Social Science (FAS), organised a ceremony at UTAR Kampus Campus to celebrate the merger of the Sustainable Development Club and the Green Bank Project. The event, held on 2 September 2024, featured an insightful industrial talk by the Managing Director of Zantat Holdings Berhad and CEO of Zaneco Sdn Bhd Mr Ivan Chan Bin Iuan.

The ceremony also saw the presence of UTAR Vice President for Student Development and Alumni Relations Prof Dr Choong Chee Keong, Project Leader of the Green Bank Project Ts Dr Wong Ling Yong, Club Advisor of the Sustainable Development Club Dr Vikniswari Vija Kumaran, Research and Development Manager of Zaneco Sdn Bhd Dr Tai Nyok Ling, Lead Corporate Storyteller of Zantat Sdn Bhd Miss Alicia Tan Yih Chia and Dean of UTAR Faculty of Engineering and Green Technology Ir Prof Dr Ng Choon Aun.

The event began with a symbolic gimmick ceremony for the merger and the introduction of the new Executive Committee for the Sustainable Development Club 2024/2025.

The highlight of this event was the industrial talk delivered by Mr Ivan Chan, titled "Earthya: The Shift from Single-Use Plastics to Compostable Options". He captivated the audience with his insights into sustainable practices within the industry. He stated that Zantat Holdings Berhad is a company that actively prioritises sustainability in its process of production.

He highlighted that single-use plastics are harmful while some plastics, like those used in medical equipment, are less damaging. He emphasised reducing plastic consumption and corporate responsibility in environmental conservation. Dr Tai from Zaneco Sdn Bhd also spoke about their compostable food waste bags, Earthya, which support a circular economy.

The industrial talk was followed by an engaging Q&A session, that provided an opportunity for students and attendees to directly interact with Mr Ivan Chan and Dr Tai to gain valuable knowledge on sustainability practices and industrial innovation. The event concluded with a lucky draw, souvenir presentation, and closing remarks, leaving attendees inspired and motivated to contribute to a more sustainable future.

In his closing speech, Prof Choong praised UTAR PR CSR students for their initiative of joining the Green Bank Project and conducting such a meaningful event. He also talked about the significance of UTAR's decision to restrict the usage of non-degradable plastic bags and straws at UTAR events starting on 1 October 2024. "UTAR's goal is to raise awareness among our staff, students, and the public about the importance of environmental protection and encourage them to stop using non-degradable and single-use plastic bags and straws," he said.

Meanwhile, Dr Wong highlighted the global plastic pollution crisis and the need for effective recycling practices. Dr Vikniswari emphasised the importance of a circular economy and thanked the We Want No Plastic Project members for their efforts.

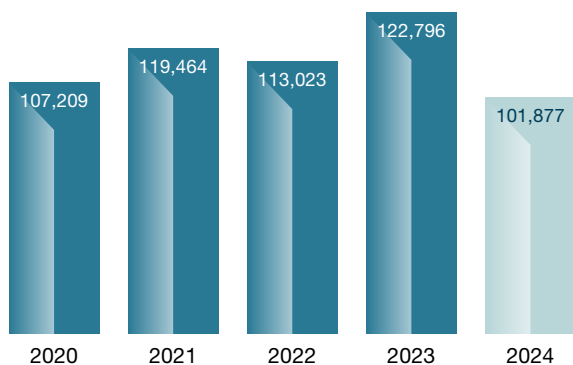
Chen Zhi Shan, Project Director of We Want No Plastic, stressed the importance of education in changing waste management behaviours and expressed enthusiasm for the merger's potential to address global environmental issues.



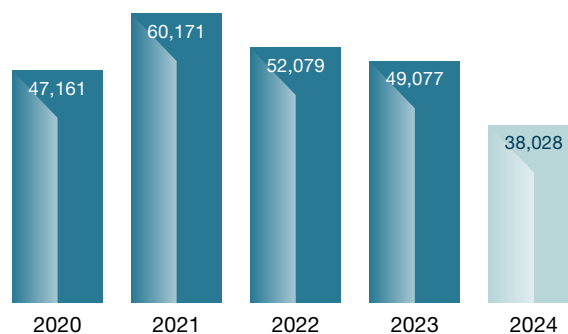
## 5-Years Financial Highlights

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
<b>Operating Results</b>					
Revenue	107,209	119,464	113,023	122,796	101,877
Gross Profit ("GP")	47,161	60,171	52,079	49,077	38,028
Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA")	16,168	16,386	14,664	16,755	8,824
Profit Before Taxation ("PBT")	8,533	9,111	7,341	9,609	2,471
Profit After Taxation ("PAT")	6,235	6,504	5,419	6,769	454
Profit Attributable to Owners of Company	6,235	6,504	5,419	6,769	454

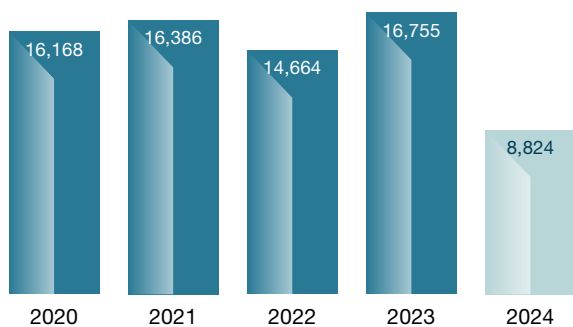
Revenue (RM'000)



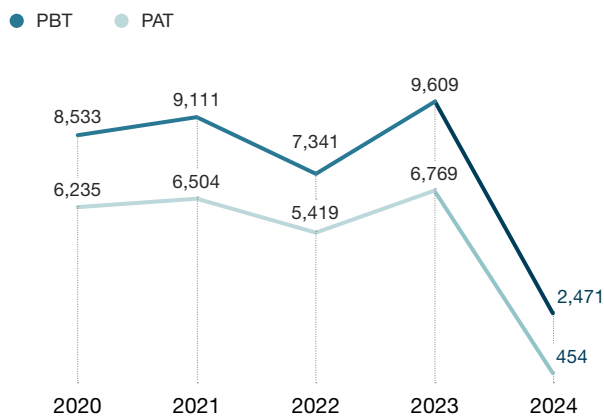
GP (RM'000)



EBITDA (RM'000)



PBT & PAT (RM'000)



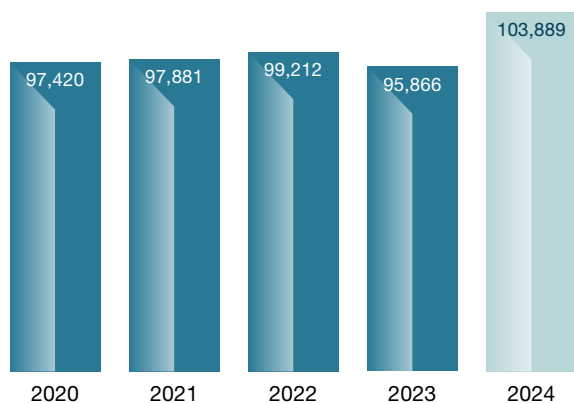
## 5-Years Financial Highlights (Cont'd)

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
<b>Key Financial Position Data</b>					
Total Assets	97,420	97,881	99,212	95,866	103,889
Total Borrowings	25,136	26,024	23,569	11,577	10,706
Shareholders' Equity	56,807	54,988	57,407	64,168	73,366
<b>Financial Ratios</b>					
GP Margin (%)	44.0%	50.4%	46.1%	40.0%	37.3%
PBT Margin (%)	8.0%	7.6%	6.5%	7.8%	2.4%
PAT Margin (%)	5.8%	5.4%	4.8%	5.5%	0.4%
Basic Earnings Per Share ("EPS") (sen)*	2.78	2.90	2.42	3.02	0.17

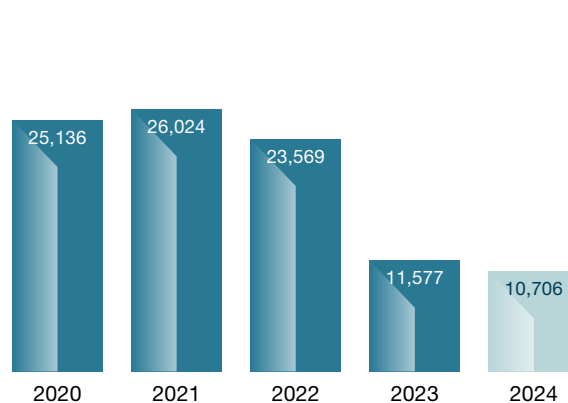
Note:

\* FY2020, FY2021 and FY2022 were restated (dividing by current ordinary shares issued) due to reorganisation scheme

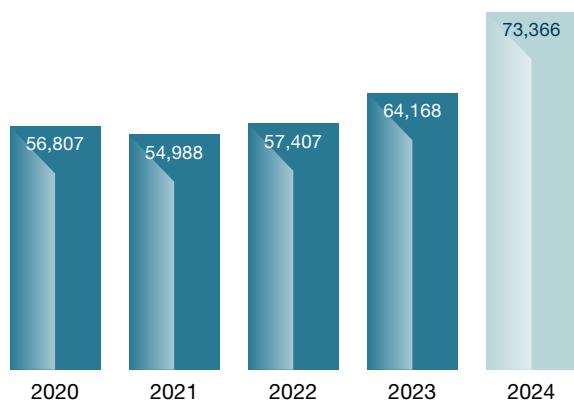
**Total Assets (RM'000)**



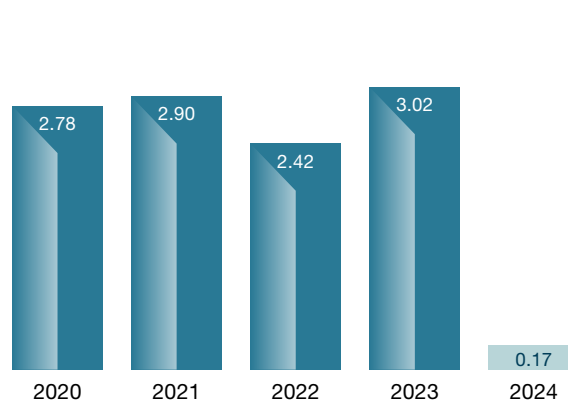
**Total Borrowings (RM'000)**



**Shareholders' Equity (RM'000)**



**EPS (sen)**



# Chairman's Statement

## Dear Valued Shareholders,

On behalf of the Board of Directors of Zantat Holdings Berhad ("Zantat" or "the Group"), I am privileged to present the Integrated Annual Report for the financial year ended 31 December 2024 ("FYE2024"), highlighting our performance, challenges, and prospects as we navigated the industry and market challenges.

As global macroeconomic forces continue to be in flux, we remained focused on executing our strategic direction, reinforcing our position in the core calcium carbonate business to deliver value to our stakeholders.



### THE ECONOMIC AND MARKET FORCES IN 2024

The year under review was shaped by macroeconomic uncertainties, global trade disruptions, and fluctuating demand trends. Domestically, Malaysia's push for sustainability created opportunities in the bioplastics segment, while moderate economic growth impacted demand for calcium carbonate in the plastics and coatings sectors.

On the global front, India, a key export market for Zantat, experienced slower-than-expected economic growth in 2024, which has begun to weigh on demand for calcium carbonate, particularly for the usage in plastics industry. Additionally, rising global ocean freight rates and geopolitical uncertainties caused supply chain disruptions, affecting our export operations.

### Financial Performance and Key Challenges

In FYE2024, Zantat recorded a revenue of RM101.9 million, a 17.0% decline from the RM122.8 million recorded in the previous financial year. As a result, profit after tax dropped to RM0.5 million, reflecting a contraction compared to the previous year (FYE2023: RM6.8 million). This was primarily driven by competitive market pressures, rising freight rates and foreign exchange fluctuations.



## Chairman's Statement (Cont'd)

### Financial Performance and Key Challenges (Cont'd)

The plastic masterbatch segment faced intensified price competition due to the presence of multiple players in the market offering cheaper local alternatives. Additionally, foreign exchange fluctuations, particularly the appreciation of the Malaysian Ringgit against the United States Dollar resulted in an adverse impact on export revenue. The export revenue from the key Indian market, also declined due to subdued demand and evolving industry dynamics, while escalating logistics and freight rates also contributed to the overall challenges faced during the financial year.

### Growing Strategically

Zantat continued to enhance its core calcium carbonate operations, investing in high-value applications for technical films and specialty coatings while expanding downstream partnerships. Additionally, the Malaysian government's initiative to phase out non-degradable plastic bags by 2025 has driven new demand for compostable bioplastics, presenting a significant growth avenue for our sustainable product portfolio.

To maintain a competitive edge, we focused on enhancing our research and development capabilities to create innovative calcium carbonate solutions that address evolving market needs. We are also optimising our production processes to boost efficiency and strengthen cost management, thereby ensuring robust operational performance. Additionally, we are strategically expanding our bioplastics segment to leverage sustainability trends and position ourselves for long-term growth.

### Sustainability and ESG Commitment

Sustainability remains at the core of our business strategy. In FYE2024, we made significant strides in ESG initiatives, including the expansion of solar panels installed at the Perak Plant 2, aligning with our commitment to renewable energy integration and reduction of carbon emissions. We also strengthened our circular economy practices by increasing raw material recycling, thereby minimising waste generation.

In product development, we initiated an expansion of our bioplastics portfolio, focusing on compostable waste bags to meet the growing demand for sustainable alternatives. On corporate governance, we have enhanced policies, incorporating anti-bribery measures and supply chain due diligence, to uphold the highest ethical standards.

Zantat also plans to optimise manufacturing processes to reduce energy consumption and strengthen responsible procurement practices to minimise environmental impact. Furthermore, we are committed to improving employee welfare, with a focus on occupational safety and career development and step up Environmental, Social, and Governance ("ESG") reporting and compliance for better alignment with global standards.

### Future Prospects and Industry Outlook

Looking ahead, we remain optimistic about the prospects in our industry. Global demand for calcium carbonate is projected to grow at a compound annual growth rate ("CAGR") of 4.8% from 2025 to 2033<sup>1</sup>, as the market steps up efforts to adopt carbon emission reduction measures. Similarly, the bioplastics sector is gaining momentum, driven by regulatory policies and increasing demand for sustainable alternatives to conventional plastics.

While logistics costs and economic uncertainties may persist, Zantat is well-positioned to adapt through strategic market positioning, production automation, and efficiency enhancements. We will also strengthen our export presence in India through strategic pricing and partnerships, ensuring long-term growth.

### Acknowledgment

On behalf of the Board of Directors, I extend my sincere gratitude to our employees for their dedication and hard work in navigating market challenges. I also thank our shareholders and investors for their confidence in Zantat's long-term growth strategy. Additionally, I appreciate the support of our customers, business partners, regulators, and industry bodies who continue to play an integral role in our journey toward sustainable success.

We remain committed to driving innovation, operational excellence, and sustainability, ensuring Zantat remains a leading industry player in the years ahead.

Thank you.

**Yap Yoon Kong**  
Independent Non-Executive Chairman

<sup>1</sup> <https://www.imarcgroup.com/global-calcium-carbonate-technical-material-market-report>

# Management Discussion & Analysis

In the financial year ended 31 December 2024 ("FYE2024"), Zantat Holdings Berhad ("Zantat" or "the Group") marked 39 years as a leading calcium carbonate producer in Malaysia, evolving with market trends and expanding into bioplastic compound manufacturing to meet rising demand for sustainable materials.

A key milestone in FYE2024 was Zantat's successful listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 27 March 2024. The stock opened 60% above its Initial Public Offering ("IPO") price of RM0.25, reflecting strong investor confidence in the Group's long-term growth prospects. The RM14.0 million raised through this exercise has been strategically allocated to support Zantat's expansion into the bioplastics value chain while also strengthening its core calcium carbonate production business.

This listing marks a pivotal step in Zantat's journey, reinforcing its market leadership, growth ambitions, and commitment to delivering long-term value to stakeholders.





## Management Discussion & Analysis (Cont'd)

### MACROECONOMIC OVERVIEW AND INDUSTRY PERFORMANCE

The global economic recovery in FYE2024 had a mixed impact on Zantat. While economic rebounds typically drive stronger market demand, the calcium carbonate sector faced challenges due to intensified competition and industry-specific headwinds, particularly in key markets such as India. The weaker-than-expected numbers that came out of India in 2024 – a downward revision of growth forecast from 7.2% to 6.6%<sup>1</sup> due to a slowdown in manufacturing and reduced government spending - impacted industries reliant on calcium carbonate, such as plastics, leading to a diminished market for companies like Zantat.

On the domestic front, Malaysia's economy expanded by 5.1%<sup>2</sup> in 2024, supported by robust business activities. This expansion led to higher demand for calcium carbonate, given its versatile applications across industries and its growing adoption as an eco-friendly material. In response to rising demand, calcium carbonate prices increased moderately, helping to stabilise market conditions.

While the appreciation of the Malaysian Ringgit ("MYR") by 2.7% against the United States Dollar ("USD") in 2024<sup>2</sup> contributed to a slight reduction in the cost of imported raw materials, it adversely affected export revenue. As Zantat's exports are primarily denominated in USD, the stronger MYR resulted in lower recorded revenue in the financial statements. Despite these currency fluctuations, Zantat remained resilient, implementing operational efficiency measures and strategic pricing strategies to mitigate the impact on profitability.

### STRATEGIC RESILIENCE AND MARKET POSITIONING

In FYE2024, Zantat operated within a multifaceted and evolving market landscape characterised by both opportunities and challenges, largely influenced by global trade uncertainties, cost pressures, and intensified market competition. The Group leveraged strategic measures to maintain its market position and operational efficiency.

#### Economic and geopolitical pressures

One of the primary challenges was a decline in export revenue, particularly in India, due to weaker market demand and shifting industry dynamics. Economic instability in key markets, including currency fluctuations and softer market conditions, negatively impacted demand levels and financial performance. In India, for instance, government regulation and policy incentives resulted in increased domestic production, reducing reliance on imported materials<sup>3</sup>.

Geopolitical tensions and trade disruptions prompted businesses to diversify supply chains, affecting raw material availability and costs. Additionally, escalating ocean freight rates and global shipping congestion, particularly in the Red Sea region, resulted in supply chain disruption and logistical challenges. This led to delays of raw material deliveries, necessitating adaptations in logistics strategies to ensure operational stability, placing significant pressure on profit margins, and affecting the Group's cost structure.

#### Competitive pressures

Intense competitive market pressures also posed challenges, as regional producers introduced cost-effective alternatives, influencing pricing strategies and market share. Additionally, the market is experiencing consolidation and the emergence of low-cost producers is challenging Zantat's pricing power. To maintain competitiveness, the Group must emphasise product quality, innovation, and exceptional customer service.

<sup>1</sup> <https://www.reuters.com/world/india/india-forecasts-202425-economic-growth-64-government-statement-2025-01-07/>

<sup>2</sup> [https://www.bnm.gov.my/-/qb24q4\\_en\\_pr#:~:text=On%20a%20quarter%2Don%2Dquarter,and%20a%20rebound%20in%20exports](https://www.bnm.gov.my/-/qb24q4_en_pr#:~:text=On%20a%20quarter%2Don%2Dquarter,and%20a%20rebound%20in%20exports)

<sup>3</sup> <https://www.cfr.org/article/indias-industrial-policies-rejecting-old-status-quo-and-creating-new>

## Management Discussion & Analysis (Cont'd)

### STRATEGIC RESILIENCE AND MARKET POSITIONING (CONT'D)

#### Potential in gloves

The global calcium carbonate ("CC") market is projected to grow, driven by increased demand in sectors such as plastics and medical gloves. Notably, the glove industry is anticipated to experience a resurgence due to a projected rise in flu infections in 2025<sup>4</sup>, leading to heightened demand for calcium carbonate dispersions utilised in glove manufacturing. Additionally, Malaysian-made medical gloves are expected to see higher uptake rates in the U.S., attributed to elevated taxes on China-made medical gloves<sup>5</sup> reinforcing potential for Zantat on the domestic front.

#### Evolving consumer preference driving innovation and sustainability

The global shift towards eco-friendly materials<sup>6</sup> presents significant opportunities for Zantat to invest in cleaner production technologies and diversify its product offerings. In Malaysia, the government's initiative to ban plastic bags by 2025 underscores a national commitment to environmental sustainability.<sup>7</sup> This regulatory move aligns with Zantat's development of compostable bioplastic products, positioning the Group to meet the increasing demand for sustainable alternatives.

#### Navigating challenges to sustain market leadership

Zantat remains well-positioned to navigate these challenges through a comprehensive and forward-looking strategy designed to reinforce its competitive edge and long-term growth potential. Key initiatives include:

##### Foreign Exchange Hedging:

The Group is implementing currency management strategies to mitigate the impact of foreign exchange volatility, ensuring greater stability in export revenue.

##### Logistics Optimisation:

Strengthening supply chain resilience through strategic freight management, securing competitive shipping rates, and optimising warehouse operations to offset rising logistics costs.

##### Competitive Positioning Through Innovation:

Increasing investments in research and development ("R&D") and new product development to enhance product quality, expand market offerings, and drive differentiation in high-value applications.

##### Strategic Pricing and Cost Efficiency:

Implementing dynamic pricing strategies and enforcing strict cost management measures to safeguard profit margins while remaining competitive in the market.

##### Strengthening Customer and Supplier Partnerships:

Deepening strategic alliances with key customers and suppliers to ensure a stable supply chain and enhance market reach.

##### Moving Up the Value Chain:

The Group remains committed to innovation and product expansion, focusing on premium-grade calcium carbonate solutions and bioplastics to capitalise on sustainability-driven market demand.

<sup>4</sup> <https://historyofvaccines.org/blog/2025-flu-season-most-intense-over-decade>

<sup>5</sup> <https://www.thestar.com.my/business/business-news/2025/02/12/top-glove-industry-set-to-benefit-from-us-tariffs>

<sup>6</sup> <https://www.businessnewsdaily.com/15087-consumers-want-sustainable-products.html>

<sup>7</sup> <https://www.straitstimes.com/asia/se-asia/malaysia-to-impose-total-ban-on-plastic-bags-by-2025>



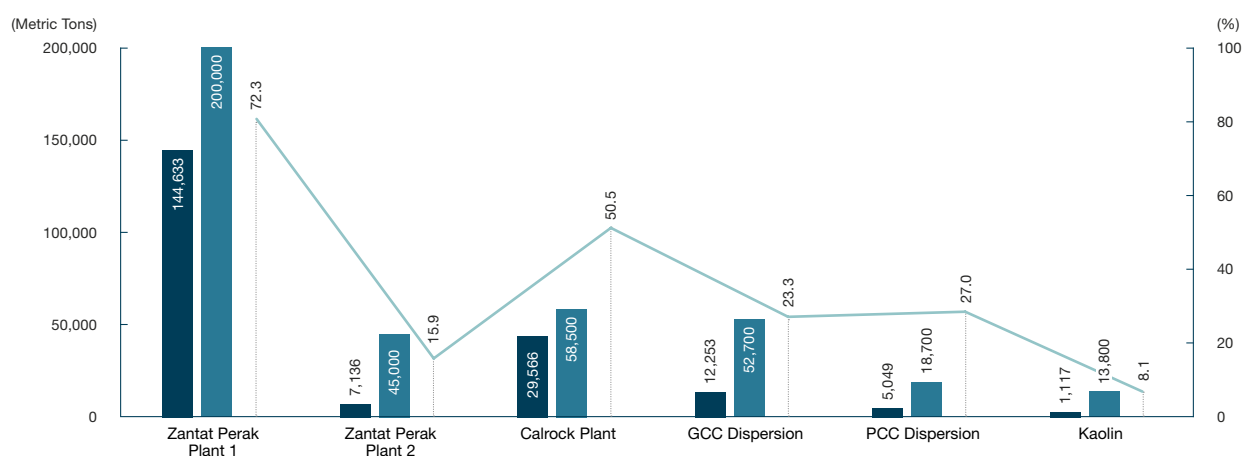
## Management Discussion & Analysis (Cont'd)

### OPERATIONAL REVIEW

Zantat strategically managed its production capacity across various facilities, aligning operations with market demand and efficiency objectives. The Group maintained an adaptive production approach, ensuring that utilisation rates were optimised to meet industry requirements while balancing cost efficiency.

Zantat plants' production capacity and utilisation rate in FYE2024:

Plant	Actual Production (Metric Tons)	Production Capacity (Metric Tons)	Utilisation Rate (%)
<b>Zantat Perak Plant 1</b>	144,633	200,000	72.3%
<b>Zantat Perak Plant 2</b>	7,136	45,000	15.9%
<b>Calrock Plant</b>	29,566	58,500	50.5%
<b>Zantat KL Plant (Dispersion Segment)</b>			
- Ground Calcium Carbonate ("GCC")	12,253	52,700	23.3%
- Precipitated Calcium Carbonate ("PCC")	5,049	18,700	27.0%
- Kaolin	1,117	13,800	8.1%



At Zantat Perak operations, Plant 1 recorded a 72.3% utilisation rate, producing 144,633 metric tons, reflecting stable demand and efficient production scheduling, while Plant 2, operated at 15.9% utilisation, indicating a measured production strategy aligned with current market dynamics.

At Calrock production performance achieved a 50.5% utilisation rate, producing 29,566 metric tons out of a total capacity of 58,500 metric tons. This reflects the company's commitment to balancing production with demand trends for GCC.

At Zantat KL Plant, production within the dispersion segment was tailored to meet specific industry needs, ensuring resource optimisation and effective output. The GCC dispersion segment recorded 23.3% utilisation, producing 12,253 metric tons, while PCC dispersion recorded 27.0% utilisation, producing 5,049 metric tons. The Kaolin segment had an 8.1% utilisation, producing 1,117 metric tons.

These utilisation levels reflect Zantat's strategic focus on aligning production with demand fluctuations while maintaining operational efficiency. The Group continues to adopt a flexible production model, ensuring that resources are allocated efficiently while being prepared for potential market demand escalations.

## Management Discussion & Analysis (Cont'd)

### OPERATIONAL REVIEW (CONT'D)

#### Strategies for Optimising Production Capacity

As part of its long-term growth strategy, Zantat is implementing a multi-faceted approach to enhance production efficiency, expand market reach, and increase value-added product offerings.

<b>Enhancing Product Quality</b> <p>Zantat will invest in advanced manufacturing technologies to improve the purity, consistency, and performance of its calcium carbonate products. This includes the development of specialised products such as coated calcium carbonate for breathable films, catering to premium and high-performance applications.</p>	<b>Market Expansion and Diversification</b> <p>To broaden its customer base, Zantat intends to expand into high-value industries such as sanitary, and technical applications. By developing industry-specific CC formulations, the Group will penetrate these new markets and diversify revenue streams, reducing dependency on any single sector.</p>	<b>Operational Efficiency and Process Automation</b> <p>To increase production efficiency and reduce material waste, Zantat is implementing streamlined manufacturing processes, including:</p> <ul style="list-style-type: none"> <li>Automating key production stages to improve output consistency and cost control.</li> <li>Enhancing logistical operations to ensure better raw material flow and faster product delivery, reducing bottlenecks and operational downtime.</li> </ul>
<b>Research &amp; Development Investment</b> <p>Recognising the importance of continuous innovation, Zantat will strengthen its R&amp;D efforts to develop next-generation CC formulations tailored for the high-performance applications, ensuring the Group maintains its competitive edge in specialised industries.</p>	<b>Strategic Partnerships and Industry Collaborations</b> <p>Zantat is focused on building strong partnerships with key industry players to:</p> <ul style="list-style-type: none"> <li>Co-develop new products, ensuring alignment with market needs.</li> <li>Enhance supply chain integration, enabling more efficient scaling of production in response to demand shifts.</li> </ul>	<b>Compliance and Certifications</b> <p>To facilitate global market expansion, Zantat is actively working towards:</p> <ul style="list-style-type: none"> <li>Higher industry certifications, ensuring compliance with international quality and safety standards.</li> <li>Strengthening regulatory adherence, allowing greater access to global markets and enhancing brand credibility.</li> </ul>

#### Positioning for Future Growth

By implementing these strategic initiatives, Zantat is poised to optimise its production capacity, enhance operational efficiency, and strengthen its market position. The Group's commitment to technological advancements, market diversification, and R&D-driven innovation ensures it remains at the forefront of the industry, delivering high-quality, functional calcium carbonate solutions to a wider range of industries. The strategy aims to maximise production efficiency, expand the Group's product portfolio, and unlock new growth opportunities, reinforcing long-term profitability and shareholder value.



## Management Discussion & Analysis (Cont'd)

### OPERATIONAL REVIEW (CONT'D)

#### Advancements in R&D

The Group intensified its R&D initiatives in FYE2024, focusing on innovation, sustainability, and operational efficiency. The Group's efforts were directed towards enhancing product quality, expanding sustainable solutions, and optimising manufacturing processes to strengthen its market position.

##### GCC Enhancements

Zantat advanced its GCC formulations by developing finer particle sizes and improved surface coatings. These enhancements were specifically designed to meet the evolving needs of high-precision industries, ensuring superior performance and increased product versatility.

##### Bioplastics Innovation

Cognisant of the growing regulatory and consumer shift toward sustainable materials, Zantat expanded its compostable product portfolio. This included the development of biodegradable waste bags and food packaging solutions, aligning with global sustainability trends and government regulations on plastic waste reduction.

### Geographical Market Review

In FYE2024, Zantat experienced varied performance across its key geographical markets, shaped by regional market conditions. While some markets showed steady growth, others faced economic and industry-specific challenges. The Group remained agile, leveraging local market insights and targeted strategies to sustain its competitive position.

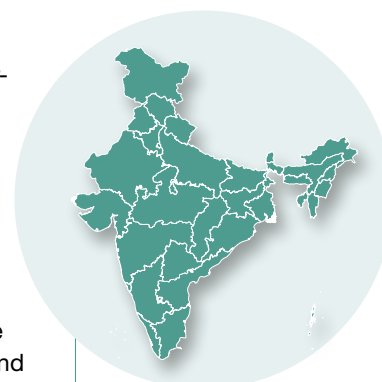
#### India: Navigating economic uncertainties

The Indian market presented significant challenges in FYE2024, impacted by slower-than-expected economic growth, initially projected at 7.2%, but revised downward to 6.6% due to weaker manufacturing output and lower government spending<sup>8</sup>. This economic slowdown led to reduced demand for calcium carbonate products, particularly in the plastics industry, where growth was constrained by cheaper local alternatives and increased imports of competing products.

Additionally, global supply chain disruptions affected raw material availability and costs, posing challenges for production efficiency and pricing strategies. While temporary reductions in sea freight rates provided some relief in logistics costs, demand did not rebound as strongly as anticipated due to lingering economic uncertainties.

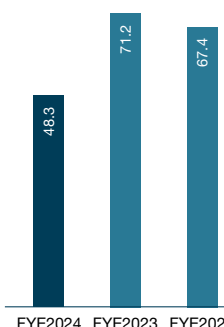
Despite these challenges, Zantat maintained a solid presence in India, continuing to serve key industrial and manufacturing sectors. To mitigate these challenges, the Group is strengthening relationships with key customers and enhancing market penetration by offering tailored product solutions that cater specifically to Indian market needs. Zantat will also prioritise high-growth sectors, ensuring a targeted and resilient approach to market expansion in India.

In FYE2024, the Indian market contributed RM48.3 million to the Group's revenue, 32.2% lower than the RM71.2 million recorded in FYE2023. Nevertheless, the Group's planned initiatives are expected to reinforce its positioning and improve long-term growth prospects in this region, however it is also contingent upon a recovery in the Indian economy.



#### Revenue from the Indian market:

Revenue  
(RM' million)

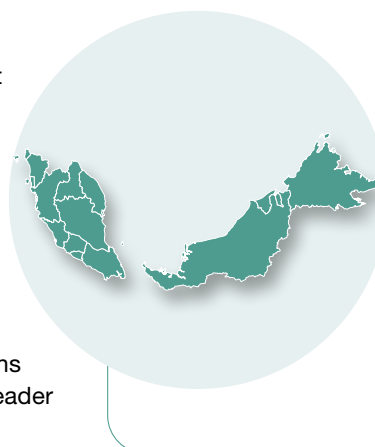


<sup>8</sup> <https://www.reuters.com/world/india/india-forecasts-202425-economic-growth-64-government-statement-2025-01-07/>

## Management Discussion & Analysis (Cont'd)

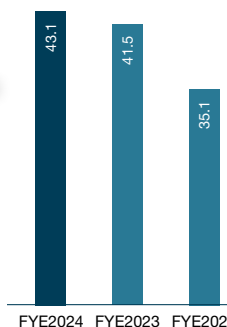
### Malaysia: Leveraging sustainability-driven demand

Malaysia remained a robust and vital market for Zantat throughout FYE2024. Malaysia's transition towards a circular economy, driven by the government's initiative to phase out non-degradable plastics by 2025, presented a strategic growth opportunity for the Group. This regulatory shift aligns with its commitment to sustainability and created favourable market conditions for the expansion of its eco-friendly product portfolio. Zantat effectively capitalised on these favourable conditions, witnessing consistent demand for its environmentally friendly solutions within the local market, and enhanced its reputation as a leader in sustainable practices within the industry.



### Revenue from the Malaysian market:

Revenue  
(RM' million)



In FYE2024, revenue increased to RM43.1 million (FYE2023: RM41.5 million).

### Emerging and Other Key Markets: Strategic market penetration

In other significant and emerging markets, Zantat focused on deepening market penetration and strengthening customer relationships rather than expanding into new geographic territories. This strategic focus allowed the Group to maximise the potential of existing operations, ensuring optimised product offerings and improved customer service.

By leveraging local market insights and enhancing operational efficiencies, Zantat successfully maintained a strong foothold in these regions, ensuring long-term business sustainability and market relevance.

### Revenue from Other Emerging Markets:

Revenue  
(RM' million)



In general, the nuanced market dynamics in FYE2024 called for a clear focus on leveraging regional advantages while addressing localised challenges as Zantat navigated the diverse market conditions in its regional operations. As the Group continues to adapt and innovate, it is well-positioned to expand its global presence and capitalise on emerging market opportunities, reinforcing its commitment to sustainable and strategic growth.

### Financial Performance Analysis

Zantat's financial performance in FYE2024 was shaped by a combination of market competition, supply chain disruptions, regulatory compliance costs, technological advancements, and economic fluctuations, all of which impacted revenue generation and profitability. The Group recorded a revenue of RM101.9 million in FYE2024, a 17.0% decline from RM122.8 million in FYE2023, while profit after tax fell from RM6.8 million in FYE2023 to RM0.5 million in FYE2024. This decline reflects the pressures of operating in a competitive and evolving market landscape, where pricing strategies, raw material costs, and industry-specific regulations played a crucial role in influencing financial performance.

The gross profit margin in FYE2024 declined marginally to 37.3% (FYE2023: 40.0%), as price competition intensified and foreign exchange rates fluctuated.

The intensified competition from both local and international manufacturers, leading to pricing pressures and market share contraction was particularly evident in the plastic masterbatch segment, where aggressive pricing by competitors challenged Zantat's ability to sustain margins. Additionally, global supply chain disruptions caused by geopolitical tensions and trade disputes affected raw material availability and cost structures, further elevating operational costs and reducing production efficiency.



## Management Discussion & Analysis (Cont'd)

### Financial Performance Analysis (Cont'd)

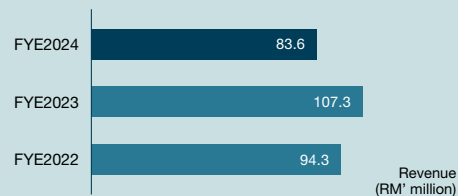
Furthermore, rapid technological advancements in material science and industrial automation necessitated continuous investments in R&D to maintain product competitiveness and operational efficiency.

Economic fluctuations in key markets, particularly India, also contributed to weaker demand for calcium carbonate products, which directly affected revenue streams. Currency volatility and shifts in global trade policies further compounded the Group's financial challenges, requiring a reassessment of pricing strategies and cost structures.

### Segmental Performance

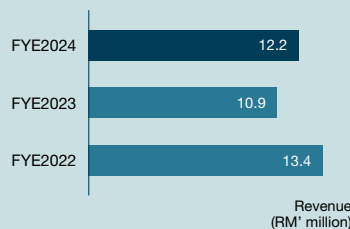
#### GCC Division

The GCC segment remained the largest revenue contributor, accounting for 82.1% of the Group's total revenue. However, revenue from GCC dropped by 22.1% from RM107.3 million in FYE2023 to RM83.6 million in FYE2024, mainly due to lower demand in the plastics and coatings industries. The table below shows the 3-year revenue earnings for the production of GCC:



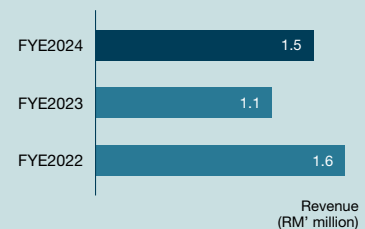
#### CC Dispersion Division

This segment grew modestly by 11.9% from RM10.9 million in FYE2023 to RM12.2 million in FYE2024, reflecting increased market adoption of high-performance dispersion solutions. The table below shows its 3-year revenue earnings:



#### Kaolin Dispersion Division

In FYE2024, Kaolin dispersion recorded a revenue of RM1.5 million, marginally higher than the previous financial year as demand for gloves began picking up. The table below shows the 3-year revenue earnings for the production of Kaolin dispersion:



### IPO PROCEEDS UTILISATION

Following its successful listing on the ACE Market of Bursa Malaysia during FYE2024, Zantat raised RM14.0 million, which was allocated towards business growth and to enhance operational efficiency. At end of FYE2024, RM10.1 million has been utilised, with the remaining RM3.9 million is earmarked for deployment within the designated timeframe. The allocation of the proceeds raised is outlined in the table below:

Category	Amount (RM'million)	Utilisation
Upgrading of R&D Facilities	3.8	Upgrade existing R&D centre and purchase of additional test and product development equipment.
Upgrading Calrock Perak Plant's Infrastructure	1.0	Upgrade and improve the building structures including office and warehouse.
Investment in High Efficiency Machine Components and Industrial Automation	1.4	Purchase and install automated packaging machines and high-efficiency motors for production line.
Repayment of Bank Borrowings	3.4	Strengthen financial position through debt reduction.

## Management Discussion & Analysis (Cont'd)

### IPO PROCEEDS UTILISATION (CONT'D)

Category	Amount (RM'million)	Utilisation
Working Capital	1.4	Purchase of bioplastic resins, certification applications and key hires.
Estimated Listing Expenses	3.0	Incidental expenses relating to the Listing exercise.
<b>Total</b>	<b>14.0</b>	

These strategic investments reinforce Zantat's commitment to innovation and sustainability, ensuring the Group remains competitive in key markets while enhancing financial stability and long-term growth potential.

### Human Capital Development

Zantat has established a comprehensive human capital development strategy aimed at enhancing employee skills, satisfaction, and productivity, which are critical to the Group's sustained growth and success. The Group remains committed to fostering a high-performance workforce through structured initiatives focused on training, talent management, employee well-being, and inclusivity.

A key component of this strategy is training and development, where Zantat provides continuous learning opportunities, including on-the-job training, professional development courses, and leadership programmes. These initiatives are designed to strengthen technical expertise and managerial capabilities, ensuring employees remain equipped with the latest industry knowledge and skills.

To attract and retain top talent, Zantat offers competitive compensation packages, career development pathways, and a supportive work environment. The Group places strong emphasis on talent retention, implementing structured career progression plans and employee recognition programmes to reward contributions and foster long-term commitment.

Employee engagement and well-being remain a top priority, with initiatives such as health and wellness programmes, employee assistance services, and regular engagement surveys to assess workplace satisfaction. These efforts allow Zantat to continuously improve workplace culture and employee support systems.

Furthermore, the Group remains committed to diversity and inclusion, ensuring a workplace culture that values and respects differences. Training programmes are in place to promote awareness of diversity issues, and inclusive policies that have been strengthened to ensure that all employees feel respected, valued, and empowered within the organisation.

### Sustainability Practices & ESG Initiatives

Zantat has reinforced its commitment to Environmental, Social, and Governance ("ESG") principles through a series of strategic initiatives conducted throughout the year. The Group has also focused on ESG capacity building by conducting monthly training sessions on critical ESG topics, including emissions management, fair labour practices, and supply chain management, to enhance employees' knowledge and foster a culture of sustainability.



## Management Discussion & Analysis (Cont'd)

### Sustainability Practices & ESG Initiatives (Cont'd)

#### Environmental Stewardship:

- **Energy Management:** Zantat invested in approximately 850 kWp of solar panels at its Perak Plant to increase renewable energy usage and reduce its carbon footprint. Additionally, 8 production lines were upgraded with high-efficiency electric motors to improve energy efficiency and optimise operating costs.
- **Emissions Management:** An enhanced carbon accounting system was implemented, providing more accurate tracking of Scope 1 and 2 emissions and expanding into additional Scope 3 categories. The Group also broadened its reporting to include methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and, where applicable, biogenic emissions.
- **Sustainable Product Innovation:** Zantat continued its downstream investments in environmentally friendly products, particularly focusing on compostable bioplastic solutions.

#### Social Responsibility:

- **Community Contribution:** The Group launched the Bagan Pasir Laut Revitalisation project under the "Greening the Fishing Village" initiative, introducing waste sorting stations, eco-friendly motorbikes for garbage collection, and a recycling centre to improve local waste management. Additionally, the Group partnered with Majlis Daerah Batu Gajah ("MDBG") for the Eco Green Market to facilitate recycling efforts among employees, resulting in the collection of 214 e-waste items, 76 kg of used cooking oil, and 610 kg of other recyclables.
- **Occupational Health and Safety:** Zantat established a near-miss reporting system and implemented Hazard Identification, Risk Assessment, and Risk Control (HIRARC) processes to strengthen workplace safety measures and ensure compliance with regulatory standards. Health and safety trainings were conducted across operational sites, including Occupational Noise Exposure Training at the KL Plant and AED & CPR Training at the KL, Perak, and Calrock Plants.

#### Governance Practices:

- **Anti-Corruption and Whistle-Blowing:** Anti-Bribery and Corruption (ABC) training sessions were conducted for all local and foreign staff to reinforce awareness across the workforce.

### ESG platform for business excellence

Zantat's commitment to ESG principles has delivered significant strategic advantages, reinforcing its position as a responsible and forward-thinking industry leader. Strengthening its corporate reputation has enhanced its appeal to customers, investors, and business partners, solidifying stakeholder confidence.

Meanwhile, investments in energy efficiency, including solar energy adoption, energy audits, and equipment upgrades, have resulted in measurable cost savings while reducing its environmental footprint. Compliance with stringent environmental and governance standards has effectively mitigated regulatory and reputational risks, ensuring long-term operational resilience.

Additionally, Zantat's strong ESG framework has heightened its attractiveness to investors, particularly in financial markets that prioritise sustainability-driven enterprises. The Group's emphasis on workplace well-being and employee engagement has led to improved job satisfaction and retention, fostering a highly skilled and motivated workforce. Furthermore, its focus on sustainable product innovation has differentiated its offerings in the marketplace, allowing it to cater to the growing demand for eco-friendly solutions. Through these initiatives, Zantat reaffirms its commitment to integrating ESG principles into its core business strategy, aligning with global sustainability imperatives and regulatory expectations.

## Management Discussion & Analysis (Cont'd)

### RISK MANAGEMENT & MITIGATION STRATEGIES

In FYE2024, Zantat's operations faced the following identified risks. However, the Group implemented proactive mitigation strategies to ensure business continuity and resilience.

Risk Category	Potential Impact	Mitigation Strategy
Market Competition	Increased competition from local and international manufacturers could pressure pricing and market share.	Diversification strategy through expanded product offerings and entry into new markets to reduce dependence on any single segment.
Supply Chain Disruptions	Geopolitical tensions, trade disputes, or pandemics may affect raw material availability and increase costs.	Strengthening supply chain resilience through strategic partnerships, alternative sourcing, and maintaining safety stock.
Regulatory Compliance	Changes in ESG regulations may require significant investments, impacting profitability.	Adhering to a strict compliance framework, conducting regular audits, employee training, and engaging regulatory experts to ensure compliance.
Technological Changes	Rapid advancements may render existing processes obsolete, requiring continuous upgrades.	Investing in research and development to enhance product innovation and improve operational efficiencies.
Economic Fluctuations	Economic downturns or instability in key markets may reduce demand for Zantat's products.	Implementing financial hedging strategies to mitigate currency and interest rate fluctuations, ensuring financial stability.

### Future Outlook and Business Prospects

Looking ahead, the Group is poised to capitalise on the growing global demand for GCC by enhancing product quality and expanding applications into higher-value industries. Zantat plans to focus on premium GCC production, optimising particle size distribution and surface treatment to meet the specialised requirements of industries such as high-end polymers, coatings, and adhesives. Investments in R&D and process optimisation will drive this transition, ensuring the Group remains competitive in an evolving market landscape.

Additionally, emerging growth segments, such as GCC dispersion for glove manufacturing, present opportunities for product diversification. With the global healthcare industry experiencing renewed demand for medical gloves, Zantat is well-positioned to expand its footprint in this segment.

#### Expansion into sustainable bioplastics and new market opportunities

Beyond its core GCC business, Zantat is actively expanding into the compostable bioplastics segment, which has garnered strong market interest. The Group is collaborating with local converters to develop downstream finished goods, including compostable waste bags and sustainable packaging solutions. Zantat is also exploring opportunities to expand its geographical footprint, particularly in markets with high demand for sustainable materials. By leveraging its expertise in material science and sustainable product development, the Group aims to broaden its reach and increase market penetration in regions with growing industrial and environmental consciousness.

## Management Discussion & Analysis (Cont'd)

### Future Outlook and Business Prospects (Cont'd)

#### Growth opportunities in the industry

The industry outlook remains highly favourable, driven by rising demand for high-quality GCC products and sustainable materials. Regulatory shifts, such as Malaysia's ban on plastic bags, continue to accelerate the adoption of compostable bioplastics, creating a strong growth avenue for Zantat. Furthermore, the increasing focus on premium GCC applications in coatings, polymers, and medical products supports long-term market expansion.

Global trade dynamics are also reshaping industry supply chains, presenting new growth opportunities. The recent U.S. decision to increase tariffs on China-made medical gloves is expected to drive demand for alternative suppliers. This shift presents a strategic advantage for Zantat, as medical glove manufacturers seek reliable, high-quality GCC sources to support production.

With a commitment to innovation, sustainability, and operational excellence, Zantat is well-positioned to capitalise on emerging industry trends, strengthen its presence in high-value applications, and drive sustainable growth in 2025 and beyond.



# Value Creation Strategic Review

## Leading With Purpose

In the financial year ended 31 December 2024 ("FYE2024"), Zantat Holdings Berhad ("Zantat" or "the Group") embarked on a transformative journey to enhance value creation across its value chain, propelled by its recent public listing. As the first and largest local calcium carbonate producer to be publicly listed in Malaysia, Zantat leveraged this milestone to unlock new opportunities, strengthen its competitive edge, and drive sustainable growth.

Guided by a commitment to sustainability, innovation, and stakeholder engagement, Zantat successfully harnessed its key strengths – advanced R&D capabilities and a commitment to operational excellence, to create meaningful value from its capital.

### EVOLVING THE BUSINESS MODEL FOR SUSTAINABLE INNOVATION AND TRANSFORMATIVE GROWTH

Zantat advanced its business model with a focus on expanding its sustainable product portfolio. Through its subsidiary, Zaneco Sdn Bhd ("Zaneco"), Zantat introduced innovative compostable bioplastics, leveraging our expertise in calcium carbonate production to enhance compostability and product performance. This strategic pivot underscores the Group's commitment to addressing global sustainability challenges, such as climate change and plastic pollution, while meeting the evolving demands of environmentally conscious markets.

### STRENGTHENING COMPETITIVE ADVANTAGES POST-LISTING

The public listing not only elevated Zantat's brand credibility but also enabled greater access to strategic partnerships and funding for future growth. Anchored by its advanced R&D capabilities, Zantat continues to lead the industry with innovative solutions, including enhanced performance additives for plastics and speciality formulations tailored to niche markets. By integrating in-house expertise into product innovation, the Group reinforced its position as a solutions-oriented partner, delivering exceptional value to clients across diverse industries.

### ESG INTEGRATION AS A CATALYST FOR VALUE CREATION

Central to Zantat's success is the integration of ESG principles into its operations and strategy. The Group demonstrates environmental stewardship through the use of calcium carbonate as a sustainable alternative to traditional plastic fillers, reducing carbon emissions. The adoption of renewable energy and the expansion of eco-friendly product lines, such as Earthya™ compostable bioplastics, further cement the Group's role in fostering a circular economy and combating environmental degradation.

Beyond our operations, Zantat prioritises positive social contributions. Through initiatives like the Bagan Pasir Laut revitalisation project, education sponsorships, and sustainability awareness programmes, the Group empowers communities, supports education, and fosters resilience. Meanwhile, robust governance frameworks ensured transparency, accountability, and alignment with global standards, further reinforcing trust among stakeholders.









### OUR VALUE CREATION STORY

In FYE2024, Zantat demonstrated its ability to achieve value creation through strategic use of six capitals: **Financial Capital** which fuelled innovation and market expansion, ensuring consistent shareholder returns; **Manufactured Capital** delivering high-quality, sustainable products while enhancing production efficiency; **Intellectual Capital** towards advancements in eco-friendly materials, maintaining Zantat's leadership in sustainable innovation; **Human Capital** which thrived with a skilled and motivated workforce supported by fair labour practices and training programmes; **Social and Relationship Capital** strengthening community engagement and stakeholder collaboration; and **Natural Capital** through its responsible management of environmental impact and initiatives to reduce the Group's environmental footprint.

Together, these initiatives not only enhanced Zantat's competitive edge but also positioned the Group as a leader in sustainable materials, meeting the growing demand for environmentally friendly solutions and creating long-term value for customers, investors, and society at large.

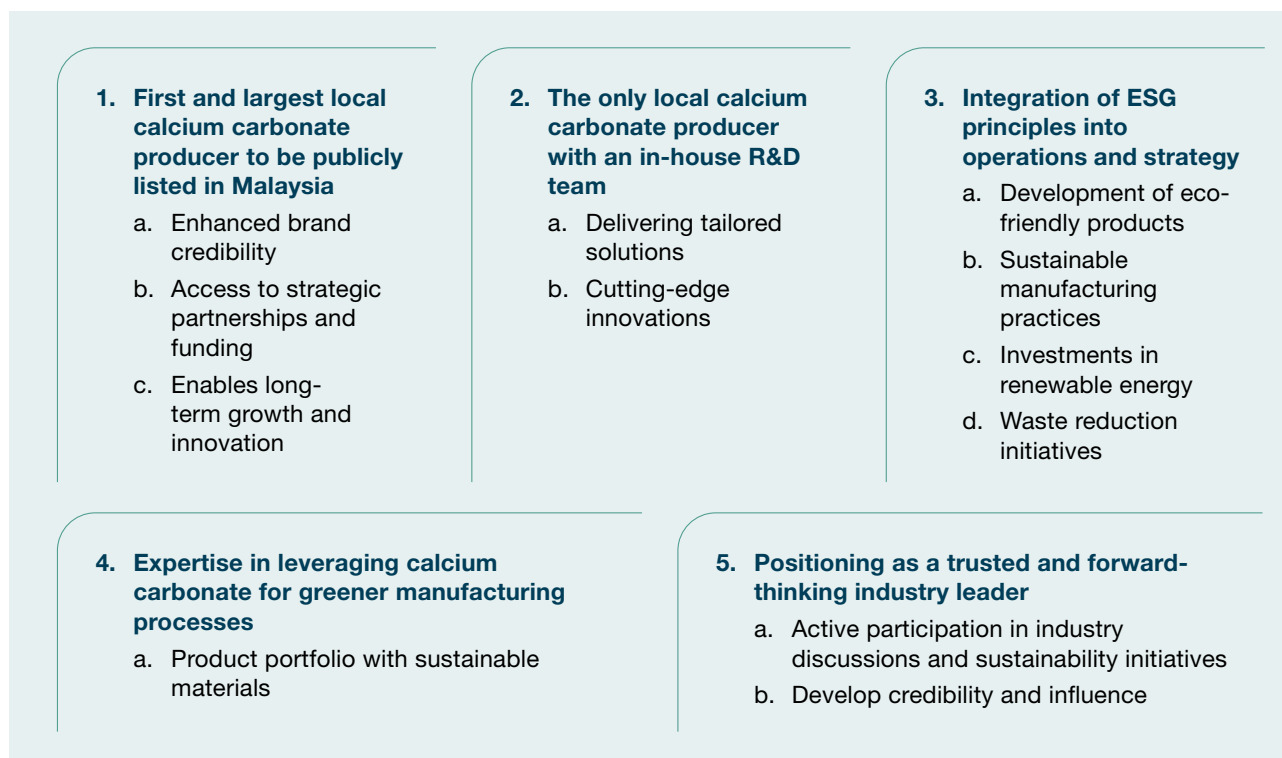
## Value Creation Strategic Review (Cont'd)

### OUR BUSINESS MODEL

Business activities and revenue streams	Geographical market	Distribution channel and customer base
Principal Activities	Principal Markets	Main Channel – Direct
<div>Production of GCC</div> <div>Production of CC dispersion</div> <div>Production of kaolin dispersion</div> <div>Bioplastic compounding</div>	<div>   India </div> <div>   Malaysia </div>	<ul style="list-style-type: none"> <li>Plastic masterbatch manufacturers</li> <li>Rubber glove manufacturers</li> <li>PVC pipe and cable manufacturers</li> <li>Other manufacturers</li> </ul>
Other Business Activities	Other markets	Indirect Channel
<div>Processing of ultrafine PCC powder</div> <div>Trading of other industrial minerals</div> <div>Operations of limestone quarry</div>	<div>   Indonesia </div> <div>   Thailand </div> <div>   Philippines </div> <div>   Nepal </div> <div>   Australia </div> <div>   Sri Lanka </div> <div>Other foreign countries</div>	<ul style="list-style-type: none"> <li>Chemical trading companies</li> </ul>

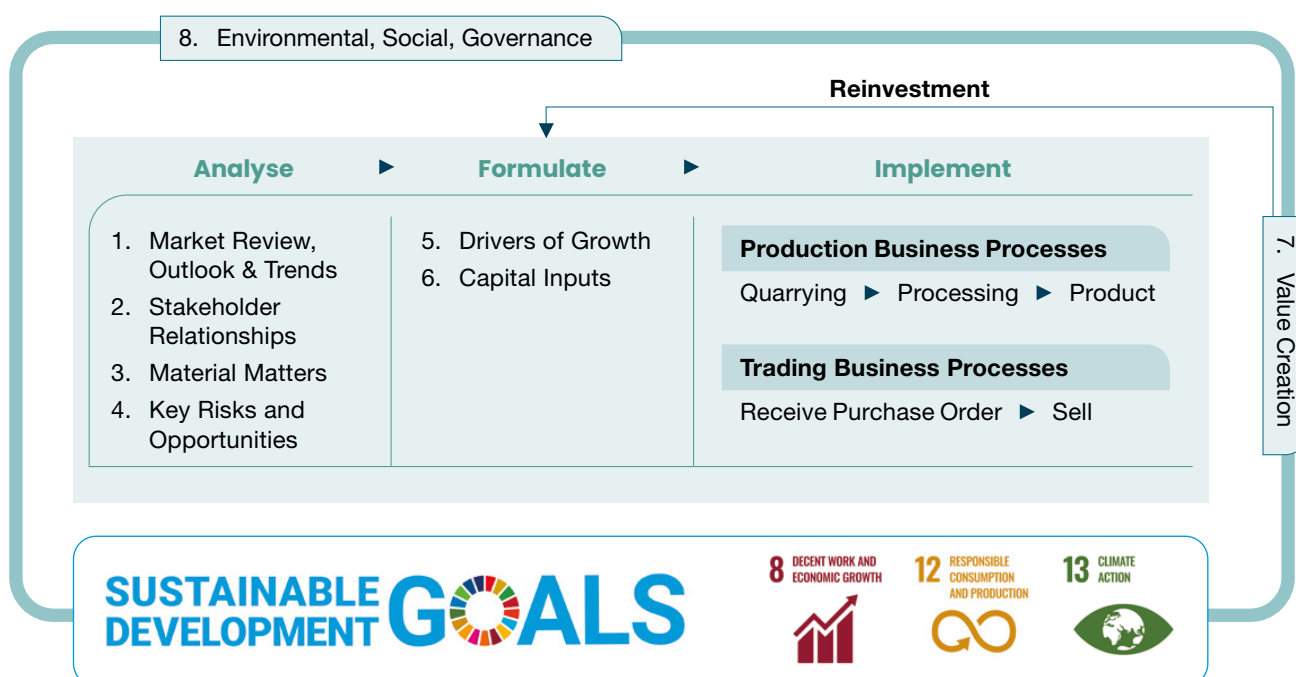
## Value Creation Strategic Review (Cont'd)

### OUR COMPETITIVE STRENGTHS



These competitive strengths collectively enable Zantat to sustain its leadership in the market, address global challenges, and deliver innovative, value-driven solutions to its stakeholders.

### OUR APPROACH TO VALUE CREATION





## Value Creation Strategic Review (Cont'd)

### OUR APPROACH TO VALUE CREATION (CONT'D)

#### 1. Market Review, Outlook & Trends

We analyse trends at the global, local and industry levels to identify external forces that could potentially impact our business processes, strategies and overall ability to create value over the short, medium and long-term.

#### 2. Stakeholder Relationships

To create long-term sustainable value, we encapsulate the importance of stakeholder communication. We regularly engage with our key stakeholders to understand their perspectives and to create transparency on our strategies and objectives. Our engagements also enable us to align and balance their expectations with our business priorities. Our key stakeholders are:

- Customers
- Investors/Shareholders
- Vendors and Suppliers
- Government and Regulators
- Senior Management
- Employees
- Local Communities

#### 3. Material Matters

Material Matters are topics that substantively affect our ability to create value over time – in the short, medium or long-term. These are topics that influence our ability to retain our competitiveness and enhance our reputation within the markets in which we operate. We have identified five material matters, with specific strategies developed to maximise value creation in each area:

- Product Quality
- Sustainability and ESG Compliance
- Cost Management
- Innovation
- Regulatory Compliance

#### 4. Key Risks and Opportunities

Our cognisance of the prevailing business and industry landscape extends to encompass strategic, operational, financial and compliance-related risks and opportunities that have the potential to impact our operational processes, reputation and revenue-generating capabilities.

#### 5. Drivers of Growth

At the core of our value creation journey lie our Drivers of Growth – the key factors that embody our commitment to advancing innovation and product value, continuously enhancing production efficiency and scaling up our capacity to meet growing demands.

- Expansion of Sustainable Product Lines
- Market Diversification
- Investment in R&D
- Strengthening ESG Leadership
- Operational Efficiency Optimisation
- Strategic Partnerships and Collaborations

#### 6. Capital Inputs

The optimised deployment of our capital inputs generates value through our business model and enables the successful execution of our strategies.

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

#### 7. Value Creation

Value creation emerges through sustainable outcomes driven by our strategic reinvestment in foundational capitals, which form the core pillars of our growth strategy. This deliberate approach ensures the efficient allocation of resources, aligning seamlessly with our organisational objectives and long-term strategic plans.

#### 8. Environmental, Social and Governance

Sustainability is embedded into every facet of our value creation and business processes, creating shared value for our stakeholders, communities and the planet.

## Value Creation Strategic Review (Cont'd)

### OUR VALUE CREATION MODEL

#### INPUT

##### FINANCIAL CAPITAL

Revenue from core operations, funding from public listing, and reinvested earnings.

##### MANUFACTURED CAPITAL

State-of-the-art production facilities and machinery, and wide geographical coverage of 18 foreign markets.

##### INTELLECTUAL CAPITAL

Proprietary research, industry expertise of **39** years, focus on R&D and innovation, and knowledge of sustainability practices.

##### HUMAN CAPITAL

Skilled workforce of **216** people, experienced Board and management, continuous training initiatives, and fair labour practices.

##### SOCIAL AND RELATIONSHIP CAPITAL

Community engagement, partnerships, and educational initiatives.

##### NATURAL CAPITAL

Sustainable resource utilisation, 2 limestone reserves with lease term expiring in years 2068 and 2070, and renewable energy.

#### PROCESSES

##### Vision:

To establish our presence as a top manufacturer of Calcium Carbonate products and a reliable partner that provides optimum value to customers in diverse industries.

##### DRIVERS OF GROWTH:



##### Business Processes:

##### Production

Quarrying ► Processing ► Product

##### Trading

Receive Purchase Order ► Sell

##### Material Matters

###### Talent Retention

Challenges in attracting and retaining specialised talent in R&D and operations.

###### Product Quality

Ensuring consistent high-quality calcium carbonate products and compostable bioplastics.

###### Sustainability and ESG Compliance

Addressing environmental impacts and meeting stakeholder expectations.

###### Cost Management

Mitigating rising raw material and logistics costs.

###### Innovation

Investing in R&D to meet evolving customer needs and regulatory requirements.

###### Regulatory Compliance

Adhering to industry standards and environmental regulations.

##### Risks

###### Rising Costs of Raw Materials and Logistics

Volatile prices for raw materials and transportation.

###### Regulatory Changes

Evolving environmental and industry-specific regulations may increase operational complexity.

###### Geopolitical Risks

Export dependency, especially in major markets like India, exposes the business to trade policies and geopolitical uncertainties.

###### Market Competition

Increasing competition from both local and international players in calcium carbonate and bioplastics.

###### Talent Retention

Challenges in attracting and retaining specialised talent in R&D and operations.

## Value Creation Strategic Review (Cont'd)

### OUTPUT

#### FINANCIAL CAPITAL

Revenue:  
**RM101.9 million**

Net Profit:  
**RM0.5 million**

Net Operating Cashflow:  
**RM9.1 million**

Earnings per share:  
**0.17 sen**

Dividend payout:  
**1.5 sen**

#### MANUFACTURED CAPITAL

Output:  
**198,637 MT** of calcium carbonate, **2 new machines**

#### INTELLECTUAL CAPITAL

Innovative products:  
Earthya™ bioplastics  
and niche calcium  
carbonate solutions

Certifications:  
ISO 9001:2015, ISO  
45001:2018, ISO  
14001:2015, HACCP,  
Halal Certification, Good  
Manufacturing Practice

#### HUMAN CAPITAL

High employee retention  
rate of **89.8%**

**4,726** training hours  
with an investment of  
**RM115,423** for internal  
& external training  
and development  
programmes

Zero work-related  
fatalities

**RM16.4** million in  
Board and employee  
remuneration and  
benefits

#### SOCIAL AND RELATIONSHIP CAPITAL

**86.9%** of locally sourced  
materials, **RM2.7  
million**, contributed to  
income taxes.

Continued awareness  
programmes  
and initiatives of  
environmental  
sustainability and  
practices.

#### NATURAL CAPITAL

**20.9%** Reduced carbon  
emission

Zero discharge of  
wastewater (all water  
used in production is  
treated)

**Waste diversion rate  
increased to 16.9% in  
FYE2024**

**Recovering 92 tonnes  
of recyclable materials**

### OUTCOMES

#### CUSTOMERS

- Delivered premium calcium carbonate and certified sustainable products that exceeded industry standards.
- Aligned offerings with customers' sustainability goals to enhance satisfaction and long-term loyalty.
- Strengthened market trust through consistent product quality and tailored solutions.

#### INVESTORS/SHAREHOLDERS

- Generated steady revenue growth supported by ESG-aligned initiatives and responsible business practices.
- Provided attractive shareholder returns, including dividends, while maintaining financial transparency.
- Built long-term trust through clear, consistent communication and a commitment to sustainable value creation.

#### VENDORS AND SUPPLIERS

- Strengthened strategic relationships through fair procurement practices and timely payments.
- Fostered mutual growth by collaborating on shared sustainability objectives.
- Enhanced supply chain efficiency through transparent and ethical business operations.

#### GOVERNMENT AND REGULATORS

- Ensured full compliance with evolving regulations and industry standards.
- Actively contributed to policy-making discussions on sustainability and waste management.
- Supported national initiatives, including renewable energy adoption and environmental stewardship.

#### SENIOR MANAGEMENT

- Equipped leadership with actionable insights, strategic tools, and resources for decision-making.
- Enhanced innovation and market expansion capabilities through data-driven strategies.
- Ensured operational excellence by fostering alignment with corporate goals.

#### EMPLOYEES

- Promoted a culture of inclusivity, safety, and engagement across the organisation.
- Supported career advancement through targeted training programmes and leadership development.
- Improved employee well-being with fair labour practices and comprehensive benefits.

#### LOCAL COMMUNITIES

- Delivered impactful educational support through scholarships and sustainability awareness initiatives.
- Revitalised communities via environmental projects, such as the Bagan Pasir Laut programme.
- Fostered resilience and stewardship through collaborations that address local challenges and build sustainable futures.



## Value Creation Strategic Review (Cont'd)

### ZANTAT'S DRIVERS OF GROWTH FOR ENHANCED VALUE CREATION

Zantat's strategy for value creation is built around its core **Drivers of Growth**, which focus on innovation to expand production capacity, enhance process efficiency, and improve product value for customers and end consumers. These milestones reflect how Zantat has successfully aligned its efforts with these drivers to maintain and strengthen its competitive advantage and reputation, in line with the Group's vision:



#### VISION

To establish our presence as a top manufacturer of Calcium Carbonate products and a reliable partner that provides optimum value to customers in diverse industries.

Drivers of Growth		Milestones Achieved During Review Period
Expansion of Sustainable Product Lines	Address growing market demand for environmentally friendly solutions by expanding the compostable bioplastics line and enhancing calcium carbonate applications for greener manufacturing processes.	Successfully expanded the Earthya™ compostable bioplastics range, broadening our sustainable materials portfolio and reinforcing our commitment to eco-friendly solutions across key industries.
Market Diversification	Reduce dependency on key markets by developing new products for emerging market segments through innovation and targeted marketing strategies.	Entered emerging markets with newly developed products, achieving broader revenue streams and reduced market dependency.
Investment in R&D	Drive innovation in product performance, sustainability, and cost-efficiency through advanced R&D initiatives.	Launched certified high-performing products, tailored to customer needs, enhancing satisfaction and competitive advantage.
Strengthening ESG Leadership	Align business operations with global sustainability goals and enhance corporate reputation through proactive ESG initiatives.	Strengthened stakeholder trust through impactful ESG initiatives, including re-adoption and waste reduction efforts, resulting in improved regulatory alignment and access to ESG-conscious investors and customers.
Operational Efficiency Optimisation	Improve cost management and production efficiency by leveraging advanced technologies and streamlining processes.	Achieved significant cost savings and enhanced operational scalability by integrating advanced manufacturing technologies.
Strategic Partnerships and Collaborations	Form alliances with industry stakeholders, policymakers, and NGOs to foster innovation, expand market access, and promote sustainability.	Established key partnerships with industry stakeholders and NGOs, driving innovation and facilitating the adoption of sustainable practices across the supply chain.

## Value Creation Strategic Review (Cont'd)

### STAKEHOLDER ENGAGEMENT

We prioritise meaningful interactions with our stakeholders to gain a deeper understanding of the issues that matter most to them. Through tailored engagement efforts, we gather invaluable insights that inform our materiality determination process. These insights serve as a foundation for shaping our business and sustainability strategies, ensuring they are designed to maximise value creation and align with the expectations of our diverse stakeholders.

#### Stakeholder Groups

#### Why We Engage Them



##### Customers

To understand customer needs, ensure product quality, and foster long-term relationships.

#### How we engage

- Regular meetings
- Customer feedback surveys
- Participation in industry exhibitions

#### How we address their expectations

Deliver tailored solutions, maintain consistent product quality, and provide responsive customer support.

#### Stakeholder Groups

#### Why We Engage Them



##### Investors/ Shareholders

To maintain transparency, communicate business performance, and align on strategic goals.

#### How we engage

- AGMs
- Quarterly financial reports
- Investor briefings

#### How we address their expectations

Provide clear updates on performance, adhere to ESG commitments, and ensure consistent returns.

#### Stakeholder Groups

#### Why We Engage Them



##### Vendors and Suppliers

To ensure a reliable supply chain, foster mutual growth, and align on sustainability objectives.

#### How we engage

- Procurement meetings
- Regular performance evaluations
- Collaborative discussions

#### How we address their expectations

Ensure timely payments, fair practices, and opportunities for collaboration on sustainable initiatives.

#### Stakeholder Groups

#### Why We Engage Them



##### Government and Regulators

To comply with regulations, contribute to policy-making discussions, and support national sustainability initiatives.

#### How we engage

- Periodic audits
- Regulatory filings
- Participation in industry forums

#### How we address their expectations

Maintain full compliance, participate in environmental programmes, and support policy objectives.

## Value Creation Strategic Review (Cont'd)

### STAKEHOLDER ENGAGEMENT (CONT'D)

#### Stakeholder Groups

#### Why We Engage Them



#### Senior Management

To drive strategic initiatives, enhance operational efficiency, and align business goals.

#### How we engage

- Leadership meetings
- Performance reviews
- Strategy workshops

#### How we address their expectations

Provide clear strategic direction, empower decision-making, and ensure alignment with company goals.

#### Stakeholder Groups

#### Why We Engage Them



#### Employees

To promote a positive workplace, ensure employee satisfaction, and support professional growth.

#### How we engage

- Internal communications
- Training sessions
- Town halls
- Employee surveys

#### How we address their expectations

Foster a supportive culture, provide growth opportunities, and implement fair labour practices.

#### Stakeholder Groups

#### Why We Engage Them



#### Local Communities

To contribute to community development, promote environmental sustainability, and support education.

#### How we engage

- Community programmes
- Educational collaborations
- Environmental initiatives

#### How we address their expectations

Deliver impactful initiatives, including educational support, community revitalisation, and sustainability projects.



# Sustainability Report

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## Sustainability Report (Cont'd)

### 1. Introduction

#### 1.1. ABOUT THIS REPORT (GRI 2-1)

Zantat Holdings Berhad ("ZHB," or "the Company") and its subsidiaries ("Zantat" or "the Group") are pleased to present this sustainability report ("the Report"), reflecting the company's commitment to creating long-term value for stakeholders. As a leading producer of high-quality calcium carbonate products, Zantat is dedicated to advancing sustainability across environmental, social, and governance ("ESG") dimensions. Over the past year, Zantat has undertaken significant measures to enhance its ESG initiatives, including stricter adherence to reporting standards, alignment with FTSE Russell ESG indicators, and the introduction of its green product line, Earthya, underscoring its commitment to sustainable innovation.

To ensure the effective management of sustainability matters, the Group has maintained a three-tiered Sustainability Governance system and continuously refined its Sustainability Framework to guide its initiatives. This Report highlights Zantat's ongoing efforts to reduce carbon footprint by expanding the scope of emissions calculations and disclosures across Scopes 1, 2, and 3, thereby providing stakeholders with a clearer and more transparent view of its environmental impact and mitigation strategies.

Zantat remains committed to maintaining the highest levels of transparency in its disclosures, objectives, and key performance indicators. Wherever possible, the Group provides three years of data to enhance accuracy and deliver meaningful insights into its sustainability performance. This approach reinforces the company's dedication to accountability and enables stakeholders to track progress effectively over time.

#### 1.2. PERIOD AND CYCLE (GRI 2-3)

This Report provides a comprehensive overview of Zantat Holdings Berhad's sustainability initiatives for the period from 1 January 2024 to 31 December 2024, corresponding to the financial year 2024 (FY2024). It highlights the Group's focus on ESG, corporate governance, internal operations, and business activities.

To support trend analysis and provide historical context, Zantat discloses data from the three most recent years

wherever possible, available, and accurate. Additionally, where necessary, the methodologies and assumptions used in calculations are included to ensure transparency and clarity. For a more in-depth understanding of key aspects, stakeholders are encouraged to refer to the corresponding sections in Zantat's Integrated Annual Report and other relevant sources.

#### 1.3. SCOPE AND BOUNDARIES (GRI 2-2)

This Sustainability Report evaluates Zantat Holdings Berhad's non-financial performance, focusing on key opportunities, risks, and outcomes that influence long-term value creation. It covers Zantat Holdings Berhad and its subsidiaries, including Zantat Sdn. Bhd. Perak plants ("Zantat Perak"), Zantat Sdn. Bhd. Kuala Lumpur plant ("Zantat KL"), Calrock Sdn. Bhd. ("Calrock"), Zantat Light C.C. Sdn. Bhd. ("ZLCC"), and Zaneco Sdn. Bhd. ("Zaneco").

To provide deeper insights, the Group has introduced ESG metrics specific to each subsidiary where feasible. While no significant changes to its structure, ownership, or supply chain occurred during the reporting period, Zantat remains committed to enhancing disclosures and adapting its sustainability approach. Moving forward, Zantat aims to further refine its ESG reporting, reinforcing its dedication to transparency and accountability.

#### 1.4. FRAMEWORKS AND STANDARDS






This Report has been prepared in compliance with Bursa Malaysia's Listing Requirements and is guided by the Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition). It aligns with the Global Reporting Initiative ("GRI") Standards, incorporating additional GRI metrics this year to enhance disclosure comprehensiveness. The Group has also refined its alignment with the United Nations Sustainable Development Goals ("UN SDGs") and the Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations to provide more robust insights.

In FY2024, FTSE Russell ESG metrics have been integrated into the reporting framework to further strengthen ESG disclosures. Additionally, with the introduction of the National Sustainability Reporting Framework (NSRF), the Group has initiated alignment with International Financial Reporting Standards (IFRS S1 and IFRS S2) as outlined in the NSRF.

## Sustainability Report (Cont'd)

### 1. Introduction (Cont'd)

#### 1.4. FRAMEWORKS AND STANDARDS (CONT'D)

Framework	Definition	Why it Matters	Progress
 <p>Bursa Malaysia Sustainability Report Framework 3<sup>rd</sup> Edition</p>	Malaysia's Stock Exchange requires publicly listed companies to disclose 22 statistics across 11 common indicators. The common indicators target and cover ESG topics.	<ul style="list-style-type: none"> <li>Ensures compliance with Bursa Malaysia's sustainability standards.</li> <li>Strengthens governance and stakeholder trust in Malaysia.</li> <li>Supports national ESG and economic resilience goals.</li> </ul>	Active
 <p>Global Reporting Initiative (GRI)</p>	An international framework that provides standards for organisations to report on their ESG impacts. It aims to promote transparency, accountability, and sustainability by offering guidelines for companies to disclose their sustainability performance.	<ul style="list-style-type: none"> <li>Aligns ESG disclosures with globally recognised sustainability standards.</li> <li>Enhances transparency and accountability for international stakeholders.</li> <li>Supports benchmarking against global best practices for continuous improvement.</li> </ul>	Active
 <p>United Nation Sustainable Development Goals (UN SDGs)</p>	A set of 17 global goals established by the United Nations in 2015 to address urgent social, economic, and environmental challenges. The goals aim to end poverty, protect the planet, and ensure prosperity for all by 2030. Each goal has specific targets and indicators, focusing on areas such as health, education, gender equality, clean water, climate action, and sustainable economic growth.	<ul style="list-style-type: none"> <li>Aligns sustainability efforts with global priorities for social, environmental, and economic progress.</li> <li>Supports Malaysia's commitment to the UN SDGs through responsible business practices.</li> <li>Drives long-term value creation by addressing key global and local sustainability challenges.</li> </ul>	Active
 <p>Taskforce on Climate-related Financial Disclosure</p>	The Task Force on Climate-related Financial Disclosures (TCFD) provides a global framework to consistently and transparently disclose climate-related financial risks and opportunities. Its recommendations focus on governance, strategy, risk management, and metrics and targets, enabling organisations to integrate climate considerations into decision-making processes.	<ul style="list-style-type: none"> <li>Strengthens climate risk management and disclosure in line with global best practices.</li> <li>Enhances resilience by integrating climate-related risks and opportunities into business strategy.</li> <li>Supports Malaysia's transition to a low-carbon economy and regulatory expectations.</li> </ul>	FY2025
 <p>Science-based Targets initiatives</p>	A global organisation that guides companies in setting GHG emissions reduction targets aligned with the latest climate science and the goals of the Paris Agreement. It provides targets that are specific, measurable, and aligned with limiting global warming to 1.5°C or well below 2°C.	<ul style="list-style-type: none"> <li>Guides Zantat's emission reduction targets with science-based methodologies.</li> <li>Ensures alignment with global climate goals and Malaysia's carbon neutrality commitment.</li> <li>Enhances credibility in decarbonisation efforts for stakeholders and investors.</li> </ul>	FY2025



# Sustainability Report (Cont'd)

## 1. Introduction (Cont'd)

### 1.5. ASSURANCE READINESS (GRI 2-5)

This Report has been thoroughly reviewed by senior management, Sustainability Steering Committee, and Sustainability Working Group to ensure the utmost accuracy and reliability. It has also been presented to the Board of Directors for their awareness and strategic input. While the Report has not been externally assured, it has been prepared in alignment with industry standards, making it assurance-ready with well-documented methods and reproducible data. These measures further enhance the credibility and precision of Zantat’s sustainability disclosures.

### 1.6. FEEDBACK

Stakeholders are invited to explore the digital version of the Sustainability Report at <https://www.zantat.com.my/> and share their perspectives on the Group’s sustainability approach. Feedback and suggestions play a crucial role in refining sustainability practices and initiatives. Through open and transparent communication, Zantat aims to better understand stakeholder expectations, address key concerns, and enhance the quality and relevance of Zantat’s ESG disclosures. Collaboration remains central to driving continuous improvement and advancing a shared commitment to a more sustainable future.

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## 2. About Zantat Holdings Berhad

### 2.1. THE GROUP BACKGROUND

Established in 1985 as Zantat Sdn. Bhd., the company has grown into a leading player in the calcium carbonate and mineral products industry. Over the decades, Zantat has continuously expanded its capabilities, integrating innovation, sustainability, and responsible business practices into its operations. In 2023, the company transitioned into Zantat Holdings Berhad (ZHB), culminating in a significant milestone on 27 March 2024, when it became a publicly listed company. The listing has enabled Zantat to accelerate two key strategic initiatives: (1) the launch of new downstream product segments and (2) the investment into a new R&D centre to strengthen in-house product development, application testing, and technical support—driving innovation across both its calcium carbonate and bioplastic compound segments. This transformation represents more than financial growth—it underscores Zantat’s commitment to transparency, accountability, and long-term sustainability, reinforcing its position as a responsible corporate entity in the global marketplace.

With five production plants along with two leasehold properties with limestone reserves in Perak, the company serves a diverse customer base across multiple industries. Its products reach approximately 300 customers in key markets such as India and Malaysia, reflecting an expanding global footprint and a steadfast commitment to sustainable business growth.

Subsidiary	Operation	Address
Zantat Sdn Bhd - Perak Plants	Head office, warehouse and production of GCC	PT24571 & PT 21289 Kaw. Industri Batu Kapur Keramat Pulai, 31300 Kampung Kepayang, Perak.

## Sustainability Report (Cont'd)

## 2. About Zantat Holdings Berhad (Cont'd)

### 2.1. THE GROUP BACKGROUND (CONT'D)

Subsidiary	Operation	Address
Zantat Sdn Bhd - KL Plant	Office, warehouse, production of calcium carbonate and kaolin dispersions, and processing of ultrafine PCC powder	Lot 1013-B, Jalan 2/32A, 6 ½ Miles, Kepong Industrial Area, Jalan Kepong, 52100 Kuala Lumpur.
Calrock Sdn Bhd	Office, warehouse and production of GCC	60, Persiaran Portland, Tasek Industrial Estate, 31400 Ipoh, Perak.
Zantat Light C.C. Sdn Bhd	Quarry, site office and operations of limestone quarry	PT22565, Kaw. Industri Batu Kapur Keramat Pulai, 31300 Kampung Kepayang, Perak.
Zaneco Sdn Bhd	Manufacturer of bioplastic compound	PT24571 & PT 21289 Kaw. Industri Batu Kapur Keramat Pulai, 31300 Kampung Kepayang, Perak.

Zantat's core business focuses on the manufacturing of calcium carbonate products, including Ground Calcium Carbonate ("GCC") and Calcium Carbonate ("CC") dispersions. GCC remains the primary revenue driver, contributing to 82.1% of its revenue in FY2024. In addition to GCC and CC dispersions, the Group also engages in the processing of ultrafine Precipitated Calcium Carbonate ("PCC") powder, trading of industrial minerals, and supplying limestone quarry products, serving industries such as plastics, paints and coatings, glove production, and rubber manufacturing.

Since its introduction in 2020, Zantat's kaolin dispersion has continued to support the synthetic rubber glove industry, reflecting the Group's adaptability in meeting evolving market demands.

### A STRATEGIC COMMITMENT TO SUSTAINABILITY

Since its inception, Zantat has prioritised environmental responsibility as a core principle. Looking ahead, sustainability is not just an operational focus but the foundation of its corporate strategy. The Group is integrating sustainable products and processes into its business model to ensure that stewardship remains central to long-term growth. The recent launch of Earthya, an environmentally friendly product innovation, underscores Zantat's commitment to supporting a circular economy. Additionally, the on-site bioconversion centre, currently in its pilot phase, is designed to process food waste naturally using black soldier flies, enhancing waste management and resource efficiency.

To strengthen ESG leadership, Zantat continues to enhance sustainability disclosures, refine its emission accounting framework, and implement targeted environmental initiatives. With its public listing, Zantat has an expanded platform to build stakeholder trust and reaffirm its dedication to responsible growth. Moving forward, Zantat remains committed to leading the mineral production industry in carbon footprint reduction, advancing innovative solutions, and driving progress toward a more sustainable future.






## Sustainability Report (Cont'd)

## 2. About Zantat Holdings Berhad (Cont'd)

## 2.2. SUSTAINABILITY HIGHLIGHTS

FY2024 marks another milestone in Zantat's ESG journey, with notable achievements that reflect the Group's ongoing commitment to sustainability and responsible growth.

Table 2.2 ESG topics identified by Zantat, aligned with the Materiality Survey.


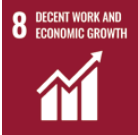




Material Topics	Definition	
<b>Supply Chain Management (Environment)</b>	Evaluating suppliers based on their environmental practices and ensuring alignment with sustainability goals to promote responsible sourcing.	
<b>Supply Chain Management (Social)</b>	Reviewing and collaborating with suppliers to ensure their operations positively contribute to societal well-being and adhere to ethical practices.	
	<b>Target 1.2</b>	<b>Achievement</b>
	Reduce at least by half the proportion of men, women, and children living in poverty.	Zantat supports local economic development by allocating 86.9% of its procurement spending to local suppliers, ensuring job creation and economic opportunities in Malaysia.
	<b>Community Engagement and Contribution</b>	Building strong relationships with local communities through initiatives and programs that support social development and address community needs.
		<b>Target 4.1</b>
	Ensure that everyone complete free, equitable and quality primary and secondary education.	<b>Achievement</b>
		Zantat supported over 148 students from low-income families through education-focused initiatives, including school sponsorships, uniform vouchers, and mentorship programmes. With contributions amounted to RM8,086 and over 30 staff volunteer hours, these efforts reinforced the company's commitment in promoting equitable access to education and reducing socio-economic barriers.
	<b>Target 11.6</b>	<b>Achievement</b>
	Reduce the adverse per capita environmental impact of cities, including air quality and waste management.	Zantat invested RM100,329 in environmental and community initiatives focused on waste management, conservation, and public awareness. The most significant of these was the year-long 'Greening the Fishing Village' project in Bagan Pasir Laut, which improved waste infrastructure and living conditions for 150 families. Other initiatives included a tree-planting event at FRIM and the Eco Green Market, which engaged employees in recycling efforts and promoted environmentally responsible practices.
	<b>Target 17.17</b>	<b>Achievement</b>
	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	Zantat contributed RM12,019 and 97 volunteer hours to support vulnerable groups, benefiting over 300 individuals through donations, health initiatives, and inclusive community programmes. Activities included elderly and orphanage outreach, blood donation drives, fire safety education, and creative engagement for children with learning disabilities.



## Sustainability Report (Cont'd)

## 2. About Zantat Holdings Berhad (Cont'd)

### 2.2. SUSTAINABILITY HIGHLIGHTS (CONT'D)

Material Topics	Definition	
<b>Occupational Health and Safety</b>    	Ensuring the safety and well-being of employees by adhering to stringent health and safety protocols and fostering a culture of care and prevention.	
	<b>Target 3.9</b> Reduce illnesses and deaths caused by hazardous chemicals and air, water, and soil pollution.	<b>Achievement</b> Zantat reduced air pollution by achieving a 4.0% reduction in Particulate Matter (PM <sub>10</sub> ) levels from FY2022 to FY2024. Additionally, no detectable levels of NO <sub>x</sub> and SO <sub>x</sub> were found in air emissions.
<b>Talent Management</b>    	Providing fair and equal opportunities for professional growth through structured training and development programs to enhance skills and career progression.	
	<b>Target 4.4</b> Increase the number of youth and adults with relevant skills for employment and entrepreneurship.	<b>Achievement</b> The total training hours at Zantat have increased significantly by 226.2%, from 1,449 hours in FY2022 to 4,726 hours in FY2024.
	<b>Target 8.8</b> Protect labour rights and promote safe working environments.	<b>Achievement</b> Zantat has initiated a 24-month remediation programme to reimburse its foreign workers for recruitment fees paid to local agents in their home countries. This initiative covers 94 workers from Nepal and Bangladesh, with a total remediation value of RM556,300, and monthly payments scheduled from November 2024 to October 2026.
<b>Diversity and Inclusion</b>  	Encouraging and fostering a workplace environment that values varied backgrounds, perspectives, and skills to build a more inclusive organisation.	
	<b>Target 5.5</b> Ensure women's full and effective participation in leadership at all levels.	<b>Achievement</b> Zantat has committed to improving gender diversity in leadership roles. In FY2024, women comprised 14% of the Board of Directors and 25% of senior management, with further initiatives planned to increase female representation in leadership positions.
<b>Water Use Management</b>  	The efficient and sustainable use of water resources, focusing on conservation, reuse, and reducing water wastage across processes.	
	<b>Target 6.4</b> Increase water-use efficiency to ensure sustainable withdrawals.	<b>Achievement</b> In FY2024, Zantat has reduced total water consumption by 10.3%, from 71,094 m <sup>3</sup> (FY2023) to 63,754 m <sup>3</sup> , primarily by cutting groundwater extraction by 27.0% and introducing a rainwater harvesting system at Zantat Perak.

## Sustainability Report (Cont'd)

## 2. About Zantat Holdings Berhad (Cont'd)




## 2.2. SUSTAINABILITY HIGHLIGHTS (CONT'D)

Material Topics	Definition	
<b>Energy Management</b>  	<p>The strategic approach to optimising energy consumption, improving efficiency, and exploring renewable energy sources to reduce reliance on conventional energy.</p> <p><b>Target: 7.3</b> Double the global rate of improvement in energy efficiency.</p>	<p><b>Achievement</b> Zantat reduced total energy consumption by 19.4%, from 31,320 MWh (FY2023) to 25,260 MWh (FY2024). This was partly attributed to the upgrade of eight production lines with high-efficiency motors.</p>
<b>Waste Management</b>    	<p>The responsible handling, reduction, and treatment of solid and liquid waste generated from operations to ensure environmental safety and compliance.</p> <p><b>Target 9.4</b> Upgrade infrastructure and industries to make them sustainable.</p> <p><b>Target 12.5:</b> Substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p>	<p><b>Achievement</b> Zantat launched Earthya™, a 100% compostable bioplastic alternative, with ongoing R&amp;D to improve composting speed.</p> <p><b>Achievement</b> Zantat's waste diversion rate increased to 16.9% in FY2024, recovering 91 tonnes of recyclable materials, and launched a pilot bioconversion center using black soldier flies to naturally process food waste.</p>
<b>Human Rights and Labour Practice</b>  	<p>Encompass dignity, equality, fair treatment, safe working conditions, fair wages, and prevention of exploitation, promoting ethical and inclusive standards.</p> <p><b>Target 10.2</b> Empower and promote social, economic, and political inclusion.</p>	<p><b>Achievement</b> Zantat promotes diversity and inclusion within its workforce, ensuring fair employment opportunities across different demographic groups. In FY2024, 60% of executives and 50% of managers were female.</p>
<b>Air and Greenhouse Gas Emissions</b>  	<p>The management of emissions resulting from operations, including air pollutants and greenhouse gases ("GHG"), to minimise environmental impact and comply with regulatory standards.</p> <p><b>Target 13.2:</b> Integrate climate change measures into policies, strategies, and planning.</p>	<p><b>Achievement</b> Zantat reduced Scope 1 emissions by 20.9% (from 578 tCO<sub>2</sub>e in FY2023 to 457 tCO<sub>2</sub>e in FY2024) and increased solar energy contribution to 5.1% of total power usage, supporting Malaysia's goal to cut emissions by 45% by 2030.</p> <p><b>Achievement</b> Zantat enhanced GHG accounting by including Scope 3 Category 4 emissions, revealing 234 tCO<sub>2</sub>e from upstream local transportation.</p>

## Sustainability Report (Cont'd)

## 2. About Zantat Holdings Berhad (Cont'd)

### 2.2. SUSTAINABILITY HIGHLIGHTS (CONT'D)

Material Topics	Definition	
<b>Biodiversity and Land remediation</b>    	<b>Target 14.1</b> Prevent and significantly reduce marine pollution from land-based activities.	<b>Achievement</b> Earthya™ bags fully compost in 180 days, preventing microplastic accumulation in marine environments.
	<b>Target 15.5</b> Take urgent action to reduce the degradation of natural habitats and biodiversity loss.	<b>Achievement</b> Zantat's biodiversity assessment identified 160 terrestrial mammalian species, with 0.6% being critically endangered (Manis javanica) and 5.0% endangered. This effort reflects its first step in baselining biodiversity across the operation sites.
<b>Anti-corruption and Whistle-blowing</b>	Implementing policies to prevent corruption and fraud, with mechanisms for secure and anonymous reporting of unethical behaviour.	
<b>Data Privacy and Protection</b>	Safeguarding sensitive data through robust systems and practices that ensure confidentiality and compliance with privacy regulations.	
<b>Corporate Governance</b>	Adhering to frameworks that ensure transparency, accountability, and ethical practices in all business operations and decision-making processes.	
	<b>Target 16.5</b> Substantially reduce corruption and bribery in all forms.	<b>Achievement</b> From FY2022 to FY2024, Zantat has zero reported incidents of corruption, human rights violations and discrimination. On top of that, Zantat upheld transparency and accountability in business practices by providing anti-corruption training for all employee categories.
	<b>Target 16.10</b> Ensure public access to information and protect fundamental freedoms.	<b>Achievement</b> Zantat has integrated data management and security into its Enterprise Risk Management (ERM) framework, ensuring compliance with the Personal Data Protection Act (PDPA) 2010. As of 31 December 2024, Zantat reported zero substantiated complaints, zero cyberattacks, and no data losses for three consecutive years.

## Sustainability Report (Cont'd)

## 2. About Zantat Holdings Berhad (Cont'd)

### 2.3. JOINT STATEMENT OF LEADERSHIP

#### DEAR STAKEHOLDERS,

FY2024 was a landmark year for Zantat Holdings Berhad. On 27 March 2024, we proudly marked our transition into a publicly listed company, which is a significant milestone that reflects our long-term vision and deep commitment to transparency, governance, and sustainable growth.

While the year presented challenges due to external pressures, including the abrupt weakening of the USD against the MYR and an abnormal surge in ocean freight rates, we remained adaptable and focused. These headwinds tested our resilience but also sharpened our efforts to improve operational efficiency and strengthen our financial position.

In FY2024, we delivered meaningful progress on our ESG priorities. On the environmental front, we reduced Scope 1 emissions by 20.9%, increased solar energy use to 5.1% of our total energy consumption, and launched Earthya, our environmentally friendly product line. On the social front, we initiated a RM556,300 remediation programme to reimburse recruitment fees paid by 94 foreign workers, reinforcing our commitment to fairness, dignity, and ethical employment.

As we look ahead, our commitment to value creation extends beyond financial performance, no matter the economic cycle.

Thank you for your continued trust and support.

**Chan Bin Iuan**  
Managing Director and Chief Executive Officer



## Sustainability Report (Cont'd)

### 3. Sustainability Statement

#### 3.1. SUSTAINABILITY GOVERNANCE STRUCTURE

Zantat has embedded sustainability into its corporate governance framework, ensuring that ESG considerations are integral to its strategic decision-making. The governance structure comprises the Board of Directors, the Sustainability Steering Committee, and the Sustainability Working Groups, each plays a critical role in driving sustainability initiatives. This structured approach facilitates both top-down and bottom-up communication, ensuring that sustainability objectives are effectively set, executed, and refined based on operational insights.



Finance department	Production department	Sales & Marketing department
Quality Assurance department	Human Resource department	Purchasing department
Research & Development department	Maintenance & Engineering department	Logistic department

##### Roles and Responsibilities:

- **Provide strategic guidance** for sustainability initiatives.
- **Monitor sustainability performance** and oversee progress.
- **Set long-term sustainability goals** and targets.
- **Ensure alignment** of sustainability practices with the Group's overall strategy.
- **Approve key sustainability policies** and frameworks.

##### Roles and Responsibilities:

- **Propose the sustainability strategies**, policies, and targets that are in line with our Group's overall business strategy for our Board's approval.
- **Assess and manage** our Group's material sustainability matters, such as corporate governance and transparency, climate resilience and energy efficiency, occupational health and safety and other pertinent risks and opportunities.
- **Provide oversight and monitor** the implementation of sustainability initiatives and the progress of sustainability strategies approved by our Board.
- **Develop communication strategies** and mechanisms to engage stakeholders on sustainability and periodically conduct materiality assessments to assess and identify stakeholders' priorities.

##### Roles and Responsibilities:

- **Assist the SSC** in coordinating and implementing our Group's sustainability strategies and initiatives in daily operations.
- **Compile and monitor ESG-related data** and information for sustainability reporting for the SSC's review and approval.
- **Oversee and monitor sustainability trends**, climate-related and sustainability-related risks and opportunities.
- **Identify ESG risks and opportunities** relevant to business operations to the SSC based on stakeholders' expectations.

Fig 3.1. Sustainability Governance Structure at Zantat, incorporating a top-down and bottom-up approach to ESG integration and management across the entire operation.

## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.1. SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)



##### **BOARD OF DIRECTORS: STEERING SUSTAINABILITY AT THE HIGHEST LEVEL**

At the highest level, the Board of Directors provides strategic leadership and oversight for sustainability efforts across the Group. Its key responsibilities include setting long-term sustainability goals, ensuring alignment with the overall business strategy, and monitoring performance on ESG initiatives. The Board also plays a pivotal role in integrating sustainability considerations into core business operations, reinforcing Zantat's commitment to responsible and ethical business practices.



##### **SUSTAINABILITY STEERING COMMITTEE: THE DRIVING FORCE BEHIND ESG INTEGRATION**

The Sustainability Steering Committee ("SSC") serves as the central governance body for Zantat's ESG initiatives, ensuring strategic alignment, oversight, and effective execution across the Group. Acting as the key bridge between the Board of Directors and the Sustainability Working Groups, the SSC plays a pivotal role in advancing Zantat's sustainability agenda. One of its core responsibilities is overseeing the preparation of the sustainability report, ensuring accuracy, completeness, and compliance with disclosure standards.

The committee convenes regularly to assess sustainability performance, evaluate material climate-related risks and opportunities, and refine strategies for long-term resilience and value creation. It also provides recommendations to the Board, monitors the progress of the Sustainability Working Groups, and facilitates the seamless integration of ESG initiatives across business functions. Additionally, the SSC helps shape community engagement strategies, reinforcing Zantat's commitment to social responsibility and stakeholder collaboration. As the backbone of sustainability governance, the SSC ensures a structured and forward-looking approach that supports the Group's strategic objectives.



##### **SUSTAINABILITY WORKING GROUPS: TRANSLATING STRATEGY INTO ACTION**

At the operational level, the Sustainability Working Group ("SWG") is responsible for executing day-to-day sustainability initiatives and ensuring the seamless implementation of ESG programs across Zantat. Comprised of representatives from key departments (including Finance, Purchasing, Human Resources, Production, Research & Development, Sales & Marketing, Quality Assurance, and Logistics, Maintenance & Engineering), the SWG ensures sustainability is embedded into every aspect of Zantat. This cross-functional approach enables sustainability initiatives to be integrated across all business functions, fostering a holistic and company-wide commitment to ESG principles.

The SWG is tasked with gathering and monitoring ESG-related data, tracking sustainability performance, and evaluating emerging trends to identify opportunities for continuous improvement. It also plays a proactive role in recognising and mitigating ESG risks, ensuring that sustainability resilience remains a priority at all levels of the organisation.

By fostering continuous communication between the Board, the Steering Committee, and the Working Groups, Zantat maintains a dynamic and responsive sustainability governance structure. The top-down approach ensures clear strategic direction, while bottom-up insights from operational teams enhance decision-making, reinforcing sustainability as a core driver of long-term value creation and success.

## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.2. SUSTAINABLE VALUE CHAIN CREATION

##### Creating Sustainable Value for a Resilient Future

Zantat is committed to creating long-term value for all stakeholders by integrating sustainability, innovation, and quality into its core operations. As the Group advances its sustainability journey, it acknowledges that value creation extends beyond financial performance—it encompasses positive environmental and social impact while reinforcing business resilience.

##### Driving Sustainability Through Innovation

Innovation is a cornerstone of Zantat's sustainability strategy, driving long-term value through research, product advancements, and operational efficiencies. The Group is dedicated to developing solutions that tackle global environmental challenges while delivering meaningful benefits to industries and communities.



Fig 3.2 (Top) Zantat's green and innovative product - Earthya™ compostable garbage bag. Globally certified by TÜV Austria (OK Compost), BPI, and the Australasian Bioplastics Association (ABA) certifications and MyHIJAU Mark

A key milestone in Zantat's sustainability journey is Earthya™, an innovative compostable material developed by its subsidiary, Zaneco, as a sustainable alternative to conventional plastics. Unlike oxo-degradable plastics, which fragment into microplastics that persist in the environment, Earthya™ is designed to fully decompose into natural soil minerals in 180 days under specific conditions, leaving no toxic residues. This distinction is crucial, as the term "biodegradable" is often misused to describe plastics that merely break down into smaller particles rather than truly returning to nature. Earthya™ combines durability for practical applications with the ability to fully compost into non-toxic substances such as water and carbon dioxide, helping to reduce landfill waste and contribute to a healthier ecosystem.

## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.2. SUSTAINABLE VALUE CHAIN CREATION (CONT'D)

##### Driving Sustainability Through Innovation (Cont'd)

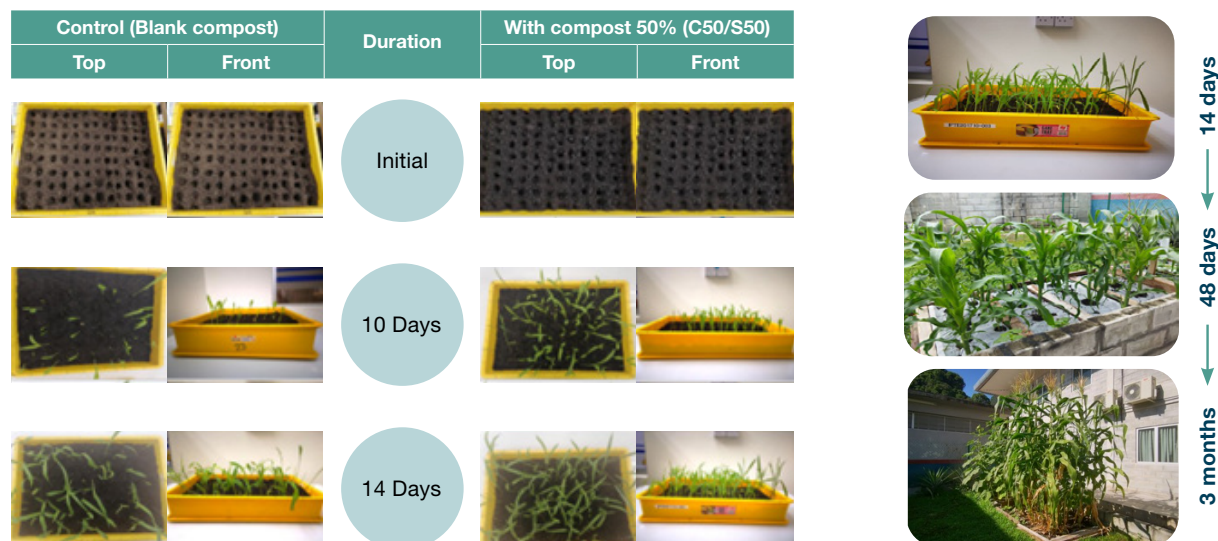


Fig 3.2 (Left) Growth comparison of corn and summer barley after 14 days in compost, with (right) and without (left) Earthya™ enrichment, demonstrating its positive impact on plant growth and soil quality. (Right) Growth of corn barley plants in compost with Earthya™ enrichment over time.

Beyond product innovation, Earthya™'s environmental benefits are rigorously validated. In a controlled study, compost containing fully disintegrated Earthya™ was used to grow corn and summer barley, compared to standard compost. The germinated plant is then transferred to a compost bed to monitor its growth, after 3 months the plants grown in Earthya™-enriched compost exhibited strong, healthy growth, reinforcing its viability as a material that not only reduces waste but also enhances soil health. Additionally, Zantat is exploring partnerships with bioconversion centers that utilise black soldier flies to decompose Earthya™ bags alongside food waste, streamlining organic waste management by eliminating the need for waste separation.

By providing a truly compostable and scalable solution, Earthya™ represents a transformative step toward circular economy practices. As Zantat continues to refine its approach and expand collaborations, the Group remains committed to responsible material innovation—mitigating pollution, promoting resource efficiency, and driving long-term sustainability for both stakeholders and the environment.

#### 3.3. MATERIALITY ASSESSMENT

##### 3.3.1. Inclusivity: Stakeholder Engagement and Zantat's Responses (GRI 2-29)

Zantat's long-term success is closely tied to the needs, expectations, and concerns of its stakeholders. The Group values a diverse group, including employees, shareholders, investors, customers, suppliers, government and regulatory authorities, local communities, media, and financial institutions, along with all those who have supported its journey. These relationships are fundamental to operating as a responsible and sustainable business.

Stakeholder engagement occurs through various platforms and at different frequencies throughout the year, ensuring Zantat remains attuned to evolving perspectives and expectations. These interactions help identify material issues and align business strategies with sustainability priorities. More importantly, they build trust, foster collaboration, and create long-term value for all parties involved.

To reinforce this approach, Zantat has established clear goals and actions for each stakeholder group, ensuring concerns are actively addressed and insights are integrated into decision-making.





## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.3. MATERIALITY ASSESSMENT (CONT'D)

##### 3.3.2. Engagement Methods and Frequency (GRI 2-29)

Table 3.2.2 Stakeholder engagement methods, frequency, and responses.

Key Stakeholder Group	Importance to Zantat	
 <b>Employees</b>	<p>Employees are the backbone of Zantat, bringing expertise and dedication that drive innovation, operational excellence, and sustainable growth. Their contributions are essential to upholding industry standards, fostering stakeholder engagement, and delivering long-term value to customers, shareholders, and communities.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> <li>Employee welfare and benefits</li> <li>Training and professional development</li> <li>Occupational health and workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement activities</li> <li>Internal communications</li> <li>Promote safety awareness at the workplace</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>As required</li> <li>Ongoing</li> </ul>
Goals		
<ul style="list-style-type: none"> <li>Enhance workplace safety and promote a culture of health and well-being.</li> <li>Provide continuous training and career development opportunities.</li> <li>Foster an inclusive workplace with equal opportunities for all employees.</li> </ul>		
Actions		
<ul style="list-style-type: none"> <li>Increasing channels and frequency of employee engagement and feedback (e.g., employee feedback survey, employee satisfaction survey).</li> <li>Expanding recognition programs to celebrate milestones and contributions of long-serving employees.</li> </ul>		
Key Stakeholder Group	Importance to Zantat	
 <b>Shareholders and Investors</b>	<p>Shareholders and investors are essential to Zantat's growth and expansion, providing the financial resources that fuel innovation and market development. Their trust reinforces the Group's commitment to strong governance, transparency, and responsible business practices, ensuring long-term value creation and stable returns. Through strategic investments and prudent management, Zantat strives to maintain stakeholder confidence while driving sustainable progress.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> <li>Products and services quality</li> <li>Group financial performance</li> <li>Ethics, integrity &amp; governance</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly and Annual reporting</li> <li>Annual General Meeting / Extraordinary General Meetings</li> <li>Updated policies and compliance trainings</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly or annually</li> <li>Annually or as required</li> <li>As required</li> </ul>

## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.3. MATERIALITY ASSESSMENT (CONT'D)

##### 3.3.2. Engagement Methods and Frequency (Cont'd)

###### Key Stakeholder Group

###### Importance to Zantat

###### Shareholders and Investors (Cont'd)

###### Goals

- Maintain strong financial performance and sustainable long-term growth.
- Ensure transparency and accountability in ESG and governance practices.
- Strengthen investor confidence through responsible business strategies and risk management.

###### Actions

- Evaluating and incorporating shareholder inputs into strategic decision-making where viable.
- Strengthening Investor Relations function to improve accessibility to overall group strategy and key financial data.

###### Key Stakeholder Group

###### Importance to Zantat



###### Customers

Customers are at the heart of Zantat's business, driving sustainable growth and long-term success. Their satisfaction is a priority, and Zantat remains committed to understanding their evolving needs, market trends, and industry developments. By delivering high-quality products and solutions, the Group aims to create meaningful value and foster strong, lasting relationships.

###### Key Interests

- Products and services quality
- Customer satisfaction
- On-time delivery
- Pricing and supplies

###### Engagement Methods

- Regular feedback and meetings
- Ad hoc participation in industry networking events

###### Engagement Frequency

- As required
- As required

###### Goals

- Deliver high-quality, sustainable, and innovative products.
- Ensure reliable supply chains and on-time delivery.
- Continuously improve customer service and engagement.

###### Actions


- Continuously investing in R&D, (i.e., testing lab expansion and new equipment) to enhance in-house testing of customer products, optimise performance and deliver customised solutions.
- Committing to responsible sourcing, sustainable manufacturing and compliance with environmental and safety standards to align with customer values.


## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.3. MATERIALITY ASSESSMENT (CONT'D)

##### 3.3.2. Engagement Methods and Frequency (Cont'd)

Key Stakeholder Group	Importance to Zantat	
 <b>Government and Regulatory Authorities</b>	<p>Government and regulatory authorities play a critical role in ensuring a structured and compliant business environment for Zantat. Their oversight upholds legal and industry standards, promoting transparency, fair competition, and responsible business practices. By maintaining strict regulatory compliance, Zantat safeguards its operations, reinforces stakeholder trust, and supports long-term growth and stability within the industry.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Workplace safety</li> <li>Environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Periodic meetings</li> <li>On-site inspections</li> <li>Ad-hoc workshops and training</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> </ul>
Goals		
<ul style="list-style-type: none"> <li>Ensure full compliance with all regulatory and environmental standards.</li> <li>Maintain transparent communication and proactive engagement with authorities.</li> <li>Support national sustainability and economic development initiatives.</li> </ul>		
Actions		
<ul style="list-style-type: none"> <li>Regularly monitoring and adapting to legal and regulatory changes through dedicated internal teams (e.g., safety and health committees, ISO officers, sustainability committee and working group members) and collaboration with external consultants to ensure full compliance with regulatory standards.</li> </ul>		

Key Stakeholder Group	Importance to Zantat	
 <b>Local Community</b>	<p>The local community represents the social and economic environment in which Zantat operates, providing the workforce, infrastructure, and market support essential to its business. Their well-being and development contribute to a stable and sustainable operating landscape, fostering long-term business resilience and positive stakeholder relationships.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> <li>Job creation</li> <li>Community development and enrichment</li> <li>Environment impact and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Local hiring</li> <li>Community programs</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>As required</li> </ul>


## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.3. MATERIALITY ASSESSMENT (CONT'D)

##### 3.3.2. Engagement Methods and Frequency (Cont'd)

Key Stakeholder Group	Importance to Zantat
<b>Local Community (Cont'd)</b>	
<b>Goals</b>	
<ul style="list-style-type: none"> <li>• Create job opportunities and support local economic growth.</li> <li>• Engage in community development programs and social initiatives.</li> <li>• Minimise environmental impact and promote sustainable practices.</li> </ul>	
<b>Actions</b>	
<ul style="list-style-type: none"> <li>• Prioritising local hiring and collaborating with local suppliers and businesses to drive economic growth.</li> <li>• Strengthening CSR efforts by involving in philanthropy donations, community health and well-being initiatives, Environmental and Community Engagement Initiatives.</li> </ul>	

Key Stakeholder Group	Importance to Zantat	
 <b>Suppliers</b>	Suppliers are a vital part of Zantat's supply chain, delivering the raw materials, equipment, and services essential for efficient operations. Their reliability and quality directly influence production capabilities, cost efficiency, and customer satisfaction, making them key to maintaining business continuity and competitiveness.	
	<b>Key Interests</b>	<b>Engagement Methods</b>
<ul style="list-style-type: none"> <li>• On-time payment</li> <li>• Business continuity</li> <li>• Procurement ethics</li> <li>• Products and services quality</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiations with suppliers/ business partners</li> <li>• Periodic meetings</li> </ul>	<ul style="list-style-type: none"> <li>• As required</li> <li>• As required</li> </ul>
<b>Goals</b>		
<ul style="list-style-type: none"> <li>• Build long-term, transparent, and ethical partnerships.</li> <li>• Promote sustainability and responsible sourcing in the supply chain.</li> <li>• Ensure fair and timely payments for goods and services.</li> </ul>		
<b>Actions</b>		
<ul style="list-style-type: none"> <li>• Identifying and developing alternative suppliers for key raw materials (e.g., limestone ores) to reduce disruption risks.</li> <li>• Conducting annual supplier performance survey (i.e., by circulating supplier evaluation form) to assess product and/or service quality and ESG compliances.</li> </ul>		





## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.3. MATERIALITY ASSESSMENT (CONT'D)

##### 3.3.2. Engagement Methods and Frequency (Cont'd)

Key Stakeholder Group	Importance to Zantat	
 <p><b>Financial Institutions</b></p>	<p>Financial institutions play a crucial role in Zantat's operations, providing the capital, banking services, and financial infrastructure needed to support growth and investment initiatives. Their role in facilitating funding, managing financial risks, and ensuring liquidity enables the Group to expand its business, enhance operational efficiency, and navigate market fluctuations with stability and confidence.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> <li>Financial risk management</li> </ul>	<ul style="list-style-type: none"> <li>Effective communications on business and operational updates</li> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Annually</li> </ul>
Goals		
<ul style="list-style-type: none"> <li>Maintain strong financial stability and responsible risk management.</li> <li>Ensure transparency and compliance in financial reporting.</li> <li>Strengthen relationships to facilitate sustainable financing and investment opportunities.</li> </ul>		
Actions		
<ul style="list-style-type: none"> <li>Ensuring sound financial management, responsible risk mitigation, and compliance with banking and regulatory requirements.</li> <li>Utilising ESG-linked financing (e.g., green loans) and government incentives (e.g., HRDF training grants).</li> </ul>		

Key Stakeholder Group	Importance to Zantat	
 <p><b>Media</b></p>	<p>The media plays a vital role in communicating Zantat's business developments, sustainability efforts, and corporate values to the public and stakeholders. Through accurate and responsible reporting, it helps shape corporate reputation, enhance brand visibility, and foster transparency. This engagement is essential for maintaining trust and strong relationships with investors, customers, and the broader community.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> <li>Prioritise transparent communication about business performance, ESG efforts, and community impact programs</li> </ul>	<ul style="list-style-type: none"> <li>Identify traditional and digital media outlets pertinent to target audience and industry</li> <li>Organise media events such as press conferences or product launches</li> <li>Utilise multimedia content like photos and videos to enrich storytelling</li> <li>Assess the impact of media engagement strategies through analytics</li> <li>Modify approaches based on received feedback and analysed data</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> <li>As required</li> <li>As required</li> <li>As required</li> <li>Ongoing</li> </ul>

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

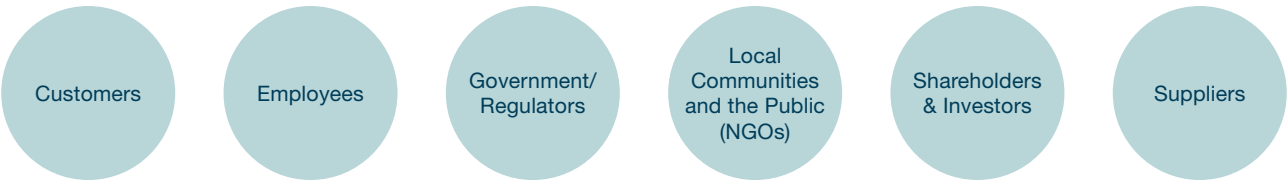
3.3.2. Engagement Methods and Frequency (Cont'd)

Key Stakeholder Group	Importance to Zantat
Media (Cont'd)	
Goals	
<ul style="list-style-type: none"><li>• Increase brand visibility and credibility through strategic media engagement.</li><li>• Strengthen stakeholder trust by communicating sustainability initiatives transparently.</li><li>• Position Zantat as an industry leader in responsible manufacturing and innovation.</li></ul>	
Actions	
<ul style="list-style-type: none"><li>• Leveraging social media platforms (i.e., Zantat's Facebook and Instagram accounts) to provide consistent updates on the Group's developments, sustainability initiatives and corporate achievements.</li></ul>	

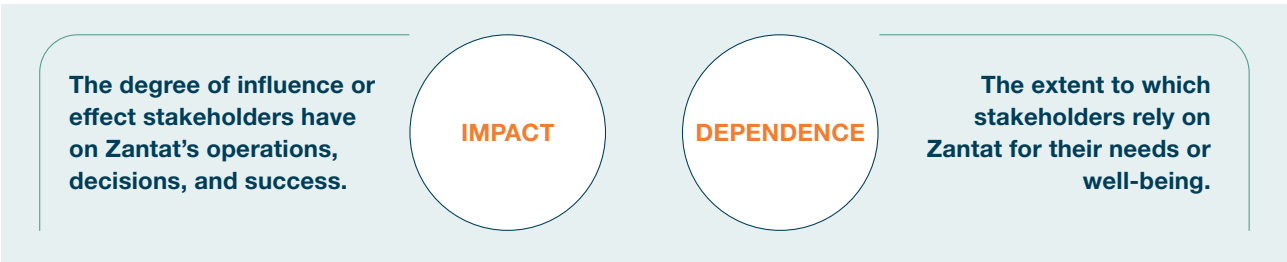
3.3.3. Materiality Matrix (GRI 3-1, 3-2, 3-3)

Stakeholder Mapping

Stakeholders are essential to Zantat's long-term success and sustainability. As key contributors to the value chain, they provide insights, resources, and support that drive sustainable growth and maintain a competitive edge. Recognizing their critical role, Zantat refreshed its materiality assessment in FY2024, building on the stakeholder mapping previously conducted during the FY2023 materiality survey. This exercise was carried out in collaboration with senior management and the Board of Directors, and it reaffirmed the importance of regularly engaging with its key stakeholder groups:



Using the Bursa Malaysia Stakeholder Prioritisation Matrix toolkit (2022), the assessment focused on two key dimensions:



## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.3. MATERIALITY ASSESSMENT (CONT'D)

##### 3.3.3. Materiality Matrix (Cont'd)

##### Stakeholder Mapping (Cont'd)

Each dimension was evaluated through five structured questions, with responses numerically analysed, averaged across respondents, and converted into percentages for a clear and actionable overview. The results identified Shareholders & Investors, Employees, and Suppliers as the top three most critical stakeholder groups. These insights were integrated into the updated Materiality Matrix assessment, ensuring strategic focus remains on areas of highest stakeholder importance and organisational impact.

Zantat is committed to refreshing the materiality assessment at least once every three years to ensure its sustainability strategy remains relevant, inclusive, and responsive to evolving expectations.

##### Materiality: Identification and Surveying

To identify and prioritise sustainability topics most relevant to Zantat's stakeholders and operations, the Group analysed common ESG topics across Malaysia and peer industries. This assessment led to the development of 15 ESG topics (see Section 2.2 for detailed definitions of ESG topics), categorised into 6 environmental, 6 social, and 3 governance areas. Internal discussions ensured alignment and understanding, followed by a materiality survey distributed to internal and external stakeholders through email, social media platforms, and face-to-face engagements.

Conducted in December 2024, the survey included weekly follow-ups to track response rates and address incomplete submissions. It provided detailed definitions for each ESG topic, a score rating scale (1 to 10) to assess perceived importance, and an awareness rating scale (1 to 3) to gauge stakeholders' familiarity with Zantat's initiatives. The results incorporated stakeholder impact and dependence scores drawn from the previous stakeholder mapping exercise, ensuring that findings aligned with stakeholder insights.

To address potential communication gaps, Zantat implemented an awareness-based weighting approach. Rather than diminishing the perspectives of less-informed stakeholders, this method ensured accuracy and realism in the results. By assigning greater weighting to those with a deeper understanding of sustainability initiatives, the Group captured key priorities while also identifying areas where communication and engagement need improvement. By integrating awareness ratings with insights from stakeholder mapping, Zantat ensured that the weighted ESG topics reflected the most relevant issues for both stakeholders and business operations.

##### Materiality Analysis and Validation

During the survey period, Zantat gathered 105 responses, which were systematically analysed, categorised into internal and external stakeholder groups, and integrated into the materiality matrix. The findings provided critical insights into stakeholder priorities, with the most material and high-priority ESG topics—positioned in the top-right quadrant of the matrix—identified as Occupational Health and Safety, Anti-Corruption and Whistleblowing Policies, and Human Rights and Labour Practices. These results highlight a collective focus on fostering a safe, ethical, and secure operational environment.

While some topics may currently fall into the lower-priority areas of the matrix, this does not imply that Zantat overlooks them. Zantat considers all ESG topics important and is actively working with external consultants to manage them in alignment with business needs and strategic priorities. As Zantat's ESG journey evolves, even topics not identified as high priority may receive greater focus in response to emerging risks, stakeholder expectations, or business developments.

## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.3. MATERIALITY ASSESSMENT (CONT'D)

##### 3.3.3. Materiality Matrix (Cont'd)

##### Materiality analysis and validation (Cont'd)

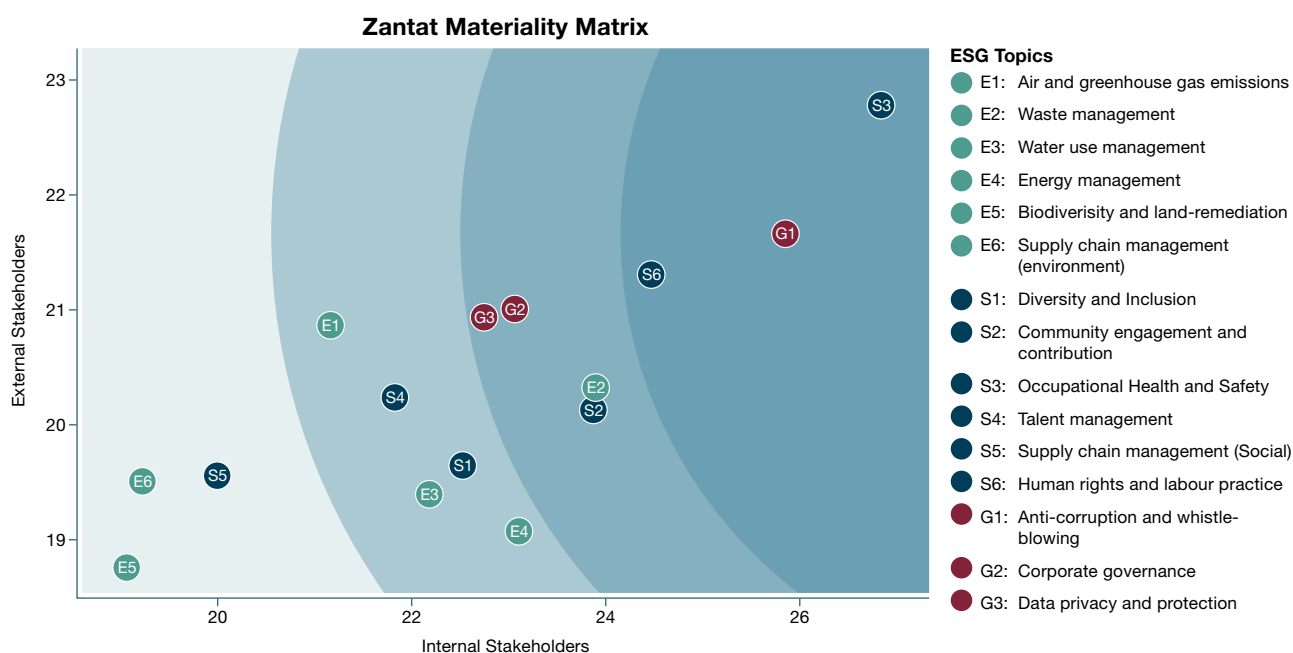


Fig 3.3.3 Materiality survey results, where Zantat collected 105 responses from internal and external stakeholders for 15 material topics. Topics located at the top right regions are the high-priority areas for both stakeholder groups.

The results of the materiality survey were presented to the Sustainability Steering Committee, Sustainability Working Groups, and Board of Directors for validation and strategic deliberation. These insights serve as a foundational reference for resource allocation, ESG initiative prioritisation, and sustainability strategy refinement to better align with stakeholder expectations. Additionally, they support cross-functional collaboration and the seamless integration of ESG considerations into Zantat's broader vision for sustainable growth.

Zantat sincerely thanks all participants of the materiality survey for their invaluable contributions. Stakeholder voices and insights are instrumental in guiding the Group's sustainability journey, refining strategies to align with evolving needs and expectations. Their feedback empowers Zantat to navigate the challenges of sustainable development while remaining committed to its core values of reliability, determination, and resilience. Together, the Group and its stakeholders will continue building a stronger foundation for sustainability, ensuring long-term value creation and maintaining its role as a trusted partner in responsible growth.



## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.3. MATERIALITY ASSESSMENT (CONT'D)

##### 3.3.3. Materiality Matrix (Cont'd)

##### Materiality and Risk Management

Zantat adopts the ISO 31000:2018 Risk Management Guidelines to strengthen preparedness and resilience by systematically identifying and managing potential risks across the organisation. Zantat's Enterprise Risk Management ("ERM") framework integrates sustainability and climate-related risks alongside corporate and operational risks, ensuring a comprehensive approach to risk management. Risk assessments are conducted and monitored by designated risk owners, the Risk, Integrity, and Compliance Department, and the Board Risk and Sustainability Committee to ensure alignment with its risk appetite.

Zantat is continuously enhancing its Risk and Opportunities analysis, with ongoing discussions within the Sustainability Steering Committee (SSC) to further integrate ESG considerations. As part of this commitment, the Group is systematically identifying and assessing the risks and opportunities associated with each ESG topic. Looking ahead, the goal is to broaden the analysis beyond standard ESG considerations, equipping the organisation with deeper insights to proactively manage risks, uncover new opportunities, and drive sustainable growth in an evolving landscape.

**Table 3.3.3** Analysis of Risks and Opportunities (R&O) for ESG Material Matters.

Material Matters	Risks	Opportunities
Air and Greenhouse Gas Emission	Failure to comply with climate-related regulations results in financial penalties.	Positioning in low-carbon markets capitalises on sustainability trends and compliance requirements.
Waste Management	Poor waste handling leading to regulatory fines and reputational damage.	Resource efficiency and recycling initiatives reduce operational costs and improve environmental impact.
Water Use Management	Irresponsible use of water can cause reputational damage and reduce operational efficiency.	Proactive water management can reduce costs, enhance compliance with environmental regulations, and strengthen resilience against water-related risks.
Energy Management	Inefficient energy usage increases operational costs, exposes the Group to regulatory penalties, and risks reputational damage among sustainability-focused stakeholders.	Enhanced energy management achieves cost efficiencies through optimised energy use, attracts sustainability-conscious investors, and advances innovation in renewable energy integration.
Supply Chain Management	Disruptions in supply chain causing production halts and higher costs.	Exploring supplier diversification enhances resilience and cost savings.
Diversity and Inclusion	Failure to prioritise diversity and inclusion can lead to talent retention challenges, reputational damage, and reduced competitiveness in a globally diverse market.	Embracing diversity and inclusion can enhance organisational innovation, improve decision-making through diverse perspectives, and strengthen employer branding to attract top talent.

## Sustainability Report (Cont'd)

### 3. Sustainability Statement (Cont'd)

#### 3.3. MATERIALITY ASSESSMENT (CONT'D)

##### 3.3.3. Materiality Matrix (Cont'd)

##### Materiality and Risk Management (Cont'd)

Material Matters	Risks	Opportunities
Community contribution	Lack of CSR initiatives damaging corporate reputation	Community investment and engagement strengthen local partnerships and brand loyalty
Customer Satisfaction	Poor customer service reducing loyalty and revenue	Regular customer engagement enables continuous service improvement and loyalty
Occupational Health & Safety	Workplace accidents and injuries causing legal and productivity losses	A strong safety culture improves employee well-being and operational efficiency
Talent Management	Talent shortages impacting operational efficiency	Investing in employee training and retention programs fosters a skilled workforce
Human Rights & Compliance	Non-compliance with labour laws leading to reputational and legal risks	Ensuring fair labour practices strengthens employer branding and regulatory compliance
Anti-corruption and Whistleblowing procedure	Corruption (including bribery, preferential procurement, or other inappropriate relationship) leading to legal challenges and reputational image	Implementing strong anti-corruption measures and whistleblowing procedures can enhance corporate transparency, build stakeholder trust, and mitigate legal and financial risks.
Cybersecurity & Data Protection (PDPA)	Cyber threats, including customer data breaches, can result in reputational damage	Implementing robust cybersecurity measures enhances trust and protects critical data
Economic Performance	Weak financial performance affecting investment and business continuity	Maintaining strong financial management enhances investor confidence and long-term value
Political & Regulatory Risks	Unstable political environment leading to regulatory and tax uncertainties	Strengthening relationships with government stakeholders can create policy influence opportunities
Operational Efficiency	Rising labour and material costs affecting profitability	Lean process improvements and automation enhance operational efficiency and cost savings
Technology & Innovation	Failure to adopt latest technology reduces competitiveness	Investment in R&D, automation, and digital transformation enhances market positioning
Market Competition	Intense competition leading to loss of market share	Product differentiation, pricing strategies, and innovation create competitive advantages
Financial Planning & Stability	Poor financial strategy leading to cash flow constraints	Diversified revenue streams and investment planning enhance financial security and resilience

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance

#### 4.1. ENVIRONMENTAL INDICATORS

##### 4.1.1. Energy Management (GRI 302-1, 302-3, 302-4)

###### Overview

Energy management is central to operational efficiency, cost optimisation, and environmental responsibility. Given the energy-intensive nature of calcium carbonate production, Zantat is committed to reducing reliance on conventional energy sources and accelerating the transition toward sustainable alternatives.

By investing in renewable energy and enhancing process efficiencies through industrial automation, the Group aims to lower carbon emissions, reduce operational costs, and drive long-term sustainability. These initiatives align with Zantat's broader sustainability goals, ensuring resilience while meeting the evolving expectations of stakeholders and regulatory bodies.

###### Performance

In FY2024, Zantat achieved a 19.4% reduction in total energy consumption from 31,320 MWh in FY2023 to 25,260 MWh. This result was driven by a 20.2% decrease in electricity usage and a 27.1% reduction in diesel consumption, effectively offsetting a slight increase in petrol usage.

At the same time, solar energy generation increased by 2.5%, reaching 1,292 MWh in FY2024 compared to 1,261 MWh in FY2023. This growth highlights Zantat's ongoing commitment to integrating renewable energy, reinforcing its efforts to enhance sustainability and operational efficiency.

###### UN SDGs



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.1. Energy Management (Cont'd)

##### Performance (Cont'd)

##### Zantat Energy Consumption

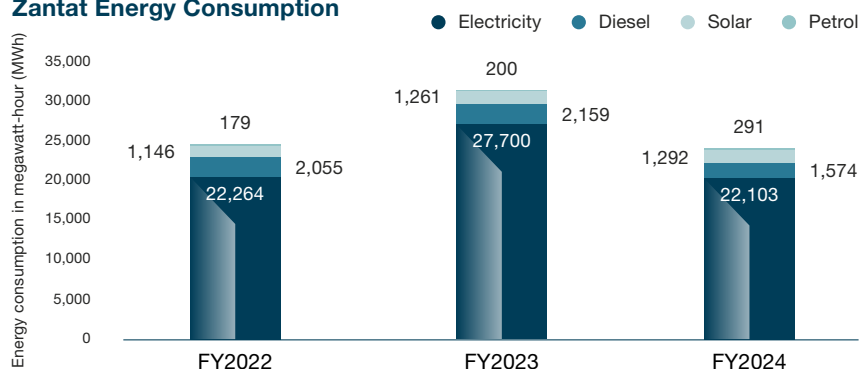


Fig 4.1.1a Energy consumption at Zantat from FY2022 to FY2024, broken down into electricity, diesel, solar, and petrol consumption.

Beyond absolute reductions, Zantat also monitor energy consumption per revenue generated. This indicator has fluctuated across the years, with a 2.5% decrease recorded in FY2024 compared to FY2023. However, this revenue-based intensity metric does not accurately reflect Zantat's energy efficiency, as its operations rely heavily on manhours to run machinery. As such, energy consumption per operating hour serves as a more representative metric of operational energy performance. In this regard, Zantat demonstrated strong progress, achieving a 13.3% reduction from 45 MW in FY2022 to 39 MW in FY2024. This improvement highlights the effectiveness of the Group's energy management strategies in enhancing operational efficiency and sustainability.

Table 4.1.1 The Group's energy consumption from FY2022 to FY2024, broken down into absolute electricity, petrol, and diesel consumption. Intensity-based metrics are categorised into energy consumption per revenue and energy consumption per operating hours.

Indicator Type	Measurement	Unit	FY2022	FY2023	FY2024
Absolute	Total energy consumption	MWh	25,644	31,320	25,260
	Revenue	RM'million	113.0	122.8	101.9
	Operation hours <sup>1</sup>	Hours'000	518.4	597.7	602.6
	Non-renewable Energy Consumption				
	Electricity	MWh	22,264	27,700	22,103
	Total Petrol consumption <sup>2,3</sup>	MWh	179	200	291
	Total Petrol consumption <sup>2,3</sup>	L	19,706	22,015	32,067
	Total Diesel consumption <sup>2,3</sup>	MWh	2,055	2,159	1,574
	Total Diesel consumption <sup>2,3</sup>	L	208,584	219,117	159,710
	• Diesel (Forklifts and wheel loaders)	L	206,447	217,000	156,388
	• Diesel (Motor vehicles)	L	2,137	2,117	3,322
	Renewable Energy Generation and Consumption				
	Solar panels	MWh	1,146	1,261	1,292
Intensity	Total energy consumed per thousand operating hours	MW	45	48	39
	Total energy consumed per million revenue	MWh / RM'million	207	236	230



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.1. Energy Management (Cont'd)

##### Performance (Cont'd)

###### Notes:

1. Total number of hours worked (only include labour hours) is used as a proxy for operation hours. We aim to improve accuracy in next reporting cycle by using machine run time.
2. Zantat's diesel and petrol consumption primarily comes from Euro5 B10 (comprising 90% petroleum-based fuel and 10% biofuel) and Ron95 E5 (95% petroleum-based fuel and 5% biofuel). To accurately account for petroleum-based fossil emissions, the Group applied DEFRA (2023) emission factors for "Diesel (100% mineral diesel)" and "Petrol (100% mineral diesel)".
3. For biogenic emissions, Zantat utilised "Biodiesel ME" for the biofuel portion of diesel and "Bioethanol" for petrol. According to DEFRA (2023), CO<sub>2</sub> emissions from biofuels are considered net zero, as the CO<sub>2</sub> released during combustion is fully reabsorbed during the biofuel's growth cycle. This approach ensures a comprehensive and accurate assessment of fuel-related emissions.

##### Initiatives

In FY2024, Zantat took additional steps to enhance energy efficiency, particularly at its Perak plants. For instance, the Group replaced 44 units of IE2 electric motors with high-efficiency IE3 models across all machinery, investing approximately RM0.6 million to reduce electricity consumption and minimise energy wastage.

Additionally, Zantat accelerated the renewable energy transition in FY2024, investing RM1.4 million to expand solar panel capacity by approximately 850 kWp at the Perak plants. This initiative not only increased the share of renewable energy in the Group's energy mix but also contributed to reducing its carbon footprint.



Fig 4.1.1b Upgrading to high-efficiency electric motors at Zantat Perak plant.



Fig 4.1.1c Expansion of solar panel capacity by 850 kWp.

Looking ahead, Zantat has set a goal to expand additional solar capacity by 2 MWp (which includes the recently installed 850 kWp at the Perak plants) by 2026. The Group is actively exploring options and engaging in strategic discussions to bring this plan to fruition. These efforts are expected to significantly enhance renewable energy capacity, reinforcing Zantat's commitment to sustainability and carbon reduction.

Building on these advancements, Zantat is also taking steps to reduce reliance on fossil fuels in other areas. To further cut diesel consumption, the Group has launched a pilot project to test an electric vehicle ("EV") forklift on-site, aligning with the growing trend of EV adoption in Malaysia. This initiative underscores Zantat's commitment to integrating cleaner energy alternatives across its operations.

Looking ahead, Zantat is also exploring opportunities to replace more diesel-powered equipment with electric alternatives, reinforcing its dedication to sustainable energy solutions and emissions reduction across all operational areas by balancing energy efficiency improvements with the adoption of renewable energy.



Fig 4.1.1d Pilot testing of one EV forklift at Zantat.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.2. Water Use Management (GRI 303-3, 303-5)

###### Overview

Water use management remains a key pillar of Zantat's sustainability and operational strategy. As water plays a vital role in production processes, the Group emphasises responsible usage through recycling efforts and robust wastewater treatment practices. By optimising consumption and ensuring compliance with environmental standards, Zantat minimises its impact while maintaining operational efficiency. This approach also underscores a long-term commitment to preserving water resources for the communities it serves and future generations.

###### UN SDGs

###### 6 CLEAN WATER AND SANITATION



###### Performance

In FY2024, the Group achieved a 10.3% reduction in total water consumption, decreasing from 71,094 m<sup>3</sup> in FY2023 to 63,754 m<sup>3</sup>. This milestone was largely driven by a 27.0% decrease in groundwater usage, reinforcing ongoing efforts to enhance water efficiency.

Among the intensity ratios tracked, Zantat considers water consumption per operating hour to be the most accurate reflection of water efficiency, as the Group's operations are primarily driven by machinery and production activities. Water consumption per thousand operating hour decreased by 10.9% (from 119 m<sup>3</sup> in FY2023 to 106 m<sup>3</sup> in FY2024), which was largely driven by reduced operation and efficient water usage practices.

###### Zantat Water Consumption

● Groundwater ● Surface water ● Third-party water

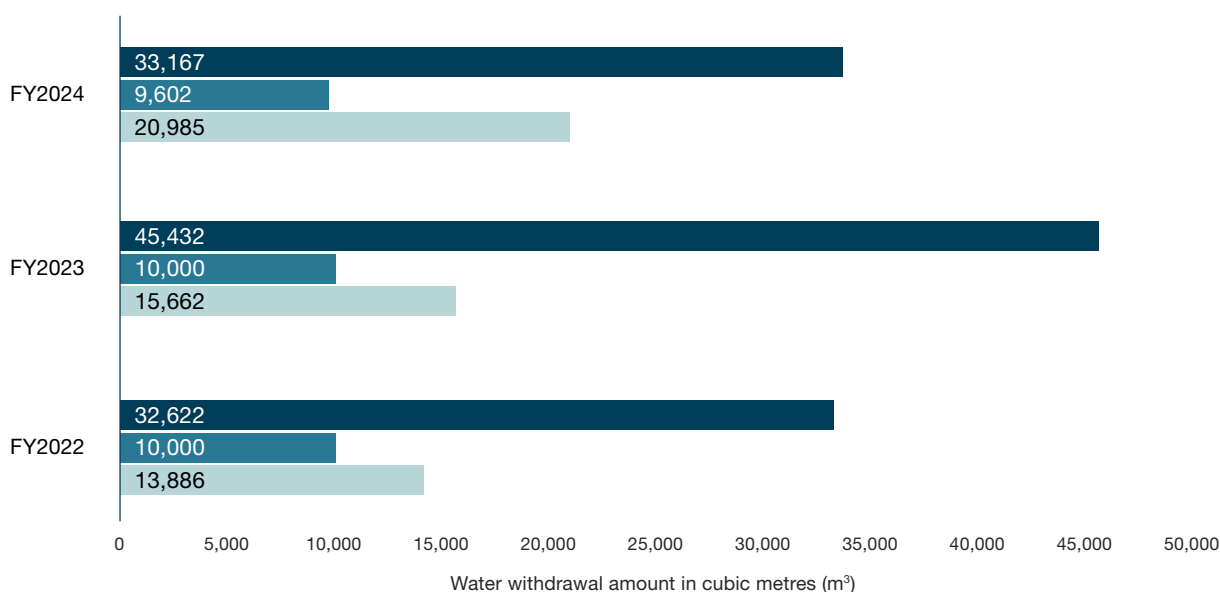


Fig 4.1.2 Water consumption at Zantat based on the different water withdrawal sources: Groundwater, surface water, and third-party water. Operations do not use sea water or produced water.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.2. Water Use Management (Cont'd)

##### Performance (Cont'd)

At Zantat Perak, the rainwater harvesting system at the hostel has become part of the Group's water conservation strategy. Recognising its potential, Zantat is exploring ways to expand or enhance the system to further reduce reliance on groundwater. These efforts align with the broader goal of responsible water resource management and long-term sustainability.

The Group's water use management approach is guided by Aqueduct 4 (World Resources Institute, 2025), an internationally recognised water risk assessment framework. According to this assessment, Zantat's operational sites in Perak and Kuala Lumpur are classified as having a low water risk of less than 10%, indicating that less than 10% of available renewable water resources are withdrawn. This framework simplifies hydrological data into clear indicators of water-related risks, including baseline water stress, which measures the ratio of total water demand to available surface and groundwater supplies. The results confirm that water scarcity does not pose an immediate risk to operations. However, the Group remains committed to ongoing improvements in water efficiency and conservation, ensuring that its practices remain resilient and responsible in the face of evolving environmental challenges.

Table 4.1.2. Total water consumption from FY2022 to FY2024, broken down into absolute and intensity-based water consumption.

Indicator Type	Measurement	Unit	FY2022	FY2023	FY2024
Absolute	Total water consumption	m <sup>3</sup>	56,508	71,094	63,754
	• Third-party water	m <sup>3</sup>	13,886	15,662	20,985
	• Surface water	m <sup>3</sup>	10,000	10,000	9,602
	• Groundwater <sup>1</sup>	m <sup>3</sup>	32,622	45,432	33,167
	• Sea water	m <sup>3</sup>	0	0	0
	• Produced water	m <sup>3</sup>	0	0	0
Intensity	Total water consumed per million revenue	m <sup>3</sup> / RM'million	500	579	626
	Total water consumed per thousand operating hours	m <sup>3</sup> / hours'000	109	119	106

Note:

- Restatement of information: FY2022 and FY2023 groundwater consumption did not account for Zantat Perak due to the lack of water meters. Calculations used an average water consumption per production output (0.22 m<sup>3</sup> / MT) to estimate and reconstruct water consumption in FY2022 and FY2023.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.3. Waste Management (GRI 306-1, 306-2, 306-3, 306-4, 306-5)

Overview

Waste management is an integral part of Zantat's commitment to environmental stewardship and resource efficiency. The Group focuses on minimising waste generation through responsible material usage, recycling initiatives, and proper disposal methods in full compliance with regulatory standards.

By repurposing by-products, optimising raw material consumption, and working with licensed waste management partners, Zantat effectively reduces its environmental footprint while enhancing operational efficiency. To Zantat, waste management is an ongoing process of improvement and innovation.

UN SDGs



Performance

Over the past three years, total scheduled and non-scheduled waste has fluctuated due to operational demands. However, in FY2024, the Group achieved a 1.6% reduction, decreasing from 549 tonnes in FY2023 to 540 tonnes, as efforts to refine ESG data tracking captured a broader range of waste sources.

Similarly, intensity-based waste indicators have varied over the years, reflecting the dynamic nature of waste management challenges. While this remains an area for continuous improvement, Zantat is actively increasing waste diversion from disposal. In FY2024, 16.9% of total waste—including metals and plastics—was successfully diverted.

Scheduled waste management showed notable progress, with a 27.3% reduction in FY2024 compared to FY2022. This achievement reflects strict compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. All scheduled waste is safely managed and collected by licensed contractors accredited by the Department of Environment (DOE). 100% of this waste is disposed of offsite at external recycling and recovery facilities.

The scheduled waste generated comes exclusively from Zantat's Perak and KL plants and includes:

**SW204: Metal Hydroxide - Calcium (sludge from industrial effluent treatment systems)**

**SW305: Spent lubricating oil**

**SW306: Spent hydraulic oil**

**SW408: Contaminated soil, debris, or materials from chemical or oil spill cleanups**

**SW409: Rags, plastics, papers, or filters contaminated with scheduled waste**

**SW410: Disposed containers, bags, or equipment contaminated with chemicals, pesticides, mineral oil, or scheduled waste**



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.3. Waste Management (Cont'd)

##### Performance (Cont'd)

Table 4.1.3 Summary of absolute and intensity-based waste management indicators for FY2022 to FY2024, including total scheduled and non-scheduled waste, waste directed to and diverted from disposal, and waste intensity metrics. "NA" means Not Available.

Indicator Type	Measurement	Unit	FY2022	FY2023	FY2024
Absolute	Total scheduled and non-scheduled waste	Tonne	424	549	540
	• Directed to disposal	Tonne	NA	NA	449
	• Diverted from disposal	Tonne	NA	NA	91
	Total Non-Scheduled Waste:	Tonne	391	526	516
	• Directed to disposal	Tonne	NA	NA	425
	• Diverted from disposal	Tonne	NA	NA	91
	Total Scheduled Waste:	Tonne	33	23	24
	• Directed to disposal	Tonne	33	23	24
	• Diverted from disposal	Tonne	0	0	0
Intensity	Total waste per million revenue	Tonne / RM'million	3.8	4.5	5.3
	Total waste per thousand operating hours	Tonne / hours'000	0.8	0.9	0.9

##### Initiatives

As part of Zantat's commitment to environmental responsibility and sustainable waste management, Zantat has launched an onsite bioconversion centre, currently in its pilot phase, to process food waste using black soldier fly larvae ("BSFL"). This initiative aligns with the company's circular economy practices and has demonstrated promising results.

BSFL provide a fast, natural, and efficient solution for breaking down organic waste, rapidly converting food waste into nutrient-rich compost. Compared to traditional composting methods, this process generates minimal odor and significantly reduces greenhouse gas emissions. Beyond waste reduction, this project highlights the synergy between green product innovation and waste management.

Beyond bioconversion, Zantat continues to explore ways to enhance waste tracking, increase waste diversion, and strengthen recycling efforts. By collaborating with licensed local waste collectors, the Group ensures responsible waste management while also supporting the local economy.

Recognising that waste management is an ongoing process, Zantat remains committed to continuous improvement. Each step forward reinforces its dedication to sustainability, contributing to a greener and more resource-efficient future.



Fig 4.1.3 Zantat's BSFL pilot project to reduce organic waste and carbon emissions. (Left) The food waste is being fed to the BSFL on a monthly basis; (Right) Zantat employees mixing food waste with enzymes to catalyze BSFL feeding process and break down of organic matters.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.4. Air Pollution Management (GRI 305-7)

###### Overview

Air quality is a key focus at Zantat, reflecting the Group's commitment to minimising environmental impact while maintaining high operational standards. As part of its responsible industrial practices, Zantat implements strict air pollution control measures, including dust suppression systems, emission filters, and continuous air quality monitoring.

By actively reducing particulate matter and harmful emissions, the Group ensures compliance with regulatory standards while contributing to healthier communities and a cleaner environment. This approach aligns with a broader vision—one where industrial progress and environmental stewardship work together to support a sustainable future.

###### UN SDGs



###### Performance

Each year, Zantat engages an external Health, Safety, and Environmental ("HSE") consultancy firm specialising in air quality assessments, industrial hygiene monitoring, and compliance services. Air pollution assessments are conducted at four sampling points for the Group over two consecutive days, ensuring a comprehensive evaluation of emissions. Samples are tested in laboratories that adhere to United States Environmental Protection Agency (USEPA), Intersociety Committee, and American Society for Testing and Materials (ASTM) standards, maintaining the highest levels of accuracy and compliance.

Zantat strictly adheres to regulatory requirements set by the Department of Environment (DOE) and OSHA Malaysia and remains fully compliant with the New Malaysia Ambient Air Quality Standard (2020). The Group monitors key air pollutants, including nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>), Particulate Matter (PM<sub>10</sub>), and fine Particulate Matter (PM<sub>2.5</sub>) across its subsidiaries. The latest assessment confirms that all monitored air pollutants remain within required safety standards, with no detectable levels of NO<sub>x</sub> and SO<sub>x</sub> and a 3.9% reduction in PM<sub>10</sub> and 8.0% reduction in PM<sub>2.5</sub> levels in FY2024 compared to FY2022. These results reflect ongoing efforts to maintain effective emission control and environmental compliance.

Looking ahead, Zantat is exploring new strategies to enhance air quality management, particularly improving dust and emissions control at quarry sites. As environmental initiatives continue to evolve, the Group remains dedicated to minimising its impact and ensuring cleaner air for the communities it operates in.

Table 4.1.4. Major air pollutant emissions generated by and detected in operations from FY2022 to FY2024. "ND" means Not Detected, "ppm" means part per million.

Entity	Measurement	Unit	FY2022	FY2023	FY2024	Guideline*
<b>Zantat</b>			<b>ND</b>	<b>ND</b>	<b>ND</b>	
• Zantat Perak	Nitrogen oxides (NO <sub>x</sub> )	ppm	ND	ND	ND	280
• Zantat KL			ND	ND	ND	
• Calrock			ND	ND	ND	
<b>Zantat</b>			<b>ND</b>	<b>ND</b>	<b>ND</b>	
• Zantat Perak	Sulphur oxides (SO <sub>x</sub> )	ppm	ND	ND	ND	80
• Zantat KL			ND	ND	ND	
• Calrock			ND	ND	ND	

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.4. Air Pollution Management (Cont'd)

###### Performance (Cont'd)

Entity	Measurement	Unit	FY2022	FY2023	FY2024	Guideline*
<b>Zantat</b>			<b>51</b>	<b>54</b>	<b>49</b>	
• Zantat Perak	Particulate		44	47	49	
• Zantat KL	Matter-10 Micron	µg/m <sup>3</sup>	NA	NA	46	100
• Calrock	(PM <sub>10</sub> )		57	60	51	
<b>Zantat</b>			<b>25</b>	<b>25</b>	<b>23</b>	
• Zantat Perak	Particulate		26	25	26	
• Zantat KL	Matter- 2.5 Micron	µg/m <sup>3</sup>	NA	NA	24	35
• Calrock	(PM <sub>2.5</sub> )		24	24	18	

Note:

\*Safety guideline is based on the New Malaysia Ambient Air Quality Standard (2020), where Zantat's air pollutant concentrations are all within the guideline.

##### 4.1.5. Biodiversity and Land Remediation (GRI 304-4)

###### Overview

Biodiversity plays a fundamental role in ensuring ecosystem stability, resource availability, and long-term environmental resilience. With increasing global attention on biodiversity, particularly following the 16th Conference of the Parties on Biodiversity (COP16), its integration into Zantat's sustainability strategy has become more relevant.

As a calcium carbonate manufacturer, Zantat's operations interact with surrounding ecosystems. This year, the Group is taking initial steps to incorporate biodiversity considerations into its sustainability framework, aiming to raise awareness and encourage broad stakeholder engagement on this critical issue.

###### UN SDGs



###### Performance

Loss of biodiversity is a growing global challenge, with many species facing extinction. The International Union for Conservation of Nature (IUCN) Red List serves as a critical resource, evaluating the conservation status of species and categorising them from Least Concern (LC) to Critically Endangered (CR) and Extinct (EX). Recognising its importance, Zantat has initiated its first biodiversity assessment using the IUCN Red List to identify potential interactions between operational sites and species of conservation concern. This marks an important step in understanding and mitigating Zantat's ecological footprint.

Zantat recognises that effective biodiversity conservation requires long-term planning, strategic collaboration, and data-driven action. To support this, the Group is exploring ways to enhance its biodiversity-related disclosures through improved data collection, engagement with environmental experts, and reference to best practices. Zantat's long-term objective is to gradually align with the Taskforce on Nature-related Financial Disclosures (TNFD) and Malaysia's National Policy on Biological Diversity (2022–2030), while also referencing the Kunming-Montreal Global Biodiversity Framework. Zantat is taking a practical and measured approach—focused on understanding its ecological impact and contributing meaningfully to biodiversity preservation in ways that are operationally feasible and aligned with broader sustainability commitments.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.5. Biodiversity and Land Remediation (Cont'd)

###### Key Actions:

- Utilising IUCN Red List spatial data to assess the proximity of endangered species to limestone extraction sites.
- Employing Geographic Information System (GIS) tools, such as QGIS, to overlay operational footprints with known species distribution ranges.
- Focusing on red-listed terrestrial mammals in the initial assessment, with plans to expand coverage to additional species categories in future reporting cycles.

Through these efforts, Zantat aims to enhance biodiversity management, strengthen environmental responsibility, and ensure a data-driven approach to conservation within its operations.

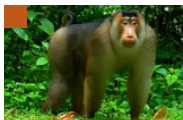
**CR:** Sunda pangolin (*Manis javanica*)



**EN:** Otter civet  
(*Cynogale bennettii*)



**EN:** Lar gibbon  
(*Hylobates lar*)



**EN:** Southern  
pig-tailed  
macaque (*Macaca  
nemestrina*)



**EN:** Large flying  
fox (*Pteropus  
vampyrus*)

- Critically Endangered (CR)
- Endangered (EN)
- Vulnerable (VU)
- Near Threatened (NT)
- Least Concern (LC)

#### MAMMAL DISTRIBUTION AT ZANTAT'S OPERATION SITES BY CONSERVATION STATUS

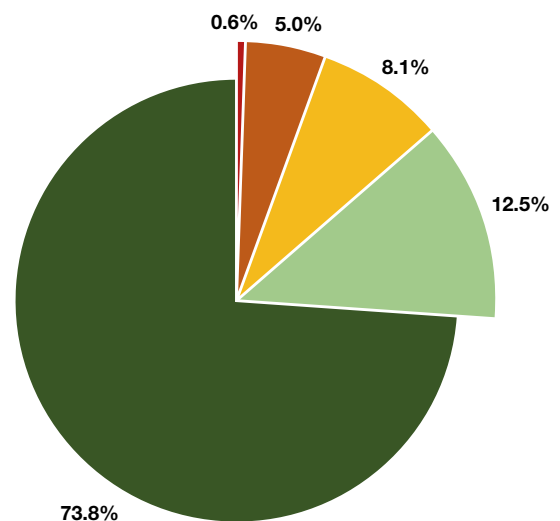


Fig 4.1.5 Mammal distribution at Zantat's operation sites by conservation status, based on the IUCN Red List assessment using QGIS.



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.5. Biodiversity and Land Remediation (Cont'd)

Table 4.1.5 IUCN Red List Critically Endangered (CR) and Endangered (EN) mammalian species identified in Zantat's operational sites, classified by their Kingdom, Phylum, Class, Order, Family, Genus, and species.

IUCN category	Still present?	Kingdom	Phylum	Class	Order	Family	Genus and Species
<b>CR</b>	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PHOLIDOTA	MANIDAE	<i>Manis javanica</i>
<b>EN</b>	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	CARNIVORA	VIVERRIDAE	<i>Cynogale bennettii</i>
<b>EN</b>	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	HYLOBATIDAE	<i>Hylobates lar</i>
<b>EN</b>	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	CERCOPITHECIDAE	<i>Macaca nemestrina</i>
<b>EN</b>	Extinct	ANIMALIA	CHORDATA	MAMMALIA	CARNIVORA	FELIDAE	<i>Panthera tigris</i>
<b>EN</b>	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	CHIROPTERA	PTEROPODIDAE	<i>Pteropus vampyrus</i>
<b>EN</b>	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	CERCOPITHECIDAE	<i>Trachypithecus obscurus</i>
<b>EN</b>	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	HYLOBATIDAE	<i>Symphalangus syndactylus</i>
<b>EN</b>	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	LORISIDAE	<i>Nycticebus coucang</i>

Zantat's recent assessment identified 160 mammalian species within the range of Zantat's operational sites, classified under various IUCN risk categories. Among them, one species, the Sunda Pangolin (*Manis javanica*), is Critically Endangered (0.6%), with 8 Endangered (5.0%), 13 Vulnerable (8.1%), 20 Near Threatened (12.5%), and 118 Least Concern (73.8%). While most species fall into the Least Concern category, the presence of a Critically Endangered species highlights the need for careful environmental management.

Historical records from the IUCN Red List indicate that the Malayan Tiger (*Panthera tigris*), once present in the region, is no longer sighted, reflecting a changing biodiversity landscape. This underscores the importance of proactive biodiversity management to prevent further losses.

To build on this initial understanding, Zantat is working to improve biodiversity data collection and awareness. The Group is exploring the use of citizen science through iNaturalist, enabling employees to document and identify species at operational sites. This initiative will enhance engagement, generate valuable biodiversity data, and support long-term sustainability efforts.

As biodiversity management evolves, Zantat remains committed to refining its approach, enhancing disclosures, and aligning with global and national sustainability frameworks. These efforts will ensure that operations continue to support environmental stewardship and responsible growth.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.6. Emissions Accounting (GRI 305-1, 305-2, 305-3, 305-4, 305-5)

###### Overview

At Zantat, emission accounting and reduction are key priorities in addressing climate change. As a responsible corporate citizen, the Group is committed to aligning with international climate science and national carbon reduction targets, ensuring that its sustainability strategy remains relevant, ambitious, and impactful.

This year, Zantat took a significant step forward by enhancing emission accounting methods, expanding reporting scope, and integrating globally recognized standards to improve accuracy and transparency in carbon disclosures.

The urgency of climate action is clear. According to the Intergovernmental Panel on Climate Change (IPCC, 2022), global carbon emissions reached 59 gigatonnes of CO<sub>2</sub> equivalent (GtCO<sub>2</sub>-eq) per year in 2019, with the remaining carbon budget for limiting warming to 1.5°C estimated at 500 GtCO<sub>2</sub>-eq. At the current rate, the world has less than 10 years to meet the 1.5°C target or approximately 20 years to remain within 2.0°C.

Understanding these challenges, Zantat is taking proactive steps to track, report, and manage emissions more effectively, reinforcing its commitment to climate action and sustainable growth.

###### Performance: Methods

In line with Malaysia's COP28 commitment to reduce GHG emissions by 45% by 2030 and achieve carbon neutrality by 2050, Zantat is refining its carbon management strategy. To further enhance its approach, the Group is exploring Science-Based Targets Initiative (SBTi) alignment, ensuring its goals reflect climate science and industry best practices.

Zantat has adopted the GHG Protocol, using DEFRA (2023) emission factors to ensure consistent, accurate, and comparable carbon disclosures. This year, the Group expanded its emission inventory to better account for methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O), recognising their higher global warming potential (GWP100 of 27.9 and 273, respectively) compared to CO<sub>2</sub>.

The Group has also enhanced Scope 1 and 2 emissions tracking and expanded Scope 3 accounting beyond business travel and employee commuting to include purchased goods and services across all subsidiaries. By continuously improving its tracking systems, aligning with international standards, and supporting global and national climate goals, Zantat is reinforcing its commitment to a low-carbon future and corporate climate responsibility.

###### Performance: Scope 1 and Scope 2

Zantat remains committed to reducing emissions and enhancing operational efficiency, aligning with global and national decarbonization goals. Over the past three years, Scope 1 emissions have followed a downward trend, with a 16.5% reduction from FY2022 and a 20.9% decrease from FY2023. This progress was driven by reduced production, 100% replacement of critical machinery with high-efficiency electric motors in Zantat Perak plant 1 (see section 4.1.1) and reducing reliance on non-renewable energy fuels. While petrol consumption increased slightly due to operational demands, this was offset by a 23.4% reduction in diesel consumption compared to FY2022, reflecting a shift toward energy-efficient operations.

###### UN SDGs



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

##### 4.1.6. Emissions Accounting (Cont'd)

##### Performance: Scope 1 and Scope 2 (Cont'd)

Scope 2 emissions also saw a 21.3% reduction from FY2023, supported by continuous ESG improvements and increased solar power generation. In FY2022, solar energy accounted for 4.5% of total power consumption, rising to 5.1% in FY2024, helping the Group avoid 999.8 tonnes of carbon emissions.

Looking ahead, Zantat plans to scale solar capacity to 2 MWp across its Perak and Calrock plants by FY2026, further reducing grid electricity reliance and reinforcing its commitment to a low-carbon future.

##### Performance: Scope 3

In FY2024, Scope 3 emissions totaled 406.3 tonnes of CO<sub>2</sub>e, reflecting an expanded measurement scope rather than an actual increase. A key addition was Category 4 (Upstream Transportation and Distribution), capturing emissions from local sourcing by lorries. With 86.9% of purchases from local suppliers, this category provides a clearer view of domestic transportation emissions despite data availability challenges.

Business travel (Category 6) showed mixed trends—air travel emissions increased due to market expansion, while ground transportation emissions dropped 30.8% through optimized planning and increased digital collaboration. Employee commuting (Category 7) rose slightly from 93.3 tCO<sub>2</sub>e in FY2023 to 97.9 tCO<sub>2</sub>e in FY2024, reflecting minor commuting-related increases.

Currently, emission calculations use global datasets like DEFRA and IPCC EFDB, though they may not fully capture Zantat's production-specific emissions. To improve accuracy, the company is exploring a product-level carbon footprint assessment, enabling targeted reduction strategies.

Looking ahead, Zantat plans to engage suppliers, enhance material sourcing transparency, and implement science-based decarbonization strategies. By refining emissions data and strengthening carbon accounting, the company continues to drive responsible emissions management and sustainability leadership.

*Table 4.1.6 Scope 1, 2, and 3 emissions at Zantat from financial year (FY) 2022 to FY2024, accounting for three major GHGs where applicable, which are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). All measurements are in tonnes of carbon dioxide-equivalent (tCO<sub>2</sub>e).*

Measurement	Greenhouse Gas	FY2022	FY2023	FY2024
		Unit: tCO <sub>2</sub> e		
Total Scope 1 Emissions <sup>1</sup>	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	547.3	577.8	457.0
	CO <sub>2</sub>	537.2	567.2	449.1
	CH <sub>4</sub> and N <sub>2</sub> O	10.1	10.6	7.9
• Petrol	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	44.1	49.2	71.7
	CO <sub>2</sub>	43.8	48.9	71.3
	CH <sub>4</sub> and N <sub>2</sub> O	0.3	0.3	0.4
• Diesel	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	503.2	528.6	385.3
	CO <sub>2</sub>	493.4	518.3	377.8
	CH <sub>4</sub> and N <sub>2</sub> O	9.8	10.3	7.5
Total Scope 1 Emissions per million revenue <sup>2</sup>	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	4.8	4.7	4.5

## Sustainability Report (Cont'd)

## 4. Impact: Current Performance (Cont'd)

## 4.1. ENVIRONMENTAL INDICATORS (CONT'D)

## 4.1.6. Emissions Accounting (Cont'd)

## Performance: Scope 3 (Cont'd)

Measurement	Greenhouse Gas	FY2022	FY2023	FY2024
		Unit: tCO <sub>2</sub> e		
<b>Total Scope 2 Emissions<sup>3</sup></b>	<b>CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O</b>	<b>16,344.8</b>	<b>20,463.8</b>	<b>16,108.0</b>
• Electricity	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	17,231.9	21,440.1	17,107.8
• Solar panels	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	-887.1	-976.3	-999.8
Total Scope 2 Emissions per million revenue <sup>2</sup>	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	144.6	166.6	158.1
Total Scope 2 Emissions per MWh solar panel generation <sup>2</sup>	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	14.3	16.2	12.5
<b>Total Scope 3 Emissions<sup>4</sup></b>	<b>CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O</b>	<b>&gt;0.0575</b>	<b>147.6</b>	<b>406.3</b>
Scope 3 Category 4 Upstream Transportation and Distribution (Local sourcing by lorries) <sup>5</sup>	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	NA	NA	233.9
Scope 3 Category 6 Business travel (Air)	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	0.0575	19.2	50.2
	CO <sub>2</sub>	NA	19.1	50.0
	CH <sub>4</sub> and N <sub>2</sub> O	NA	0.1	0.2
Scope 3 Category 6 Business travel (Ground)	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	NA	35.1	24.3
	CO <sub>2</sub>	NA	34.8	24.1
	CH <sub>4</sub> and N <sub>2</sub> O	NA	0.3	0.2
Scope 3 Category 7 Employee commuting	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	NA	93.3	97.9
	CO <sub>2</sub>	NA	92.6	97.2
	CH <sub>4</sub> and N <sub>2</sub> O	NA	0.7	0.7
Total Scope 3 Emissions per million revenue <sup>2</sup>	CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O	NA	1.2	4.0

## Notes:

- Zantat's diesel and petrol consumption primarily comes from Euro5 B10 (90% petroleum-based, 10% biofuel) and Ron95 E5 (95% petroleum-based, 5% biofuel). To ensure accurate accounting, petroleum-based fossil emissions are calculated using DEFRA (2023) factors for "Diesel (100% mineral diesel)" and "Petrol (100% mineral diesel)". For biogenic emissions, Zantat applies DEFRA's "Biodiesel ME" and "Bioethanol" factors, where CO<sub>2</sub> emissions are considered net zero due to full absorption during biofuel growth.
- Intensity-based indicators, where the units are all in tCO<sub>2</sub>e per unit specified in the "Measurement"
- For Scope 2 emissions, Zantat adopts the location-based method, as its operations rely solely on the local power grid in Peninsular Malaysia. The grid emission factor used for calculations is 0.774 Gg CO<sub>2</sub>e/GWh, based on the latest data from Suruhanjaya Tenaga (2024).
- Scope 3 emissions from business travel and ground transport are calculated using UK emission factors, as Malaysia serves as a regional hub with no country-specific alternatives. Air travel emissions are assessed accordingly. For ground transportation, calculations cover multiple travel modes, including Average Car (petrol), Local Bus, National Rail, Regular Taxi (including Grab), and Passenger Ferry. Emission factors for fuel combustion (e.g., CO<sub>2</sub> per litre of petrol or diesel) are based on physical fuel properties, making Scope 1 emission factors a practical and accurate approximation for both owned and non-owned vehicles.
- For upstream transportation emissions, Zantat applies the DEFRA (2023) factor for Heavy Goods Vehicles (HGV, all diesel) – Articulated (>33 tonnes), which is 0.07447 kgCO<sub>2</sub>e/km/tonne of material transported. This ensures comprehensive accounting of emissions associated with logistics and supply chain activities.



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS

##### 4.2.1. Community Engagement and Contribution (GRI 201-1a(ii))

###### Overview

Zantat prioritises programs that address critical community needs, focusing on education, healthcare, and environmental sustainability to ensure resources are directed where they create the most impact. Through active engagement with local stakeholders, the Group identifies key areas for support and designs initiatives that empower communities while fostering self-sufficiency.

Collaboration is central to Zantat's approach, working with non-profit organisations, government agencies, and industry partners to maximise outreach and effectiveness. By continuously evaluating program outcomes, the Group refines its community investment strategies, driving social well-being and creating lasting positive change.

###### Performance

In FY2024, Zantat's monetary donations rose 5.3 times, from RM22,645 in FY2022 to RM120,434. The Group has also begun tracking workforce participation in community activities, recording 179 instances of employee involvement this year. Additionally, contributions are estimated to have benefited at least 677 members of the local community.

###### UN SDGS



Table 4.2.1 Contribution to and impacts on local community and society. "NA" means Not Available.

Community Contribution	FY2022	FY2023	FY2024
<b>Total amount (RM) invested in the community</b>	22,645	34,303	120,434
<b>Cumulative number of employees involved in community contribution<sup>1</sup></b>	NA	NA	179
<b>Total number of beneficiaries (people) from Zantat's investment</b>	NA	NA	677

###### Notes:

1. This count reflects the cumulative number of participations in different events, which may include repeated participation from employees.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.1. Community Engagement and Contribution (Cont'd)

#### EDUCATIONAL FOCUSED INITIATIVES

In FY2024, Zantat contributed RM8,086 in financial and in-kind sponsorships to support students from low-income families in primary and secondary education. Beyond monetary support, employees volunteered 28 hours to mentor and assist students, reinforcing a hands-on commitment to nurturing local talent and bridging educational inequalities. This initiative reflects Zantat's dedication to investing in future generations and expanding access to learning opportunities.

##### SPONSORSHIP PROGRAM LAMBAIAN KASIH TAHUN 6

In January 2024, Zantat contributed RM1,000 to the 'Lambaian Kasih Tahun 6' program at SK Sg Raia, supporting Year 6 students as they transition to secondary school. This initiative aligns with the Group's commitment to positively impacting local communities, particularly underprivileged groups.

The program provided students with an opportunity to celebrate their achievements and approach the next stage of their education with confidence and optimism. Through this sponsorship, an estimated 78 students benefited, gaining both a memorable experience and the encouragement to continue their academic journeys with enthusiasm.

##### BACK TO SCHOOL 3.0

In June 2024, for the third consecutive year, Zantat supported students from low-income families through its Back-to-School Programme. This initiative provided vouchers for new school uniforms, ensuring that students could begin the school term with confidence and dignity.

Five Zantat employees coordinated with multiple school visits to facilitate the smooth distribution of vouchers.

As part of the 2024 initiative, 40 vouchers were distributed—20 each to students from SK Sg Raia and SJKC Phui Ying in Simpang Pulai—amounting to RM4,086.

Zantat team had the opportunity to visit the schools and personally distribute the vouchers, creating a meaningful and inspiring experience for both the students and those involved. This initiative reflects the Group's ongoing commitment to education support and community engagement.

##### FOSTER SCHOOL

In December 2024, Zantat introduced a new initiative to support students from lower-income families, providing RM100 vouchers to 30 students, totaling RM3,000. This effort aimed to help families manage school-related expenses while ensuring students had the necessary supplies for the upcoming academic year.

Through a partnership with Hari-Hari Store, students could redeem their vouchers for essential school items, reducing financial strain on their families. Two Zantat staff members facilitated the distribution process, ensuring an efficient and seamless experience for recipients.



Fig. 4.2.1a(i) Group photo with SJKC Phui Ying's students who received the vouchers from Back-to-School Programme.



Fig 4.2.1a(ii) Group photo with SK Sg Raia's students who received the vouchers from Back-to-School Programme.



Fig 4.2.1a(iii) (Left) Group photo with students who received a RM100 voucher to purchase school supplies. (Right) The Zantat KL team delivered speeches and words of encouragement to the students before distributing the vouchers.



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.1. Community Engagement and Contribution (Cont'd)

#### PHILANTHROPIC INITIATIVES

Zantat contributed RM12,020 in donations, including essential supplies and financial assistance, to orphanages and elderly care homes. Employees further demonstrated their commitment by dedicating 97 volunteer hours to these efforts.

This initiative focuses on enhancing the quality of life for vulnerable groups by improving living conditions and ensuring they receive the care and support they need. Through these contributions, Zantat continues to uphold its commitment to social responsibility and community well-being.

##### **DONATION AT RUMAH KEBAJIKAN KANAK-KANAK CACAT ("RKKKC")**

In January 2024, Zantat organised a series of Corporate Social Responsibility ("CSR") activities at RKKKC, a special care orphanage that provides a home for handicapped orphans.

A team of seven staff members from Zantat Perak volunteered to enhance living conditions at the facility, focusing on practical improvements and essential support.

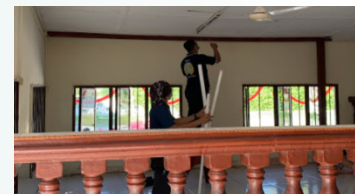
As part of this initiative, Zantat provided essential items requested by the orphanage, repaired a malfunctioning washing machine, and replaced old lamps to improve lighting and safety for residents. The total contribution for this event amounted to RM3,274.

Through these efforts, an estimated 50 residents benefited, with improvements aimed at addressing specific day-to-day challenges faced by the facility. While modest in scale, the initiative was designed to provide practical value and respond directly to community needs.

##### **MAJLIS BERBUKA PUASA BERSAMA PERTUBUHAN BAITUL MUBAROQAH**

On April 2, 2024, Zantat organised a Buka Puasa event at Pusat Baitul Al-Mubaroqah as part of its CSR initiatives during the fasting month. The event provided a meaningful opportunity to break fast together and bring joy to the orphaned children at the centre.

A team of seven staff members from Zantat Perak volunteered to coordinate the event, ensuring a memorable evening that blended tradition with thoughtful gestures. The programme was designed to foster genuine connection and shared celebration with the local community.



*Fig 4.2.1b(i) (Top) Group photo with RKKKC during Zantat's visit for donation and assistance with maintenance. (Bottom) Zantat team helped to repair and replace the old lamps for RKKKC.*



*Fig 4.2.1b(ii) Zantat team and members at Pusat Baitul Al-Mubaroqah gathered to break the fast together during the Buka Puasa event.*

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.1. Community Engagement and Contribution (Cont'd)

###### PHILANTHROPIC INITIATIVES (CONT'D)

###### MAJLIS BERBUKA PUASA BERSAMA PERTUBUHAN BAITUL MUBAROQAH (CONT'D)

The Buka Puasa event featured a catered dinner and birthday cakes, creating a warm and joyful atmosphere for the children. In addition to celebrating their birthdays, Zantat provided stationery gifts and Hari Raya hampers to both the children and orphanage staff as tokens of support and appreciation.

With a total contribution of RM1,423, the initiative benefited at least 30 individuals, in creating a memorable experience for the children while acknowledging the caregivers who support them year-round.

###### BARBER AT OLD FOLKS HOME (PERTUBUHAN KEBAJIKAN RUMAH WARGA EMAS GEMILANG)

On 25 July 2024, Zantat KL team visited Pertubuhan Kebajikan Rumah Warga Emas Gemilang, an elderly care home, to support the well-being and quality of life of its residents.

As part of this initiative, 10 Zantat staff members volunteered their time to provide barber services and meals to the elderly. In addition to meeting practical needs, the team spent time speaking with residents and sharing stories—offering companionship and emotional connection.

With a total contribution of RM1,902, this initiative benefited at least 40 senior citizens, addressing immediate needs while creating a sense of connection and care.

Beyond providing barber services and meals, Zantat staff members engaged in meaningful conversations and companionship, fostering an atmosphere of warmth and respect. By combining practical support with personal interaction, the Group aimed to make a positive and lasting impact on the residents' lives, reinforcing its commitment to community care and social responsibility.



Fig 4.2.1c(i) Zantat staff members sharing moments of joy and connection with senior residents at Pertubuhan Kebajikan Rumah Warga Emas Gemilang during a community outreach visit.

###### BOMBA OPEN DAY

On 26 May 2024, Zantat collaborated with the Simpang Pulai Fire and Rescue Station to host a Bomba Open Day, aimed at enhancing fire safety awareness among employees and their families. Coordinated by 15 Zantat staff members, the event featured hands-on fire safety training, interactive demonstrations, and practical drills led by Bomba officers. With an estimated 60 attendees, participants gained valuable emergency response skills in an engaging and informative setting.



Fig 4.2.1c(ii) (Left) Zantat employees brought their families to the fire safety awareness program, fostering community engagement and learning vital safety measures. (Right) A Bomba officer explained the equipment stored in the fire truck and its uses during emergencies.



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.1. Community Engagement and Contribution (Cont'd)

###### PHILANTHROPIC INITIATIVES (CONT'D)

###### BOMBA OPEN DAY (CONT'D)

The program provided insights into firefighting responsibilities and practical experience in fire response techniques. Through fire drill demonstrations and safety protocols, attendees learned how to properly use firefighting equipment and respond effectively to emergencies.

By combining educational activities with family-friendly engagement, this initiative not only equipped employees and their families with crucial fire safety knowledge but also strengthened community ties and promoted a culture of preparedness and safety awareness. Beyond workplace safety, the event reinforced Zantat's commitment to employee well-being and community engagement through proactive fire prevention and emergency readiness initiatives.

###### PROGRAM DERMA DARAH 3.0 AND 4.0

On 29 June 2024, Zantat organised Program Derma Darah 3.0 in collaboration with Hospital Raja Permaisuri Bainun and Aeon Mall Station 18, reinforcing its commitment to this annual blood donation initiative. With an investment of RM507, five Zantat staff members volunteered to coordinate the event, which attracted blood donation from 39 individuals. The program was actively promoted to attract wider participation, ensuring a meaningful contribution to local healthcare needs. As a gesture of appreciation, Zantat provided hampers and gifts to all donors and partners, recognising their support in making this life-saving initiative a success.

Building on its commitment to health and community well-being, Zantat organised Program Derma Darah 4.0 on 19 October 2024, in partnership with Hospital Raja Permaisuri Bainun, this time at Aeon Mall Kinta City. With an investment of RM709 and the support of five Zantat staff members, the event attracted blood donation from 67 individuals.

As in previous years, the initiative was widely promoted, encouraging employee participation and broader community engagement. Donors received goody bags as a token of appreciation, while hampers were presented to Hospital Raja Permaisuri Bainun and Aeon Kinta City Mall in recognition of their continued support.



Fig 4.2.1d (Left) The Zantat CSR team presented hampers to Hospital Raja Permaisuri Bainun and Aeon Mall Station 18 in recognition of their continued support for the Blood Donation Programme. (Right) Donors received the goody bags prepared by Zantat and expressed their commitment to supporting the program annually.

###### BATIK ART PROGRAMME

In October 2024, Zantat, in collaboration with Persatuan Dyslexia Malaysia HQ, organised the Batik Art Programme with a sponsorship of RM3,320. The event brought together employees and orphans for a batik-making activity aimed at fostering creativity and strengthening social connections.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.1. Community Engagement and Contribution (Cont'd)

###### PHILANTHROPIC INITIATIVES (CONT'D)

###### BATIK ART PROGRAMME (CONT'D)

The half-day programme provided a platform for 40 children to express themselves through traditional batik-making. The session was filled with colour, laughter, and meaningful connection, as Zantat KL team members worked side by side with the children, proudly displaying their completed artwork by the end of the day.



Fig 4.2.1e(i) The event involved over 40 children, dedicating a half-day to fostering creativity and team bonding.

#### ENVIRONMENTAL AND COMMUNITY ENGAGEMENT INITIATIVES

As part of its sustainability commitment, Zantat introduced several initiatives in 2024 to promote responsible waste management, environmental protection, and community well-being with a total contribution of RM100,330 in financial and in-kind sponsorships.

##### Bagan Pasir Laut Revitalisation Project

As one of Zantat's most notable CSR and environmental initiatives in 2024, the 'Greening the Fishing Village' project in Bagan Pasir Laut marked a year-long commitment to revitalising a coastal community facing environmental degradation. With a total contribution of RM94,778, the initiative benefited 150 families and involved the participation of over 30 Zantat employees throughout the year.

The initiative was launched to address severe waste management in the village which had led to rubbish accumulation in waterways, foul odours, and a decline in overall living conditions. These issues had also contributed to the gradual outmigration of younger residents, leaving behind an ageing population.

Planned since beginning of the year, the programme introduced a series of waste management infrastructure upgrades to build long-term waste management capabilities and promote sustainable habits among the villagers:

- Installation of waste sorting stations in key areas
- Introduction of eco-friendly motorbikes for garbage collection
- Completion of a waste segregation and recycling centre at the village entrance by mid-year

The project also included multiple hands-on clean-up efforts, where Zantat employees, local villagers, and students worked together to collect ocean waste near the fishing village. Recyclable and non-recyclable bins were placed throughout the area to encourage proper disposal and environmental awareness.



Fig 4.2.1e(ii) (Top) The engagement involved over 30 staff members, spanning multiple days due to the extensive scope of participation. (Bottom) Mr. Chan Hup Ooi, founder of Zantat Sdn Bhd, delivering a speech to Bagan Pasir Laut community on the revitalization project.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.1. Community Engagement and Contribution (Cont'd)

#### ENVIRONMENTAL AND COMMUNITY ENGAGEMENT INITIATIVES (CONT'D)

##### Tree Planting at Forest Research Institute Malaysia ("FRIM"), Kepong

On August 2024, Zantat KL team partnered with FRIM to carry out a tree-planting initiative aimed at promoting environmental awareness and community education.

The activity brought together 20 employees and their family members, who spent half a day planting 20 trees within the FRIM Forest grounds utilising a contribution of RM5,300.

The initiative served both as a hands-on conservation effort and an opportunity to engage participants in environmental dialogue. Information about local tree species, biodiversity, and the role of reforestation was shared during the event to encourage a deeper appreciation for nature.



Fig 4.2.1f(i) (Left) Zantat KL team with members of Forest Research Institute Malaysia (FRIM). (Right) Zantat KL employee planting a tree at FRIM Forest.

##### Eco Green Market with MDBG

In collaboration with Majlis Daerah Batu Gajah ("MDBG"), Zantat Perak hosted an Eco Green Market recycling event to promote responsible waste management among employees. On the event day, MDBG stationed a recycling truck at Zantat Perak, where staff and workers brought recyclables from home to be properly disposed of. Items collected included paper, plastic, aluminium tins, old metals, used cooking oil, and e-waste. The event successfully gathered 214 e-waste items, 76 kg of used cooking oil, and 610 kg of other recyclables, reinforcing responsible disposal practices and environmental sustainability.



Fig 4.2.1f(ii) (Left) Zantat KL team with members of Majlis Daerah Batu Gajah (MDBG), (Right) Eco Green Market booth run by MDBG with support from 10 Zantat employee volunteers.



## Sustainability Report (Cont'd)

# 4. Impact: Current Performance (Cont'd)

## 4.2. SOCIAL INDICATORS (CONT'D)

### 4.2.2. Board and Employee Diversity (GRI 405-1)

#### Overview

Zantat is dedicated to achieving gender equity, starting with its Board of Directors. To ensure fair representation, ZHB has established a Board Diversity Policy, aiming for a minimum of 30% women's representation at the Board level. The Board currently has three (3) female Board members, representing 1/3 of the Board members.

In FY2024, Zantat implemented initiatives to foster mutual respect, celebrated cultural events, commemorated International Women's Day, and introduced inclusivity training programs. The Group's commitment to an inclusive workplace is reinforced by policies, grievance mechanisms, and a Human Rights Policy. By prioritising diversity, equity, and inclusion, Zantat fosters an environment where all employees can thrive, recognising that diverse perspectives drive innovation and long-term success.

#### UN SDGs



#### Performance

Zantat's workforce increased gradually, reflecting its continued and sustainable expansion. Zantat's workforce expansion reflects its business growth and operational scaling to meet market demands. In FY2022, the Group employed 187 individuals, increasing by 12.8% to 211 employees in FY2023. In FY2024, the workforce grew further to 216 employees, marking a 2.4% increase. While the growth rate moderated, the continued expansion underscores Zantat's commitment to sustainable workforce management. Over the three years from FY2022 to FY2024, the workforce expanded by 15.5%, reinforcing the Group's role as a stable employer in the manufacturing sector. This growth aligns with Zantat's sustainability goals, focusing on job creation, economic contribution, and responsible workforce planning. The Group remains committed to employee development, fair labor practices, and maintaining a safe and inclusive work environment.

Beyond overall workforce growth, Zantat values diversity across its employee base. In FY2022, Malaysians comprised 52.4% of the workforce, while Nepalese and Bangladeshi employees accounted for 33.2% and 14.4%, respectively. By FY2023, the Malaysian workforce grew to 47.8% (101 employees), with Nepalese and Bangladeshi representation rising to 35.6% (75 employees) and 16.6% (35 employees). In FY2024, the trend continued, with Malaysians at 47.7% (103 employees), Nepalese at 37.5% (81 employees), and Bangladeshi representation at 14.8% (32 employees).





## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.2. Board and Employee Diversity (Cont'd)

Table 4.2.2a Diversity at Zantat, categorised by the age groups: less than 30 years old (<30), 30 to 50 years old (30~50), and more than 50 years old (>50); and gender group: male and female.

Category	Age	FY2022		FY2023		FY2024	
Board of Directors	<30	0	0%	0	0%	0	0%
	30-50	1	100%	4	57%	4	57%
	>50	0	0%	3	43%	3	43%
	<b>Total</b>	<b>1</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>7</b>	<b>100%</b>
Senior Management	<30	0	0%	0	0%	0	0%
	30-50	3	75%	3	75%	3	75%
	>50	1	25%	1	25%	1	25%
	<b>Total</b>	<b>4</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>4</b>	<b>100%</b>
Manager	<30	1	5%	1	6%	0	0%
	30-50	10	56%	9	53%	15	68%
	>50	7	39%	7	41%	7	32%
	<b>Total</b>	<b>18</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>22</b>	<b>100%</b>
Executive	<30	6	16%	8	18%	8	18%
	30-50	29	79%	36	80%	36	80%
	>50	2	5%	1	2%	1	2%
	<b>Total</b>	<b>37</b>	<b>100%</b>	<b>45</b>	<b>100%</b>	<b>45</b>	<b>100%</b>
Non-executive	<30	45	35%	42	29%	39	27%
	30-50	72	56%	90	62%	95	65%
	>50	11	9%	13	9%	11	8%
	<b>Total</b>	<b>128</b>	<b>100%</b>	<b>145</b>	<b>100%</b>	<b>145</b>	<b>100%</b>
<b>Grand Total (excluding Board of Directors)</b>		<b>187</b>		<b>211</b>		<b>216</b>	

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.2. Board and Employee Diversity (Cont'd)

Category	Gender	FY2022		FY2023		FY2024	
Board of Directors	Male	0	0%	6	86%	6	86%
	Female	1	100%	1	14%	1	14%
	<b>Total</b>	<b>1</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>7</b>	<b>100%</b>
Senior Management	Male	3	75%	3	75%	3	75%
	Female	1	25%	1	25%	1	25%
	<b>Total</b>	<b>4</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>4</b>	<b>100%</b>
Manager	Male	9	50%	8	47%	11	50%
	Female	9	50%	9	53%	11	50%
	<b>Total</b>	<b>18</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>22</b>	<b>100%</b>
Executive	Male	15	41%	19	42%	18	40%
	Female	22	59%	26	58%	27	60%
	<b>Total</b>	<b>37</b>	<b>100%</b>	<b>45</b>	<b>100%</b>	<b>45</b>	<b>100%</b>
Non-executive	Male	122	95%	139	96%	140	97%
	Female	6	5%	6	4%	5	3%
	<b>Total</b>	<b>128</b>	<b>100%</b>	<b>145</b>	<b>100%</b>	<b>145</b>	<b>100%</b>
<b>Grand Total (excluding Board of Directors)</b>		187		211		216	

Note: Restated information for FY2022 and FY2023: Senior Management revised to exclude Non-executive Directors.

##### 4.2.3. Occupational Health and Safety (403-2, 403-5, 403-6, 403-9)

###### Overview

Zantat's Health and Safety Policy reinforces its commitment to a safe and healthy work environment through robust measures at all workforce levels. Its Occupational Health and Safety Management Systems ("OHSMS") align with the Occupational Safety and Health Act 1994 and ISO 45001:2018, ensuring compliance with international best practices.

Each division and location have an Environment, Safety, and Health ("ESH") Committee responsible for hazard identification, incident review, compliance monitoring, and safety training. These committees meet quarterly, with additional meetings for urgent matters. Starting in 2025, regular meetings will commence with Senior Management support, and the Chief Operating Officer ("COO") will serve as committee president, actively participating in all safety discussions.

###### UN SDGs



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.3. Occupational Health and Safety (Cont'd)

###### Performance

Zantat conducts annual hazard assessments at its KL and Perak plants implementing preventive measures for effective risk control. The Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") process is reviewed annually, while an online reporting form accessible via QR simplifies hazard reporting.

Operations at Calrock and Zaneco align with Zantat Perak's safety standards, while third-party providers oversee hazard management at ZLCC. In FY2024, safety initiatives included permit-to-work systems for high-risk activities, safety bulletins, and Automated External Defibrillator ("AED") installations.

Health and safety training covering ISO 45001:2018 awareness is provided to all employees, covering emergency response, hazard management, and general health awareness. While training programmes covering chemical handling, fire safety, forklift use are provided to operation personnel—ensuring employees are prepared for both day-to-day risks and high-impact incidents. HIRARC training was also introduced to strengthen risk identification and mitigation capabilities.

Table 4.2.3a Zantat's approach to strengthening health and safety standards in the workplace.

Health and Safety training	FY2022	FY2023	FY2024
Number of employees trained on health and safety standards	187	211	216

The OSH-C Program reinforces compliance with Occupational Safety and Health Act amendments, promoting accountability at all levels. To strengthen emergency response readiness, Zantat collaborated with local fire authorities to conduct fire drills and specialised safety training. Additionally, HIRARC training was introduced to enhance risk assessment capabilities, empowering employees to identify, evaluate, and control hazards in their work environment.



Fig 4.2.3 (Left): Fire Drill training - Medic team providing treatment to the victim; (Right): Safe Forklift Driving & Attitude Training.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.3. Occupational Health and Safety (Cont'd)

###### Performance (Cont'd)

These efforts contribute to a safer workplace, minimise operational disruptions while supporting regulatory compliance, strengthen internal safety culture, and reduce potential disruptions. Through ongoing initiatives, Zantat remains dedicated to upholding the highest safety standards, ensuring a secure and resilient work environment that prioritizes both employee welfare and sustainable operations.

###### Promotion of Worker Health and Well-being

In FY2024, targeted health and safety training programs were conducted across operational sites to enhance hazard awareness and emergency preparedness, including:

- Occupational Noise Exposure Training (KL Plant) – Addressing risks of prolonged noise exposure and equipping employees with preventive strategies to protect hearing health.
- AED & CPR Training (KL, Perak, and Calrock Plants) – Providing employees with critical life-saving skills for effective medical emergency response.

These proactive measures reinforce Zantat's workplace health management approach. Training effectiveness is monitored through employee feedback, with continuous improvements made to enhance learning outcomes.

###### Work-related Injuries

In FY2024, a total of 602,640 hours were recorded across operations at Zantat KL Plant, Perak Plant, and Calrock, marking a slight increase compared to 597,663 hours in 2023. There were no fatalities reported due to work-related injuries or illnesses. However, one recordable work-related injury and one case of work-related ill health were reported during the year.

As a result, the Group's Lost Time Injury Rate ("LTIR") increased to 0.66, from 0.33 in FY2023. This rise was influenced by the additional case of work-related ill health and increase in total working hours, which affects the LTIR calculation. While the number of incidents remained low, the extended manhours and inclusion of the new case contributed to the higher rate.

Looking ahead, Zantat remains committed to strengthening its safety culture by enhancing employee training, implementing proactive health measures, and reinforcing risk control practices. These efforts aim to minimise workplace risks, ensure swift response to incidents, and further reduce lost time in future operations.

Table 4.2.3b The Group safety records are categorised into the total manhours worked, fatalities, injuries, and lost time incident rate.

Incidents and Fatalities	FY2022	FY2023	FY2024
<b>Total number of hours worked (labour hour)<sup>1</sup></b>	518,423	597,663	602,640
<b>Number of fatalities as a result of work-related injury</b>	0	0	0
<b>Number of fatalities as a result of work-related ill health</b>	0	0	0
<b>Number of cases of recordable work-related injuries<sup>1</sup></b>	0	1	1
<b>Number of cases of recordable work-related ill health</b>	0	0	1
<b>Lost time injury rate (LTIR)<sup>1,2</sup></b>	0	0.33	0.66

Notes:

1. Restated Information for FY2023: The number of cases of recordable work-related injuries and the LTIR for FY2023 were initially reported incorrectly. After a review, the data has been updated, with calculations adjusted to reflect the accurate number of injuries and LTIR for the year.

2. LTIR calculated based on the standardised value of 200,000 hours worked.



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.3. Occupational Health and Safety (Cont'd)

###### Occupational Health Services

Zantat provides occupational health services, including FOMEMA health screenings, to identify potential health risks early and ensure regulatory compliance.

To protect employees from hazardous noise exposure, the Group conducts audiometric screenings, monitoring and safeguarding hearing health. Additionally, employees have access to a panel clinic, ensuring timely medical support and reinforcing a safe and supportive work environment.

Zantat upholds Occupational Health and Safety ("OHS") standard, reinforcing its commitment to workplace safety and employee well-being. This standard applies to all employees, including those at quarry sites, production facilities, and office locations, as well as contractors and third parties, ensuring compliance with consistent health and safety standards.

By aligning with ISO 45001, Zantat enhances safety protocols across its operations, fosters a culture of accountability, and strengthens compliance among workers and partners. This milestone reflects the Group's dedication to reducing workplace hazards and integrating sustainability into health and safety management, further improving resilience and operational efficiency.

##### 4.2.4. Talent Management (GRI 401-1)

###### Overview

Zantat upholds high labour standards, ensuring fair treatment, respect, and ethical responsibility in the workplace. The Group prioritises equitable wages, safe working conditions, and career development opportunities, fostering a supportive and empowering environment for its workforce.

By adhering to best labour practices, Zantat cultivates a culture of integrity and accountability, enhancing employee satisfaction and productivity. This commitment not only benefits employees but also reinforces the Group's reputation as a trusted and socially responsible organisation.

###### Performance

In FY2024, Zantat dedicated 4,726 hours to employee training, reinforcing its commitment to continuous learning and professional development. Training programs covered soft skills, technical competencies, and core expertise, with the gradual incorporation of ESG topics. Currently, ESG training is provided to senior management, with plans to expand it to all employees to ensure a comprehensive integration of sustainable practices across the organisation.

Zantat's workforce has steadily grown over the past three years. In FY2022, 41 new employees joined, bringing the total workforce to 187. This momentum accelerated in FY2023, with 43 additional hires, followed by 26 more in FY2024. Over this period, Zantat on boarded 110 new employees, reflecting a 15.5% workforce growth, balancing business expansion with operational efficiency. In terms of employee turnover, Zantat recorded a voluntary turnover rate of 10.2% in FY2024, exactly in line with industry expectations.

###### UN SDGs



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.4. Talent Management (Cont'd)

Table 4.2.4 Overview of the employee turnover, workforce composition, and training hours on career development and learning strategies provided to the workforce from FY2022 to FY2024.

Labour practice and standards	FY2022	FY2023	FY2024
Total number of employees	187	211	216
New hire	41	43	26
Employee turnover	15	19	22
Employee Turnover Rate (%)	8.0%	9.0%	10.2%
Permanent staff	187	211	216
Contract staff	0	0	0
<b>Total annual training hours</b>	<b>1,449</b>	<b>4,494</b>	<b>4,726</b>
Average training hours per year per employee	8	21	22
<b>Total training hours per employee category</b>			
• Senior Management	84	175	260
• Manager	441	889	758
• Executive	483	1,884	1,500
• Non-executive	441	1,546	2,208
<b>Total training hours by gender:</b>			
• Male	868	2,621	3,583
• Female	581	1,873	1,143

#### Talent Acquisition and Onboarding

Zantat prioritises attracting and recruiting talent to build a sustainable and future-ready workforce. Candidates are selected based on skills, experience, and role suitability, ensuring alignment with the Group's values, culture, and vision. A fair and unbiased recruitment process enhances employer branding, strengthens market reputation, and fosters a committed workforce that drives organisational performance.

As part of its strategic workforce expansion, Zantat actively participates in career fairs and industry forums to recruit fresh talent, ensuring a skilled and diverse team that supports long-term growth. This initiative aligns with the Group's commitment to sustainable business practices and ESG objectives, reinforcing its role as a responsible and forward-thinking employer.

#### Upskilling and Reskilling

Zantat is committed to developing a highly skilled, adaptable, and agile workforce capable of thriving in an evolving business landscape driven by technological advancements and emerging trends.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.4. Talent Management (Cont'd)

##### Upskilling and Reskilling (Cont'd)

To achieve this, the Group implements the 70-20-10 learning model, ensuring a balanced approach to employee development:

70%

of learning comes from  
on-the-job experiences

20%

from coaching, mentoring, and  
developmental experiences

10%

from formal training programs

This structured framework provides employees with practical, hands-on experience, complemented by professional guidance and structured learning opportunities, enabling them to grow in their roles and contribute meaningfully to Zantat's long-term success.

##### Strategic Training & Development Initiatives

Zantat prioritises continuous skill development by conducting regular Training Needs Analyses (TNA) to assess skill gaps and career aspirations. This proactive approach ensures that training initiatives remain relevant, effective, and aligned with both individual and organisational goals.

In FY2024, Zantat continued to invest in diverse training and development programs, utilising both physical and online learning platforms to provide employees with flexible professional growth opportunities. Key training programs include:

- Corporate Induction Program – Providing management, executives, and non-executives with a strong foundation for their roles.
- Leadership Development Programs – Enhancing leadership capabilities and strategic decision-making for middle and senior management.
- Technical Upskilling Programs – Delivering job-specific technical training to maintain industry proficiency.
- Industry Webinars & Expert Talks – Featuring subject-matter experts to share valuable insights and best practices.
- Professional Certification Programs – Supporting employees in obtaining specialised qualifications to advance their expertise.
- Curated In-House Training – Covering areas such as IT, soft skills, and emotional intelligence to develop well-rounded competencies.

By integrating these initiatives into its Talent Development Strategy, Zantat equips employees with the knowledge, skills, and leadership qualities needed to drive long-term success, while fostering a culture of lifelong learning and professional excellence.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.4. Talent Management (Cont'd)

###### Performance Management, Compensation, and Review Process

Zantat is committed to cultivating a high-performance culture driven by accountability, collaboration, and shared success. The Group's systematic performance review process enables employees to maximise their potential and contribute to organisational growth.

Each year begins with goal-setting discussions, ensuring individual objectives align with the Group's priorities. At year-end, comprehensive performance reviews are conducted, incorporating self-assessments, feedback sessions, competency evaluations, and coaching to support continuous improvement. Supervisors provide direct feedback, while HR oversees the process to maintain consistency, fairness, and adherence to company standards.

###### Employee Rewards and Benefits

Zantat values exceptional employee contributions and celebrates achievements through a structured recognition program. Employees demonstrating outstanding performance, high-quality results, and alignment with the Group's values are rewarded with bonuses, promotions, and public recognition during annual events.

To support employee well-being and professional growth, Zantat offers a comprehensive benefits package designed to ensure fairness, inclusivity, and industry alignment:

- HR Policies and Guidelines – Clear policies, outlined in the Staff Handbook, Internal Operating Standards, and Guidelines, provide employees with transparent information on rights, responsibilities, and benefits.
- Code of Conduct – A strict Code of Conduct & Ethics Policy ensures all employees uphold professional integrity and ethical standards.
- Compensation and Benefits – Competitive packages include:
  - Leave options: Annual leave, sick/medical leave, compassionate leave, marriage leave, maternity/paternity leave and examination leave.
  - Insurance: Medical and security coverage.
  - Career Development: Allowances and professional growth opportunities.
- Exclusive Benefits for Full-Time Employees – Additional perks include medical coverage, insurance, and career development allowances.
- Salary and Review Policy – Salaries are based on job responsibilities, qualifications, and experience, with regular reviews to maintain market competitiveness.
- Employee Engagement Activities – A variety of initiatives foster team spirit, collaboration, and workplace engagement.

Through these programs, Zantat ensures a motivated, engaged, and high-performing workforce, reinforcing its commitment to employee satisfaction and long-term organisational success.

###### Ethical Recruitment and Workforce Well-being

In recent years, the issue of unethical recruitment practices has gained attention across Malaysia's industrial sectors, where many foreign workers have historically been burdened with high recruitment fees paid to agents in their home countries. These fees often lead to financial hardship and raise concerns about fair labour practices. Recognising the importance of upholding ethical recruitment standards and aligning with global expectations—including those outlined by the International Labour Organisation (ILO) —Zantat has proactively taken steps to address this challenge.



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.4. Talent Management (Cont'd)

##### Ethical Recruitment and Workforce Well-being (Cont'd)

In FY2024, Zantat launched a 24-month remediation programme to reimburse its foreign workers for recruitment fees incurred prior to employment. The initiative benefits 94 workers from Nepal and Bangladesh, with a total remediation value of RM556,300. Monthly payments will be made from November 2024 to October 2026.

This voluntary initiative goes beyond regulatory compliance and reflects Zantat's commitment to fair employment, worker dignity, and responsible talent management. By embedding ethical recruitment into its workforce strategy, Zantat demonstrates its alignment with international labour standards and reinforces its position as a responsible and inclusive employer.

##### Employee Activities

In FY2024, Zantat reinforced teamwork, resilience, and camaraderie through a series of engaging employee events. A key highlight was the team building event, held on 13 July 2024, where teams from Perak and KL plants came together for a dynamic team-building experience. Zantat employees also enjoyed a day of interactive challenges designed to emphasise Zantat's core values of being Reliable, Determined, and Resilient as a corporate team-building event. Beyond boosting team morale, these events showcase the Group's commitment to its employees.



Fig 4.2.4a Zantat's Perak and KL teams participating in a team-building event, strengthening teamwork, resilience, and unity through engaging challenges that reinforced the company's core values.

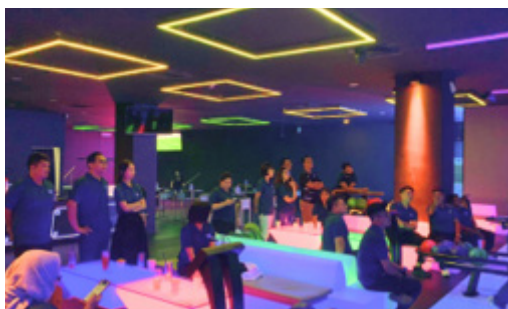


Fig 4.2.4b Zantat KL (Left), Zantat Perak and Calrock (Right) teams participating in Bowling Tournaments, fostering teamwork, camaraderie, and unforgettable memories through friendly competition.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.4. Talent Management (Cont'd)

###### Growth, Feedback, and Engagement

Zantat values employee feedback and fosters an engaging workplace through initiatives, including the annual Employee Engagement Survey and Suggestion Box. In FY2024, 103 local employees participated in the survey, which helped Zantat identify key areas for improvement. To address concerns, focus group discussions will be introduced to refine practices and align responses with employee needs.

Professional growth remains a priority, with regular performance and career development reviews conducted across all employment levels. To further strengthen engagement, Zantat launched workplace initiatives, including:

Annual  
Townhall Meetings

Employee Appreciation  
Programs

Festive Celebrations

Family Day Events

Annual Health Screenings  
for the Operations Division

These efforts reinforce open communication, career development, and a positive workplace culture, ensuring employees feel valued and supported.

##### 4.2.5. Supply Chain Management (GRI 204-1, 308-1, 414-1)

###### Overview

Zantat upholds fair and transparent procurement practices, ensuring that suppliers align with its social and environmental values. A structured assessment process is followed to select reputable and responsible suppliers, based on key criteria. The procurement process includes:

- Supplier Registration and Declaration
- Supplier Screening (Pre-qualification assessment, risk due diligence)
- Contract Terms and Conditions Award
- Annual Supplier Performance Assessment

This approach ensures that only high-quality suppliers are selected, supporting sustainable operations and long-term business growth.

###### Performance

Suppliers must also comply with Zantat's External Party Code of Conduct & Ethics. Prioritising local sourcing, Zantat supports the local economy while reducing its carbon footprint. In FY2024, 86.9% of procurement spending (RM31,324,614) was directed to local suppliers. The Group has also introduced a supplier sustainability survey for new suppliers and aims to expand the initiative into annual ESG assessments for all existing and future suppliers to ensure alignment with sustainability standards.

###### UN SDGs



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.2.5. Supply Chain Management (Cont'd)

##### Performance (Cont'd)

Table 4.2.5 Zantat's supply chain management, measured in proportion spending in local suppliers from FY2022 to FY2024.

Supply chain management	FY2022	FY2023	FY2024
Proportion of spending on local suppliers	NA	92.8%	86.9%

#### 4.3. GOVERNANCE INDICATORS

##### 4.3.1. Anti-corruption and Whistle-blowing (GRI 205-1, 205-2, 205-3)

##### Overview

The Board and senior management are committed to conducting business with integrity, guided by Zantat's Code of Conduct & Ethics ("CoCE"). The CoCE outlines core principles and ethical guidelines for all employees, including Directors, ensuring accountability and responsible decision-making.

Zantat enforces a zero-tolerance policy on corruption, as outlined in its Anti-Bribery & Corruption ("ABC") Policy, which is regularly reviewed to align with the Malaysian Anti-Corruption Commission (MACC) Act 2009. Additionally, the Group remains dedicated to upholding strong governance practices, reinforcing its commitment to transparency, compliance, and ethical business operations.

##### UN SDGs



##### Performance

As of 31 December 2024, Zantat has successfully maintained zero major incidents across its business operations for three consecutive years, reflecting its strong commitment to safety, compliance, and operational excellence.

Table 4.3.1 Overview of the corruption incidents and assessments.

Corruption-related incidents and assessment	FY2022	FY2023	FY2024
Number of confirmed corruption incidents, where employees were dismissed or contracts with business partners were dismissed	0	0	0
Percentage of operations assessed for corruption-related risks	0	0	0

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.2. SOCIAL INDICATORS (CONT'D)

##### 4.3.1. Anti-corruption and Whistle-blowing (Cont'd)

##### Anti-Bribery and Corruption Training

All employees are required to complete yearly refresher training, while all new employees are required to undergo induction program which includes comprehensive training on the Group's CoCE, ABC Policy, and related procedures. In FY2024, ABC training was conducted on specific dates to reinforce awareness across the workforce:

- All local employees:  
4 December 2024
- Zantat Perak foreign workers:  
18 November 2024
- Calrock foreign workers:  
22 November 2024
- Zantat KL foreign workers:  
20 December 2024



*Fig 4.3.1 Zantat conducted ABC training every year for staff to reinforce ethical business practices and compliance with anti-bribery regulations.*

Trainings serve to ensure employees fully understand and comply with the Group's policies, which includes an assessment to verify employee's comprehension with a minimum passing score of 70%.

Zantat also ensures that suppliers adhere to ethical standards by requiring them to sign a declaration of compliance with the External Party Code of Conduct & Ethics and the ABC Policy before commencing any business engagements.

The Group has implemented a Whistleblowing Policy, providing employees and external stakeholders with a confidential channel to report any improprieties. Reports can be submitted through email, telephone, or mail, ensuring accessibility for all stakeholders. To further enhance transparency and awareness, the Group has made the CoCE, ABC Policy, and Whistleblowing Policy available on corporate website and internal platforms. By embedding these measures, Zantat remains steadfast in fostering a culture of integrity, accountability, and good governance.

*Table 4.3.1 Internal and external ABC training at Zantat from FY2022 to FY2024.*

Employee Category	FY2022	FY2023	FY2024
Senior Management	0%	3%	3%
Manager	0%	8%	10%
Executive	0%	21%	21%
Non-executive	0%	68%	66%



## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.3. GOVERNANCE INDICATORS (CONT'D)

##### 4.3.2. Human Rights (GRI 406-1, 408-1, 409-1, 411-1)

###### Overview

Zantat upholds the United Nations Global Compact (UNGC) Ten Principles and the Universal Declaration of Human Rights, reinforcing its dedication to ethical and responsible business conduct. The Group also ensures full compliance with Malaysian labour laws, including the Employment Act 1955 and the Trade Union Act 1959.

Aligned with its Employee Handbook, Zantat prioritises fairness, sincerity, and respect for human rights, maintaining high corporate ethics across diverse cultural, moral, and legal frameworks in the global business landscape.

###### UN SDGs



###### Performance

Zantat strictly adheres to Malaysian Labour Law, prohibiting child labour across all operations and aligning with global human rights standards. The CoCE and External Party Code of Conduct & Ethics outline expectations on human rights, fair labour practices, and workplace ethics, emphasizing:

**Zero tolerance for child and forced labour**

**Fair treatment, free from discrimination and harassment**

**Respect for freedom of association and collective bargaining**

**Robust grievance mechanisms**

These principles are reflected in both the CoCE and the "Corporate Ethics and Human Rights" clause in the Employee Handbook, which are publicly available to ensure transparency and accountability.

Zantat is unaware of any suppliers engaging in child labour but remains prepared to take immediate corrective action if necessary. Employees are informed of grievance handling and whistleblowing policies, allowing them to report violations confidentially and without retaliation.

In FY2024, the Group proactively improved workers' accommodations, conducting regular inspections and engagement sessions in line with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019. No grievances related to living or working conditions were reported.

Zantat remains committed to upholding human rights and continues to strive for zero substantiated complaints on human rights violations.

## Sustainability Report (Cont'd)

### 4. Impact: Current Performance (Cont'd)

#### 4.3. GOVERNANCE INDICATORS (CONT'D)

##### 4.3.2. Human Rights (Cont'd)

Table 4.3.2 Overview of human rights, child labour, forced labour, and discrimination incidents at Zantat.

Human rights and Ethical practices		FY2022	FY2023	FY2024
<b>Human rights violations</b>	Number of substantiated complaints concerning human rights violations	0	0	0
<b>Child labour</b>	Number of children aged below 17 years engaged in child labour	0	0	0
<b>Forced labour</b>	Number of substantiated complaints concerning forced labour	0	0	0
<b>Discrimination</b>	Number of substantiated complaints concerning discrimination	0	0	0

##### 4.3.3. Data Privacy and Protection (GRI 418-1)

###### Overview

Zantat prioritises data privacy to safeguard the trust of clients, employees, and stakeholders. In an increasingly digital landscape, the Group ensures strict compliance with data protection policies and implements robust security measures to protect personal and sensitive information.

Through regular audits, employee training, and secure data management practices, Zantat maintains responsible and confidential information handling. This commitment not only ensures regulatory compliance but also reinforces the Group's integrity and transparency in all business interactions.

###### UN SDGs



###### Performance

Zantat is committed to enhancing its cybersecurity framework, ensuring compliance with the Personal Data Protection Act (PDPA) 2010 and alignment with General Data Protection Regulation (GDPR) best practices. Cybersecurity considerations are embedded in operational processes to ensure compliance across all regions, reinforcing responsible data governance and stakeholder trust.

Data management and security are integrated into Zantat's Enterprise Risk Management (ERM) framework, ensuring a structured and resilient approach to data privacy and security controls. Regular policy reviews uphold regulatory compliance and industry best practices. Personal data is collected lawfully, with proper consent and restricted access, while data retention and disposal follow Section 10 of the PDPA 2010, ensuring secure handling.

As of 31 December 2024, Zantat reported zero substantiated complaints on privacy breaches, zero cyberattacks, and no customer data losses for three consecutive years. This reflects the Group's ongoing commitment to maintaining robust data security and privacy protection.

Table 4.3.3 Overview of complaints and incidents of data privacy breaches from FY2022 to FY2024.

Data Privacy-related complaints and incidents	FY2022	FY2023	FY2024
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0
Total number of incidents of cyber attacks	0	0	0

## Sustainability Report (Cont'd)

### 5. Bursa Malaysia Common Indicators Summary

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	0.00	3.00	3.00
Management	Percentage	0.00	8.00	10.00
Executive	Percentage	0.00	21.00	21.00
Non-executive	Percentage	0.00	68.00	66.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	22,645.00	34,303.00	120,434.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	677
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	75.00	75.00	75.00
Senior Management Above 50	Percentage	25.00	25.00	25.00
Management Under 30	Percentage	6.00	6.00	0.00
Management Between 30-50	Percentage	56.00	53.00	68.00
Management Above 50	Percentage	39.00	41.00	32.00
Executive Under 30	Percentage	16.00	18.00	18.00
Executive Between 30-50	Percentage	78.00	80.00	80.00
Executive Above 50	Percentage	5.00	2.00	2.00
Non-executive Under 30	Percentage	35.00	29.00	27.00
Non-executive Between 30-50	Percentage	56.00	62.00	66.00
Non-executive Above 50	Percentage	9.00	9.00	8.00
Gender Group by Employee Category				
Senior Management Male	Percentage	75.00	75.00	75.00
Senior Management Female	Percentage	25.00	25.00	25.00
Management Male	Percentage	50.00	47.00	50.00
Management Female	Percentage	50.00	53.00	50.00
Executive Male	Percentage	41.00	42.00	40.00
Executive Female	Percentage	59.00	58.00	60.00
Non-executive Male	Percentage	95.00	96.00	97.00
Non-executive Female	Percentage	5.00	4.00	3.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	0.00	86.00	86.00
Female	Percentage	100.00	14.00	14.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	100.00	57.00	57.00
Above 50	Percentage	0.00	43.00	43.00
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	23,410	28,961	23,395
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0

## Sustainability Report (Cont'd)

## 5. Bursa Malaysia Common Indicators Summary (Cont'd)

Indicator	Measurement Unit	2022	2023	2024
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.33	0.66
Bursa C5(c) Number of employees trained on health and safety standards	Number	187	211	216
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	84	175	260
Management	Hours	441	889	758
Executive	Hours	483	1,884	1,500
Non-executive	Hours	441	1,546	2,208
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Management	Number	1	1	1
Executive	Number	2	6	3
Non-executive	Number	12	12	18
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	92.80	86.90
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	56.508000	71.094000	63.754000
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	424.00	549.00	540.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	91.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	449.00
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	547.30	577.80	457.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	16,344.80	20,463.80	16,108.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.06	147.60	406.30

## Sustainability Report (Cont'd)

### 6. Global Reporting Initiative (GRI) Summary

Table 6 Overview of all the GRI requirements that have been complied with at Zantat.

<b>Statement of Use</b>	The Group has reported with reference to GRI Standards for the period from 1 <sup>st</sup> January 2024 to 31 <sup>st</sup> December 2024.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>General disclosures:</b>	<b>Section number</b>
<b>GRI 2: General Disclosures 2021</b>	
2-1 Organisational details	1.1
2-2 Entities included in the organisation's sustainability reporting	1.3
2-3 Reporting period, frequency and contact point	1.2
2-5 External assurance	1.5
2-29 Approach to stakeholder engagement	3.3.1 & 3.3.2
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	3.3.3
3-2 List of material topics	3.3.3
3-3 Management of material topics	3.3.3
<b>GRI 201: Economic Performance 2016</b>	
201-1 Direct economic value generated and distributed	4.2.1
<b>GRI 204: Procurement Practices 2016</b>	
204-1 Proportion of spending on local suppliers	4.2.5
<b>GRI 205: Anti-corruption 2016</b>	
205-1 Operations assessed for risks related to corruption	4.3.1
205-2 Communication and training about anti-corruption policies and procedures	4.3.1
205-3 Confirmed incidents of corruption and actions taken	4.3.1
<b>GRI 302: Energy 2016</b>	
302-1 Energy consumption within the organisation	4.1.1
302-3 Energy intensity	4.1.1
302-4 Reduction of energy consumption	4.1.1
<b>GRI 303: Water and Effluents 2018</b>	
303-3 Water withdrawal	4.1.2
303-5 Water consumption	4.1.2
<b>GRI 304: Biodiversity 2016</b>	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	4.1.5



## Sustainability Report (Cont'd)

## 6. Global Reporting Initiative (GRI) Summary (Cont'd)

## General disclosures:

## Section number

**GRI 305: Emission 2016**

305-1 Direct (Scope 1) GHG emissions	4.1.6
305-2 Energy indirect (Scope 2) GHG emissions	4.1.6
305-3 Other indirect (Scope 3) GHG emissions	4.1.6
305-4 GHG emissions intensity	4.1.6
305-5 Reduction of GHG emissions	4.1.6
305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	4.1.4

**GRI 306: Waste 2020**

306-1 Waste generation and significant waste-related impacts	4.1.3
306-2 Management of significant waste related impacts	4.1.3
306-3 Waste generated	4.1.3
306-4 Waste diverted from disposal	4.1.3
306-5 Waste directed to disposal	4.1.3

**GRI 401: Employment 2016**

401-1 New Employee hires and employee turnover	4.2.4
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**GRI 403: Occupational Health and Safety 2018**

403-2 Hazard identification, risk assessment, and incident investigation	4.2.3
403-5 Worker training on occupational health and safety	4.2.3
403-6 Promotion of worker health	4.2.3
403-9 Work-related injuries	4.2.3

**GRI 404: Training and Education 2016**

404-1 Average hours of training per year per employee	4.2.4
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**GRI 405: Diversity and Equal Opportunity 2016**

405-1 Diversity of governance bodies and employees	4.2.2
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**GRI 406: Non-discrimination 2016**

406-1 Incidents of discrimination and corrective actions taken	4.3.2
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**GRI 408: Child Labor 2016**

408-1 Operations and suppliers at significant risk for incidents of child labour	4.3.2
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**GRI 409: Forced or Compulsory Labor 2016**

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	4.3.2
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## Sustainability Report (Cont'd)

### 6. Global Reporting Initiative (GRI) Summary (Cont'd)

#### General disclosures:

#### Section number

#### GRI 411: Rights of Indigenous Peoples 2016

411-1 Incidents of violations involving rights of indigenous peoples

4.3.2

#### GRI 418: Customer Privacy 2016

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

4.3.3

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# Corporate Information

## Board of Directors

**Yap Yoon Kong**  
Independent Non-Executive Chairman

**Chan Hup Ooi**  
Non-Independent Non-Executive Deputy Chairman

**Chan Bin Iuan**  
Managing Director

**Chan Jee Chet**  
Executive Director

**Aw Ee Ling**  
Executive Director

**Poo Lap Tuck**  
Independent Non-Executive Director

**Dr. Gan Seng Kian**  
Independent Non-Executive Director

**Rima Ramona Binti Muhammad Arif**  
Independent Non-Executive Director

**Prof. Dr. Teh Geok Bee**  
Independent Non-Executive Director

**Chan Jee Yang**  
Alternate Director to Chan Hup Ooi

### AUDIT AND RISK MANAGEMENT COMMITTEE

**Poo Lap Tuck** (Chairman)  
**Gan Seng Kian**  
**Rima Ramona Binti Muhammad Arif**

### NOMINATION AND REMUNERATION COMMITTEE

**Rima Ramona Binti Muhammad Arif** (Chairperson)  
**Gan Seng Kian**  
**Poo Lap Tuck**

### COMPANY SECRETARY

**Siew Suet Wei**  
(MAICSA 7011254)  
SSM Practising Certificate No.: 202008001690

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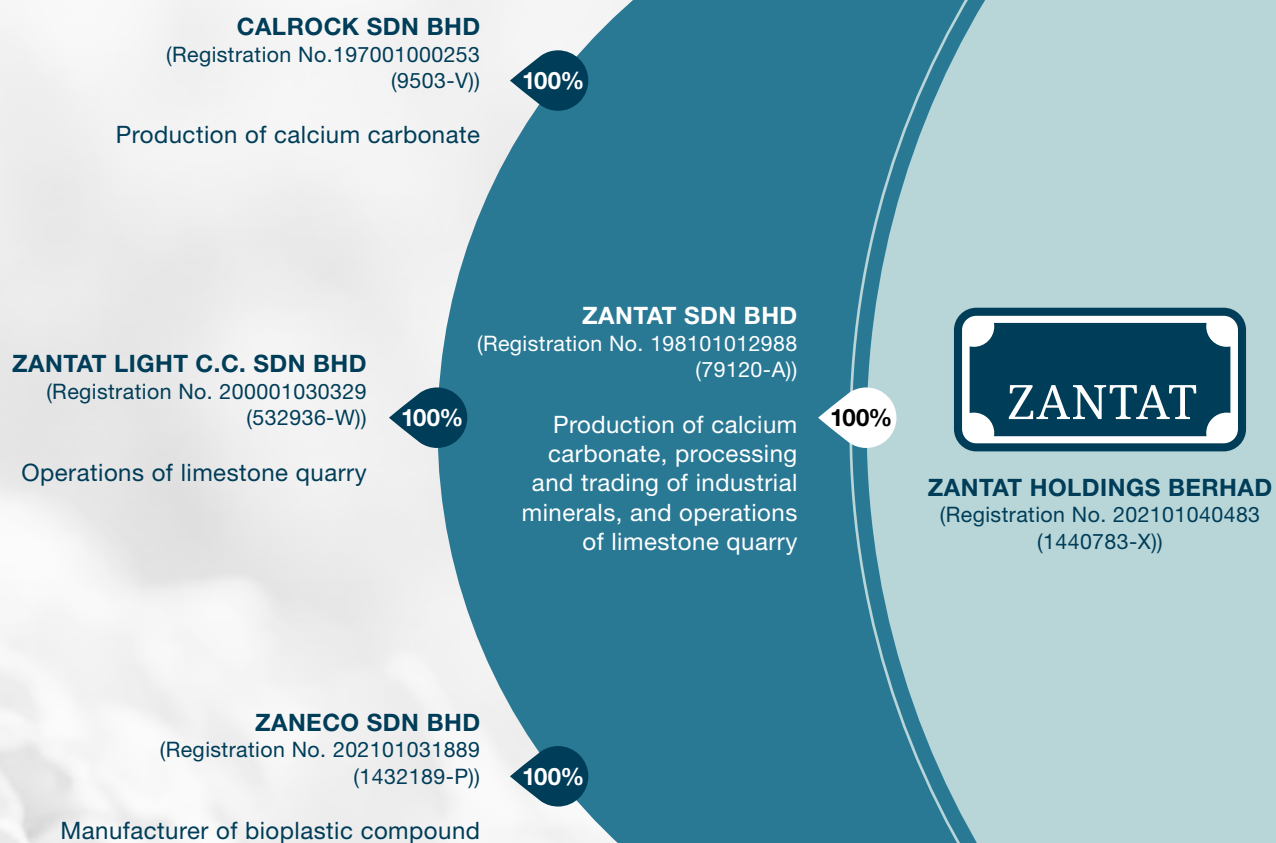
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Telephone: +603-2783 9299  
Email: [is.enquiry@vistra.com](mailto:is.enquiry@vistra.com)

### STOCK EXCHANGE LISTING

ACE Market of the Bursa Malaysia  
Securities Berhad  
Stock Name: ZANTAT  
Stock Code: 0301

## Corporate Structure



## Profile of Board of Directors

**AGE**

68

**GENDER**

Male

**NATIONALITY**

Malaysian

**DATE OF APPOINTMENT  
TO THE BOARD**

31 March 2023

### YAP YOON KONG

Independent Non-Executive  
Chairman

**Qualifications:**

- Bachelor of Accounting (Honours) from University of Malaya (1982)
- Master of Business Administration from The Cranfield Institute of Technology, UK (1993)
- Member and a Chartered Accountant of the Malaysian Institute of Accountants (since 1987 and 2001, respectively)
- Member of the Asian Institute of Chartered Bankers (since 1984).

**Experience:**

Mr Yap has vast experience in the field of banking, financial and management accounting, financial analysis, corporate affairs, budgeting and cashflow forecasting and tax planning. He has held positions in large commercial banking groups and as a Group Financial Controller of other public listed companies. He was an Executive Director of PJ Development Holdings Bhd, a public company listed on the Main Board of Bursa Malaysia Securities Berhad before retiring in 2016.

**Membership in Board Committee(s):**

None

**Directorship in other public companies:**

Senior Independent Non-Executive Director of Inta Bina Group Berhad

**Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:**

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

**Declaration on conviction of offences within the past 5 years:**

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.



## Profile of Board of Directors (Cont'd)



**AGE**  
69

**GENDER**  
Male

**NATIONALITY**  
Malaysian

**DATE OF APPOINTMENT  
TO THE BOARD**  
31 March 2023

### CHAN HUP OOI

Non-Independent Non-Executive  
Deputy Chairman

#### Qualifications:

- Completed secondary education in 1974

#### Experience:

Mr Chan Hup Ooi began his career in sales, then worked in various roles including storekeeping clerk, Production Manager at Ban Loong Trading Company Sdn Bhd, Salesman at Anglo American Corporation (M) Sdn Bhd, and Production Manager at Cheng Sun Quarry Sdn Bhd before focusing on Zantat's business since 1986. He has been involved in the overall management and day-to-day business operations of Zantat as a Managing Director until 2021 when he officially relinquished his executive role.

**Membership in Board Committee(s):**  
None

**Directorship in other public companies:**  
None

#### Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:

Family relationships with other directors and/or major shareholders:

- Chan Bin Iuan, Son, Managing Director/ Chief Executive Officer
- Chan Jee Chet, Son, Executive Director/Chief Operating Officer (Perak Plants)
- Chan Eng Hue, Brother, Chief Operating Officer (KL Plant)
- Aw Ee Ling, Niece, Executive Director/Chief Financial Officer
- Chan Jee Yang, Son, Alternate Director to Chan Hup Ooi

#### Declaration on conviction of offences within the past 5 years:

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

## Profile of Board of Directors (Cont'd)

**AGE**

40

**GENDER**

Male

**NATIONALITY**

Malaysian

**DATE OF APPOINTMENT  
TO THE BOARD**

31 March 2023

### CHAN BIN IUAN

Managing Director /  
Chief Executive Officer

**Qualifications:**

- Bachelor's degree in Mechanical Engineering from the University of Nottingham (2006)

**Experience:**

Mr Chan Bin Iuan started his career at Cairnhill Metrology Sdn Bhd in 2006 as Application Engineer. He joined Zantat in 2007 as Business Development Executive, focusing on digitalization and business development activities, and was promoted to Business Development Manager in 2008, leading the company's expansion into India. He has been promoted to Managing Director / Chief Executive Officer of Zantat in 2022, responsible for managing the company's organisational structure, developing strategic objectives and directions, and establishing corporate culture.

**Membership in Board Committee(s):**

None

**Directorship in other public companies:**

None

**Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:**

Family relationships with other directors and/or major shareholders:

- Chan Hup Ooi, Father, Non-Independent Non-Executive Deputy Chairman
- Chan Jee Chet, Brother, Executive Director/Chief Operating Officer (Perak Plants)
- Chan Eng Hue, Uncle, Chief Operating Officer (KL Plant)
- Aw Ee Ling, Cousin, Executive Director/Chief Financial Officer
- Chan Jee Yang, Brother, Alternate Director to Chan Hup Ooi

**Declaration on conviction of offences within the past 5 years:**

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

## Profile of Board of Directors (Cont'd)



### CHAN JEE CHET

Executive Director / Chief Operating Officer (Perak Plants)

#### Qualifications:

- Bachelor of Business and Commerce specialising in Marketing from Monash University (2012)

#### Experience:

Mr Chan Jee Chet began his career at Zantat in 2012 as a Business Development Executive. He was responsible for the company's growth into the Indian market and handled sales in the Oceania region. In 2020, he took charge of Zantat's new product development team. His work in this area and other contributions to the company led to his promotion in 2022 to Chief Operating Officer of the Perak Plants. In this role, he oversees various aspects of operations, including production, research and development, and sales and marketing, showing his broad understanding and dedication to the company's objectives.

#### Membership in Board Committee(s):

None

#### Directorship in other public companies:

None

#### Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:

Family relationships with other directors and/or major shareholders:

- Chan Hup Ooi, Father, Non-Independent Non-Executive Deputy Chairman
- Chan Bin Iuan, Brother, Managing Director/Chief Executive Officer
- Chan Eng Hue, Uncle, Chief Operating Officer (KL Plant)
- Aw Ee Ling, Cousin, Executive Director/Chief Financial Officer
- Chan Jee Yang, Brother, Alternate Director to Chan Hup Ooi

#### Declaration on conviction of offences within the past 5 years:

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

## Profile of Board of Directors (Cont'd)



### AGE

34

### GENDER

Female

### NATIONALITY

Malaysian

### DATE OF APPOINTMENT TO THE BOARD

1 March 2025

## AW EE LING

Executive Director /  
Chief Financial Officer

### Qualifications:

- Bachelor of Business and Commerce, specializing in Accounting, Econometrics, and Business Statistics from Monash University, Malaysia (2012)
- Master of Business Administration (Distinction) from The University of Lancaster, United Kingdom, and Sunway University (2020)
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (since 2016)
- Chartered Accountant of the Malaysian Institute of Accountants (since 2017)
- ASEAN Chartered Professional Accountant of the ASEAN Chartered Professional Accountants Coordinating Committee (since 2019)

### Experience:

Ms Aw Ee Ling embarked on her finance and accounting career at Ernst & Young in 2012, starting as an Audit Assistant and quickly advancing to Senior by 2013 and Supervisor by 2015. In 2016, she joined Zantat as Accountant, overseeing the financial and accounting operations and contributing significantly to the financial health and reporting accuracy of the company. She was promoted to Group Accountant in 2017, broadening her responsibilities to include the financial management of the Zantat group of companies. Her consistent performance and strategic financial insights led to her appointment as Chief Financial Officer in 2021, a role in which she now oversees all financial aspects of the Group, guiding its financial strategy and operations.

### Membership in Board Committee(s):

None

### Directorship in other public companies:

None

### Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:

Family relationships with other directors and/or major shareholders:

- Chan Hup Ooi, Uncle, Non-Independent Non-Executive Deputy Chairman
- Chan Eng Hue, Uncle, Chief Operating Officer (KL Plant)
- Chan Bin Iuan, Cousin, Managing Director/Chief Executive Officer
- Chan Jee Chet, Cousin, Executive Director/Chief Operating Officer (Perak Plants)
- Chan Jee Yang, Cousin, Alternate Director to Chan Hup Ooi

### Declaration on conviction of offences within the past 5 years:

She maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.



## Profile of Board of Directors (Cont'd)

**AGE**

73

**GENDER**

Male

**NATIONALITY**

Malaysian

**DATE OF APPOINTMENT  
TO THE BOARD**

31 March 2023

### POO LAP TUCK

Independent Non-Executive Director

**Qualifications:**

- Completed professional level paper of the Association of Chartered Certified Accountants in 1986 at Emile Woolf College of Accountancy
- Chartered Accountant of the Association of Chartered Certified Accountants (since 1987)
- Member of the Malaysian Institute of Accountants (since 1988)

**Experience:**

Mr Poo Lap Tuck began his career in 1977 as an audit clerk at Lim Chooi Tee & Co, moving on to serve as Finance & Administration Manager at Yit Seng Sdn Bhd in 1979, and then as Manager, Marketing, Finance & Administration at Maju Industrial Trading Sdn Bhd in 1984. After furthering his studies in London in 1985, he returned to Malaysia to join Sam Management Services as Accounts and Administration Manager in 1987. He acted as a corporate consultant for Union Paper Holdings Berhad's restructuring from 1989 to 1990 before joining the same company as Group Financial Controller. In 1998, he ventured into entrepreneurship by acquiring Star Corporate Services Sdn Bhd,

serving as a Managing Director until 2016. He then joined Zantat as Chief Financial Officer until his retirement in 2019, after which he re-joined Star Corporate Services Sdn Bhd as a Director from August 2020 to September 2021.

**Membership in Board Committee(s):**

- Chairman, Audit and Risk Management Committee
- Member, Nomination and Remuneration Committee

**Directorship in other public companies:**

None

**Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:**

None

**Declaration on conviction of offences within the past 5 years:**

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.



## Profile of Board of Directors (Cont'd)



**AGE**

47

**GENDER**

Male

**NATIONALITY**

Malaysian

**DATE OF APPOINTMENT  
TO THE BOARD**

31 March 2023

### DR. GAN SENG KIAN

Independent Non-Executive Director

**Qualifications:**

- Bachelor of Engineering (Civil) from University of Technology Malaysia (2001)
- Master of Engineering (Civil - Construction and Management) from University of Technology Malaysia (2003)
- Doctorate in Business Administration from United Business Institutes Brussels (2010)
- Master of Business Administration from Nottingham Trent University, UK (2012)
- Doctor of Philosophy in Business Administration from North Borneo University College, Malaysia (2021)

**Experience:**

Dr Gan Seng Kian's career has spanned various sectors, beginning in 2003 at BlueScope Lysaght (M) Sdn Bhd as a Sales Engineer. Moving up, he became an Operational Manager at Perusahaan Huat Soon Chan Sdn Bhd, then transitioned to leadership as Managing Director at Industrial Fasteners Sdn Bhd and CEO at M Metal (M) Sdn Bhd. In 2015, he founded Genesis Academy Sdn Bhd, applying his managerial skills and industry

insights. Throughout his career, Dr. Gan has demonstrated capability in guiding companies through growth and addressing business challenges effectively.

**Membership in Board Committee(s):**

- Member, Nomination and Remuneration Committee
- Member, Audit and Risk Management Committee

**Directorship in other public companies:**

None

**Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:**

None

**Declaration on conviction of offences within the past 5 years:**

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

## Profile of Board of Directors (Cont'd)



### RIMA RAMONA BINTI MUHAMMAD ARIF

Independent Non-Executive Director

#### Qualifications:

- Bachelor of Laws from The University of Wales Aberystwyth (1999)
- Certificate in Legal Practice (2000)
- Admitted as an Advocate & Solicitor of the High Court in Malaya (2001)

#### Experience:

Puan Rima Ramona's career in law began in 2002 at Messrs Adam Bachek & Associates, focusing on litigation, debt recovery, and civil suits. She then joined Messrs NK Tan & Rahim in 2006, concentrating on conveyancing and banking litigation. In 2007, she worked at Messrs Raslan Loong (now Messrs Raslan Loong Shen & Eow), handling corporate and conveyancing matters. Later, at Messrs Shahrizat Rashid & Lee, she managed high-profile conveyancing and corporate matters. As a partner at Messrs Dennis Nik & Wong, she specialized in banking transactions, commercial loans, and other legal areas. She joined Messrs Lee & Koh as a partner in 2023, continuing her focus on legal services.

#### Membership in Board Committee(s):

- Chairperson, Nomination and Remuneration Committee
- Member, Audit and Risk Management Committee

#### Directorship in other public companies:

None

#### Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:

None

#### Declaration on conviction of offences within the past 5 years:

She maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

## Profile of Board of Directors (Cont'd)



**AGE**

55

**GENDER**

Female

**NATIONALITY**

Malaysian

**DATE OF APPOINTMENT  
TO THE BOARD**

1 March 2025

### PROF. DR. TEH GEOK BEE

Independent Non-Executive Director

**Qualifications:**

- Bachelor of Science (First Class Honours) in Chemistry from Universiti Kebangsaan Malaysia (1995)
- Master of Philosophy in Chemistry from University of Cambridge, United Kingdom (1998)
- Doctor of Philosophy in Chemistry from University of Cambridge, United Kingdom (2000)

**Experience:**

Prof. Dr. Teh is an accomplished academic leader and scientist with extensive experience in higher education management, research, and governance. She has held key leadership positions in various academic institutions, demonstrating strong expertise in strategic planning, corporate governance, and research innovation. Currently serving as the Vice Chancellor of SEGi University, Prof. Dr. Teh has played a crucial role in enhancing the institution's academic excellence and research capabilities. Prior to this, she was the President and CEO of Southern University College, where she led initiatives to strengthen academic programs, accreditation, and industry partnerships. She is an appointed Malaysian Qualifications

Agency assessor for Chemistry and Physical Chemistry programmes in Malaysia since 2008. She is also a Certified HRD Corp Trainer and an appointed SAMM Technical Assessor by the Department of Standards Malaysia for ISO/IEC 17025. She conducts ISO/IEC 17025 related professional courses at the Institut Kimia Malaysia Professional Centre.

**Membership in Board Committee(s):**

None

**Directorship in other public companies:**

None

**Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:**

None

**Declaration on conviction of offences within the past 5 years:**

She maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

## Profile of Board of Directors (Cont'd)



### CHAN JEE YANG

Alternate Director to Chan Hup Ooi

#### Qualifications:

- Master of Engineering specialising in Mechatronics, Robotics and Automation Engineering from University of Melbourne
- Bachelor of Science specialising in Mechanical Engineering from University of Melbourne

#### Experience:

Mr Chan Jee Yang began his career by co-founding a tech startup in 2017, gaining hands-on experience in entrepreneurial leadership, fundraising, and product development. He subsequently joined Zantat in 2018 as a Mechanical Engineer, supporting the commissioning of Perak Plant's ball mill expansion projects. From 2020 to 2024, he transitioned into management consulting at Strategy& and later McKinsey & Company, working with business leaders across public and private sectors to drive business transformation and shape regulatory standards across diverse industries. In 2024, he joined Zantat as General Manager of Calrock, where he is responsible for overseeing its daily activities and strategic direction.

#### Membership in Board Committee(s):

None

#### Directorship in other public companies:

None

#### Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:

Family relationships with other directors and/or major shareholders:

- Chan Hup Ooi, Father, Non-Independent Non-Executive Deputy Chairman
- Chan Bin Iuan, Brother, Managing Director/Chief Executive Officer
- Chan Jee Chet, Brother, Executive Director/Chief Operating Officer (Perak Plants)
- Chan Eng Hue, Uncle, Chief Operating Officer (KL Plant)
- Aw Ee Ling, Cousin, Executive Director/Chief Financial Officer

#### Declaration on conviction of offences within the past 5 years:

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

# Profile of Senior Management

## CHAN BIN IUAN

Managing Director /  
Chief Executive Officer



For his profile, kindly refer to the Directors' Profile on page 108 of the Integrated Annual Report 2024.

## CHAN JEE CHET

Executive Director / Chief Operating  
Officer (Perak Plants)



For his profile, kindly refer to the Directors' Profile on page 109 of the Integrated Annual Report 2024.

## AW EE LING

Executive Director /  
Chief Financial Officer



For her profile, kindly refer to the Directors' Profile on page 110 of the Integrated Annual Report 2024.

## CHAN ENG HUE

Chief Operating Officer (KL Plant)

AGE  
62

GENDER  
Male

NATIONALITY  
Malaysian

DATE OF APPOINTMENT  
AS KEY SENIOR MANAGEMENT  
1 January 2022



### Qualifications:

- Diploma in Quantity Surveyor from the Federal Institute of Technology (currently known as UCSI University) in 1983)

### Experience:

Mr Chan Eng Hue started his career as a freelancer after graduation. He then joined Zantat in 1986 as a Production Supervisor, where he first showcased his ability to manage essential production lines. His transition to the Sales & Marketing department in 1989 and subsequent promotion to Sales Manager in 1990 reflected his growing role in expanding the company's reach. In 2002, he was instrumental in achieving a significant sale of calcium carbonate dispersion to a latex glove manufacturer, which helped Zantat enter a new market segment. Over the years, Chan has been involved in enhancing product quality and exploring new markets. His deep understanding of the company's operations led to his promotion in 2022 to Chief Operating Officer of the KL Plant, where he is responsible for overseeing its daily activities and strategic direction.

### Directorship in other public listed companies:

None

### Declaration of conflict of interest or any family relationship with any other director and/or major shareholders:

Family relationships with other directors and/or major shareholders:

- Chan Hup Ooi, Brother, Non-Independent Non-Executive Deputy Chairman
- Chan Bin Iuan, Nephew, Managing Director/Chief Executive Officer
- Chan Jee Chet, Nephew, Executive Director/Chief Operating Officer (Perak Plants)
- Aw Ee Ling, Niece, Executive Director/Chief Financial Officer
- Chan Jee Yang, Nephew, Alternate Director to Chan Hup Ooi

### Declaration on conviction of offences within the past 5 years:

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.



# Corporate Governance Overview Statement

The Board of Directors of Zantat Holdings Berhad (“**Zantat**” or “**Company**”) recognises the importance of maintaining good corporate governance practices within Zantat and its subsidiary companies (“**Zantat Group**” or the “**Group**”) as it is the Board’s fundamental responsibility to protect and enhance long-term shareholder value and the financial performance of Zantat Group, whilst considering the interest of all stakeholders. The Board is guided by the principles and recommendations of the Malaysian Code on Corporate Governance (“**MCCG**” or the “**Code**”) in implementing its governance system and ensuring compliance with the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

This Corporate Governance Overview Statement (“**CG Statement**”) provides shareholders and investors with an overview of how Zantat Group has applied the 3 key Principles set out in the Code during the financial year ended 31 December 2024 (“**FYE2024**”):

Principle A	Principle B	Principle C
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationships with stakeholders
<ul style="list-style-type: none"> <li>• Board responsibilities</li> <li>• Board composition</li> <li>• Remuneration</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Risk management and internal control</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement with stakeholders</li> <li>• Conduct of general meetings</li> </ul>

This CG Statement is complemented with a Corporate Governance Report (“**CG Report**”) based on a prescribed format pursuant to Paragraph 15.25 of the Listing Requirements of Bursa Securities. The CG Report is available on the Company’s website [www.zantat.com.my](http://www.zantat.com.my) as well as via announcement on the website of Bursa Securities.

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### PART I: BOARD RESPONSIBILITIES

The Group is led and managed by an effective and experienced Board, comprising members with a wide range of experience and qualifications. The Board has also delegated certain responsibilities to the following Board Committees to assist in the execution of its responsibilities:

- Audit and Risk Management Committee (“**ARMC**”);
- Nomination Committee (“**NC**”); and
- Remuneration Committee (“**RC**”).

The Board Committees operate within their respective defined Terms of Reference approved and specific authorities delegated by Board.

The role of the Board Committees is to advise and make recommendations to the Board. Notwithstanding, the ultimate responsibility for the final decision on all matters lies with the Board. The Chairman of these Committees will provide a verbal report on the outcome of their respective Committee meetings to the Board, and any further deliberation is made at the Board level, if required.

The Board is chaired by an Independent Non-Executive Chairman, Mr Yap Yoon Kong. The Chairman is responsible for leading the Board in its collective oversight of management. The primary responsibilities of the Chairman are outlined under Paragraph 4.3 of the Board Charter.

The Chairman should refrain from involvement in any of the Board Committees to ensure effective checks and balances and objective review by the Board. Therefore, the Chairman of the Board is not a member of any of the Board Committees.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART I: BOARD RESPONSIBILITIES (CONT'D)

The Board is supported by a qualified and competent Company Secretary who play an advisory role in corporate secretarial matters in relation to the Companies Act 2016. All Directors have unrestricted access to the advice and services of the Company Secretary to ensure the effective functioning of the Board and its Board Committees, to always be in line with the Board policies and procedures as well as comply with laws, rules, corporate governance best practices, procedures and regulations affecting the Company.

The Board Charter was adopted on 29 May 2023 and revised on 21 February 2025 by the Board to reflect the changes to the Company's policies and procedures to ensure the Board Charter remains consistent with the Board's objectives, current laws and practices. The Board Charter is intended to identify the role, structure and processes related to the key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity to Directors and senior management with regards to the roles of the Boards and its Committees, the role of the Chairman and Executive Directors, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.

#### Code of Conduct & Ethics

The Company has established the Code of Conduct & Ethics to promote good business conduct and maintain a healthy corporate culture that engenders integrity, transparency, and fairness throughout the Group. This policy articulates acceptable practices and guide the behaviour of Board and employees.

#### Whistleblowing Policy

The Company is committed to upholding the highest standard of integrity, openness, and accountability in all its business endeavours. With the establishment of the Whistleblowing Policy, employees, third parties, and stakeholders are provided with an avenue to report genuine concerns regarding illegal, unethical, or questionable practices, without fear of reprisal.

#### Anti-Bribery & Corruption Policy

The Company reaffirm its zero-tolerance towards corruption and bribery for the Board, employees, and business associates. Through the establishment of the Anti-Bribery & Corruption Policy, ensuring compliance with the Malaysian Anti-Corruption Commission Act, this policy sets out principles and standards for combating corruption and bribery.

The Code of Conduct & Ethics, Whistleblowing Policy and Anti-Bribery & Corruption Policy are accessible through the Company's website at [www.zantat.com.my](http://www.zantat.com.my). These policies were reviewed and revised by the Board on 21 February 2025.

#### Sustainability

The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner is intrinsically tied to achieving operational excellence. In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability initiatives which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Sustainability Statement is available in this Annual Report.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART II: BOARD COMPOSITION

The Board currently has nine (9) members, comprising the following:

- one (1) Independent Non-Executive Chairman;
- one (1) Non-Independent Non-Executive Vice Chairman;
- one (1) Managing Director;
- one (1) Executive Director;
- one (1) Executive Director/Chief Financial Officer; and
- four (4) Independent Non-Executive Directors.

The Board currently has three (3) female Board members, Ms Aw Ee Ling, Puan Rima Ramona binti Muhammad Arif and Prof Dr Teh Geok Bee, representing 1/3 of the Board members in line with the Practice 5.9 as set out in the MCCG 2021. The current Board composition complies with Rule 15.02 of the Listing Requirements of Bursa Securities which requires at least one-third (1/3) of the Board comprises Independent Directors.

The Independent Non-Executive Directors form more than half of the Board size, making a positive contribution and development of the Company's strategy and policies through independent, constructive and informed comments. The presence of Independent Non-Executive Directors ensures that views, consideration, judgement and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

In accordance with the Board Charter, the maximum tenure of an Independent Director shall not exceed a cumulative term of nine (9) years from the date of the first appointment as an Independent Director. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting.

During the financial year under review, none of the Independent Directors of Zantat has served the Company for a cumulative term of more than nine (9) years.

The profiles of the individual directors are available in the Directors' Profile in this Integrated Annual Report.

During the FYE2024, the members of the NC are as follows:

No.	Name	Designation	Directorship
1.	Dr Gan Seng Kian	Chairman	Independent Non-Executive Director
2.	Poo Lap Tuck	Member	Independent Non-Executive Director
3.	Rima Ramona Binti Muhammad Arif	Member	Independent Non-Executive Director

The duties and responsibilities of the NC are set out in its Terms of Reference, which is accessible through the Company's website at [www.zantat.com.my](http://www.zantat.com.my).

The NC is responsible for identifying and recommending suitable candidates for new appointments to the Board. In making these recommendations, the NC considers the required mix of skills, expertise and experiences which the Directors would bring to the Board. Any new nomination received is recommended to the Board for assessment and endorsement. During the FYE2024, there were no new appointments to the Board as the Company was listed on 27 March 2024. The annual evaluation of the performance of the Board and Board Committees was conducted in February 2025.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART II: BOARD COMPOSITION (CONT'D)

In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company. The NC makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the AGM.

The Board established a Directors' Fit & Proper Policy which provides a guide to the NC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Director who is seeking for re-election at the annual general meeting.

The Directors' Fit & Proper Policy is available on the Company's corporate website at [www.zantat.com.my](http://www.zantat.com.my)

The Board meets at least four (4) times a year with additional meetings to be convened when urgent and important decisions need to be made between scheduled meetings. The Board of Directors' and Board Committees' meetings are scheduled in advance to facilitate the Directors in planning.

During the FYE2024, six (6) Board meetings were held, and the details of the Directors attendance are as follows:

Director	Designation	Attendance
Yap Yoon Kong	Independent Non-Executive Chairman	6/6
Chan Hup Ooi	Non-Independent Non-Executive Deputy Chairman	6/6
Chan Bin luan	Managing Director	6/6
Chan Jee Chet	Executive Director	6/6
Poo Lap Tuck	Independent Non-Executive Director	6/6
Dr Gan Seng Kian	Independent Non-Executive Director	6/6
Rima Ramona Binti Muhammad Arif	Independent Non-Executive Director	5/6

All the Directors have attended more than 50% of the total Board Meetings held during the FYE2024 and complied with the requirement on the attendance of Board Meetings as stipulated in the Listing Requirements of Bursa Securities.

Overall, the Board is satisfied with the level of time commitment given by the Directors towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

The Directors are aware of their duty to undergo appropriate training from time to time to ensure that they are equipped to carry out their duties effectively. During the FYE2024, the Directors have attended the following training, seminars and conferences:

- BDO Tax Seminar on Budget 2025
- Bursa Academy - Conflict of Interest ("COI") and Governance of COI
- Case Analysis on Federal Court's decision on Apex Equity's appeal case with Mr. Philip TN Koh with Wong Tat Chung (Malaysia Bar Council) and Amicus Acriae (Friend of Court)
- Islamic Structured Products: Principles and Applications
- Integrity & Anti Corruption Seminar by Cyberview Sdn. Bhd.
- Leadership in a changed world: Upskill your leadership capabilities to drive resilient teams by ACCA
- Mandatory Accreditation Programme Part I
- Mastering ESG Excellence: Building A Culture of Integrity – Anti-Corruption Initiatives & Sexual Harassment

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART III: REMUNERATION

The Board has established a formal and transparent Remuneration Policy to attract and retain Directors of the Company. The Remuneration Policy is available on the Company's corporate website at [www.zantat.com.my](http://www.zantat.com.my).

The Board, through the RC, is responsible for determining the remuneration of the Executive Directors. The RC reviews the remuneration packages of the Directors on annual basis before tabling their recommendation to the Board for further deliberation/approval. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

During the FYE2024, the members of the RC are as follows:

No.	Name	Designation	Directorship
1.	Rima Ramona Binti Muhammad Arif	Chairperson	Independent Non-Executive Director
2.	Dr Gan Seng Kian	Member	Independent Non-Executive Director
3.	Poo Lap Tuck	Member	Independent Non-Executive Director

The duties and responsibilities of the RC are set out in its Terms of Reference, which is accessible through the Company's website at [www.zantat.com.my](http://www.zantat.com.my)

The remuneration details of the individual Directors for FYE2024 are disclosed in Practice 8.1 of the CG Report. Similarly, the Board also disclosed on a named basis the Senior Management remuneration in bands of RM50,000 in Practice 8.2 of the CG Report.

### PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

#### PART I: AUDIT AND RISK MANAGEMENT COMMITTEE

All members of the ARMC are financially literate. The ARMC has full access to both the internal and external auditors, who, in turn, have access to the Chairman of the ARMC at all times.

The composition of the ARMC is set forth in the ARMC Report in this Integrated Annual Report.

The Board has the overall responsibility for the quality and completeness of the financial statements of the Company and the Group, both on a quarterly and full year basis, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgement and estimates and in accordance with the applicable financial reporting standards.

The ARMC plays a crucial role in assisting the Board to scrutinise the information for disclosure to shareholders to ensure the accuracy, adequacy, validity and timeliness of the financial statements. The ARMC is relied upon by the Board to, among others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations. The ARMC also undertakes to provide oversight on the risk management framework of the Group.

None of the members of the ARMC/Board were a former partner of the external audit firm of the Company. To uphold utmost independence, the Board has no intention to appoint any former partner as a member of the ARMC/Board.



## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### PART I: AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

The ARMC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors and review and evaluate factors relating to the independence of the External Auditors. The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.

The External Auditors of the Company, Messrs Crowe Malaysia PLT, have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the By-Laws (on Professional Ethics, Conduct, and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and they have fulfilled other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

The ARMC, having assessed the External Auditor's performance, will make its recommendation to the Board for reappointment, upon which the shareholders' approval will be sought at the AGM of the Company. The Board and the Group have established a transparent and appropriate relationship with the Internal and External Auditors. Such a relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance.

#### PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its overall responsibility of maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness. The Board had delegated the responsibility for reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

The Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out. The ARMC has been entrusted by the Board to ensure the effectiveness of the Group's internal control systems.

The internal audit function is outsourced to an independent professional firm, which is independent from the activities and operations of the Group. The Internal Auditor reports directly to the ARMC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the senior management.

Further details on the Risk Management and Internal Control of the Group are set out in the Statement on Risk Management and Internal Control of this Annual Report.

The senior management is responsible for implementing the processes of identifying, evaluating, monitoring and reporting risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the internal control processes have been carried out are adequate.

The ARMC has been entrusted by the Board to ensure the effectiveness of the Group's internal control systems. The internal audit function is outsourced to an independent professional firm, which is independent from the activities and operations of the Group.

The ARMC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of Internal Auditors and review and evaluate factors relating to the independence of the Internal Auditors.

The Board recognises that identification, evaluation and management of significant risks faced by the Group are an on-going process. The Board maintains a continuing commitment to strengthening the Group's internal control environment and processes.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### PART I: ENGAGEMENT WITH STAKEHOLDERS

The Board is committed to provide effective communication to its shareholders and the public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Board values the importance of dissemination of information on major developments of the Group to the shareholders, potential investors and the public in a timely and equitable manner. Quarterly results, announcements, annual reports and circulars serve as the primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and development. The Company's corporate website at [www.zantat.com.my](http://www.zantat.com.my) serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

#### PART II: CONDUCT OF GENERAL MEETINGS

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode of shareholders' communication. These include the supply of comprehensive and timely information to shareholders and encouraging active participation at the general meetings.

The AGM remains a principal forum used by the Group for communication with its shareholders. During the AGM, shareholders are accorded time and opportunity to query the Board on the resolutions being proposed and matters relating to the performance, developments within and the future direction of the Group.

Shareholders are encouraged to actively participate in the question-and-answer session. The Board, senior management and the external auditors will be present to answer and provide appropriate clarifications at the meeting. Shareholders are also invited to convey and share their inputs with the Board. Where applicable, the Board will also ensure that each item of the special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

All resolutions set out in the Notice of the Second (2<sup>nd</sup>) AGM of the Company held on 25 June 2024 were voted by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The notice of AGM was despatched to shareholders at least 28 days before the AGM to allow shareholders additional time to go through the Annual Report and make the necessary attendance and voting arrangements. All Directors attended the Second (2<sup>nd</sup>) AGM held on 25 June 2024 and the Board responded to all queries raised by the shareholders. The minutes of the Second (2<sup>nd</sup>) AGM was published on the Company's website for the shareholders' information.

The Notice for convening the forthcoming Third (3<sup>rd</sup>) AGM of the Company scheduled to be held on 30 May 2025 will be sent out to the shareholders on 30 April 2025.

#### STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is satisfied with the Company's compliance with the Malaysian Code on Corporate Governance for the FYE 2024. This Corporate Governance Overview Statement is issued in accordance with a resolution passed during the Board of Directors' Meeting convened on 22 April 2025.

# Audit and Risk Management Committee Report

## INTRODUCTION

Pursuant to Rule 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the Board is pleased to present the Audit and Risk Management Committee Report which lays out the activities held for the financial year ended 31 December 2024 (“**FYE2024**”).

## OBJECTIVES

The primary objective of the Audit and Risk Management Committee (“**ARMC**”) is to assist the Board in discharging its statutory duties and responsibilities, among others, providing additional assurance to the Board by giving an objective and independent review of financial, operational, administrative and risk controls and procedures, including establishing and maintaining internal controls.

The Terms of Reference (“**TOR**”) of the ARMC can be accessed from the corporate website of the Company at [www.zantat.com.my](http://www.zantat.com.my).

## COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, in compliance with Rule 15.09 of the Listing Requirements.

The members of the ARMC and details of their attendance are as follows:

Name	Designation	Number of meeting(s) attended
Poo Lap Tuck ^	Chairman	5/5
Dr Gan Seng Kian	Member	5/5
Rima Ramona Binti Muhammad Arif	Member	4/5

^ Member of the Malaysian Institute of Accountants

The Company Secretary attended all the meetings. The Executive Directors and Chief Financial Officer were present by invitation at all the meetings. The Internal and External Auditors were present by invitation at certain meetings. In addition, the ARMC had a private session with the External Auditors to discuss any matters which the External Auditors may wish to discuss.

## SUMMARY OF ACTIVITIES DURING FYE2024

The ARMC carried out the following activities and discharged its duties and responsibilities to the best of their abilities in accordance with its’ TOR. The summary of the ARMC meetings held was as follows:

### 1. Financial Statements and Reporting Review

- Reviewed and discussed four (4) unaudited quarterly results of the Group. The review included comparative quarterly and year-to-date results.
- Reviewed the adequacy and appropriateness of disclosure of the unaudited quarterly financial statements before recommendation to the Board of Directors (“Board”) for consideration, approval and release to Bursa Securities. When reviewing these financial statements, the ARMC obtained reasonable assurance that the condensed interim financial statements were prepared in accordance with the applicable financial reporting standards and the Listing Requirements.

## Audit and Risk Management Committee Report (Cont'd)

### SUMMARY OF ACTIVITIES DURING FYE2024 (CONT'D)

The ARMC carried out the following activities and discharged its duties and responsibilities to the best of their abilities in accordance with its' TOR. The summary of the ARMC meetings held was as follows (Cont'd):

#### 1. Financial Statements and Reporting Review (Cont'd)

- c) Reviewed the audited financial statements of the Group and of the Company as well as the statutory auditors' report thereon prior to the submission to the Board for their consideration and approval, upon being satisfied that, inter alia, the financial statements were drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016. The ARMC has reviewed the statutory financial statements based on analytical approach whilst at the same time obtaining assurance from Management and the External Auditors that the financial statements complied with the relevant statutory requirements, accounting standards and the Malaysian Financial Reporting Standards to ensure that the audited financial statements were presented a true and fair view of the Company's financial performance.
- d) Reviewed the ARMC Report and Statement on Risk Management and Internal Control to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report.
- e) Reviewed recurrent related party transactions that transpired within the Group to ensure that the transactions entered were at arm's length based on normal commercial terms.
- f) Reviewed the circular to shareholders in respect of the annual shareholders' mandate for recurrent related party transactions prior to recommendation to the Board for consideration and approval.

#### 2. Matters Relating to External Audit

- a) Reviewed and deliberated the Audit Planning Memorandum covering, inter-alia, audit approaches, areas of audit emphasis, significant events during the financial year and timetable, before commencement of the annual statutory audit.
- b) Reviewed and deliberated the Audit Review Memorandum, covering significant audit findings, potential key audit matters, significant deficiencies in internal control, status of audit and the independence and objectivity of the External Auditors.
- c) Private session with the External Auditors on 18 November 2024 without the presence of the Executive Directors and Management to discuss any issues arising from the annual statutory audit or any other matters the External Auditors may wish to discuss. There was no major issue raised during the meeting.
- d) Considered and recommended the re-appointment of Crowe Malaysia PLT as the External Auditors and their audit fee to the Board for consideration based on competency, efficiency and transparency as demonstrated by the External Auditors during their audit.
- e) Received the External Auditors Transparency Report for the financial year ended 31 December 2023.

#### 3. Matters Relating to External Audit

- a) Reviewed and approved the Internal Audit Plan presented by the outsourced Internal Auditors to ensure adequate scope and resources of the internal audit function and coverage on the activities of the Group taking into consideration the assessment of key risk areas.

## Audit and Risk Management Committee Report (Cont'd)

### SUMMARY OF ACTIVITIES DURING FYE2024 (CONT'D)

The ARMC carried out the following activities and discharged its duties and responsibilities to the best of their abilities in accordance with its' TOR. The summary of the ARMC meetings held was as follows (Cont'd):

#### 3. Matters Relating to External Audit (Cont'd)

- b) Reviewed and discussed the Internal Audit Report which consists of the findings, recommendations and Management responses to ensure that all key risks will be addressed, and adequate controls are in place on a timely basis.
- c) Reviewed and assessed the adequacy of the scope, functions, independence, framework and methods, employed, competency as well as resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

### INTERNAL AUDIT FUNCTION

The Group recognised that an internal audit function is essential to ensure the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

#### 1. Outsourced Internal Auditors

The Group's internal audit function is outsourced to YC Consultancy ("YC" or "Internal Auditors"). The Internal Auditors conduct independent, regular and systematic reviews of the key controls and processes in the operating units and assess compliance with the established policies and procedures. The Internal Auditors report directly to the ARMC and assist the Board in monitoring the internal controls and mitigating the risks of the Group. The outsourced internal audit function is free from any relationship or conflict of interest that could impair its objectivity and independence.

The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

#### 2. Summary of Internal Audit work for the FYE2024

During the financial year under review, the activities undertaken by the outsourced Internal Auditors are summarised as follows:

- a) Prepared the risk-based internal audit plan for the review and approval of the ARMC.
- b) Carried out reviews in accordance with the risk-based internal audit plan review and approval of the ARMC. The key audit areas of the reviews carried out are as follows:
  - Corporate Governance and Board Oversight
  - Human Resource and Talent Management
  - Business Continuity and Contingency Planning
  - Inventory Management

Findings from the internal audit reviews conducted were discussed with the Management and subsequently presented to the ARMC together with the Management's response and proposed action plans. Notwithstanding the above, although several internal control deficiencies were identified during the internal audit reviews, none of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

The total costs incurred for the internal audit function for FYE2024 were RM10,500.

This ARMC Report was approved by the Board on 22 April 2025.



# Statement on Risk Management and Internal Control

## INTRODUCTION

The Board of Directors ("Board") of Zantat Holdings Berhad ("Zantat" or "the Group") present herewith, the Statement on Risk Management and Internal Control of the Group which outlines the nature and scope of risk management and the internal control systems for the financial year ended 31 December 2024 ("FYE2024"). This statement is issued in compliance with Rule 15.26(b) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Malaysian Code on Corporate Governance ("MCCG") with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD RESPONSIBILITIES

The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system to safeguard the Group's assets and the interests of diverse stakeholders. This includes formulating the Group's overall strategy, establishing performance objectives, and overseeing human capital strategies and practices. The Board is also responsible for governance, accountability and risk management through the implementation of robust corporate governance and ensuring accountability systems function effectively. They are instrumental in identifying key business risks, setting risk appetite, and establishing a sound framework to manage both financial and non-financial risks. Above all, the Board bears the responsibility of identifying principal risks and ensuring the implementation of suitable internal controls and mitigation measures. Their duties include comprehending the primary risks associated with the Group's businesses, monitoring operational, financial, and risk management processes, and ensuring the establishment of effective internal control procedures that are maintained effectively.

The Board has established an Audit and Risk Management Committee ("ARMC") to ensure independent oversight of the framework and system. The ARMC is tasked with supporting the Board in carrying out its responsibilities related to overseeing the Group's accounting and financial reporting matters. This committee systematically assesses and reports on the sufficiency of the internal audit's scope, function, competency, and resources, along with reviewing the internal audit plan, processes, and assessment outcomes. Additionally, the committee is responsible for overseeing and endorsing risk management policies and procedures, evaluating the principal risks faced by the Group, and ensuring the implementation of an effective risk management framework and policies to address these risks.

## MANAGEMENT RESPONSIBILITIES

Management is responsible for establishing and implementing procedures to identify, evaluate, monitor, and report risks and internal controls. This includes taking necessary and timely corrective actions as required. Furthermore, management is tasked with providing assurance to the Board that these processes have been effectively executed. To accomplish this, distinct roles within the Group are assigned to handle the preparation, dissemination, and monitoring of information. The Group also conducts internal audits to maintain rigorous scrutiny and objectivity in the monitoring process. These collaborative teams strive to ensure that information pertaining to the Group's operations, financial performance, and strategic initiatives is accurately and promptly communicated to stakeholders. Simultaneously, they uphold compliance with regulatory requirements and adhere to best practices in corporate governance.

### Reporting Structure

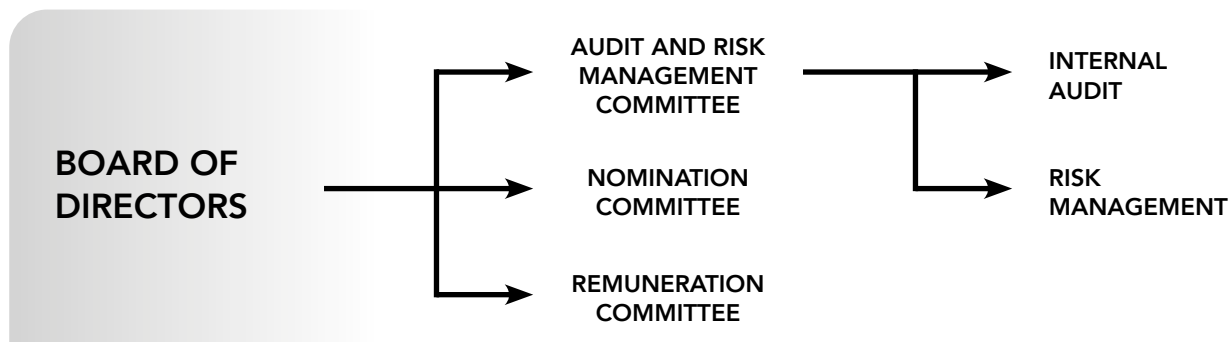
The reporting framework comprises the Board, bolstered by essential committees such as the ARMC, Nomination Committee, and Remuneration Committee. These committees play pivotal roles in evaluating board composition, appointments, retirement, re-election, succession planning, annual performance assessment, as well as training and development. This structured arrangement ensures a distinct delineation of responsibilities and oversight at different governance levels, emphasising risk management and internal controls. The overarching objective is to safeguard shareholders' investments and the Group's assets, promoting effective governance and accountability.

Additionally, the ARMC is also responsible in assisting the Board meet its oversight obligation of the Group's accounting and financial reporting matters. The committee oversees the planning, process and results of the internal audit and reports to the Board on its adequacy. The ARMC oversees and recommends risk management policies and procedures, reviews key Group risks, and implements mitigation strategies.

## Statement on Risk Management and Internal Control (Cont'd)

### MANAGEMENT RESPONSIBILITIES (CONT'D)

#### Reporting Structure (Cont'd)



### RISK MANAGEMENT

The Board regards Risk Management as an integral part of the Group's business operations and is committed to review the Risk Management policy annually. The Board is cognisant that all areas of the Group's activities involve inherent risk and recognises that business decisions encompass acceptance of appropriate levels of risks with the ultimate objective of balancing risks involved with potential returns to shareholders. The Board is assisted by the ARMC in the oversight of overall risk management and internal control system of the Group. We have embedded the sustainability standards outlined in Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition) and the Global Reporting Initiative ("GRI") standards in our Risk Management framework. These standards serve as a framework for meaningful reporting on the Group's Environmental, Social, and Governance ("ESG") matters.

#### Risk Management Process

The Group employs a comprehensive risk management framework to proactively identify and address risks throughout its operations. This framework involves ongoing risk assessment, including identifying potential risk types, evaluating their impact, and implementing mitigation or transfer strategies. By integrating risk management into its strategic decision-making, the Group ensures informed and resilient business operations. The Group primarily aims to mitigate unforeseen performance fluctuations and optimise the inherent value of the organisation enhancing the decision-making capabilities of both the Board and management.

Our Risk Management Framework is reflected below:



## Statement on Risk Management and Internal Control (Cont'd)

### KEY RISKS AND MITIGATION STRATEGIES

During FYE2024, the Group's operations were influenced by various risk factors. The following risks were identified as most prevalent and corresponding mitigation strategies undertaken are also presented below:

#### RISK FACTOR: BUSINESS AND OPERATIONS

Risk Description	Mitigation Plan
<i>Dependence on customers from India</i>	Diversifying customer base.
<i>High dependence on top two major customers – Alok Group and Sonali Group</i>	<ul style="list-style-type: none"> <li>• Diversifying customer base.</li> <li>• Moving up the value chain by developing higher value products and exploring downstream expansion opportunities.</li> </ul>
<i>Credit risk</i>	<ul style="list-style-type: none"> <li>• Diversifying customer base.</li> <li>• Implementing strict credit control measures.</li> </ul>
<i>Interest rate risk</i>	<ul style="list-style-type: none"> <li>• Close monitoring of our financial position to maintain liquidity.</li> <li>• Maintaining a balanced mix of fixed and variable rate borrowings.</li> <li>• Ensuring financial stability amid market fluctuations.</li> </ul>
<i>Exposure to increases in logistics and raw materials costs</i>	<ul style="list-style-type: none"> <li>• Pass on some of the increase in cost by increasing selling price for export customers and local customers.</li> <li>• Periodic review for pricing of products.</li> <li>• Close monitoring of the price of raw materials and logistics to minimise exposure to price increases.</li> </ul>
<i>Dependence on management team for the Group's continued success and operations</i>	<ul style="list-style-type: none"> <li>• Install measures for orderly succession planning for Board and senior management.</li> <li>• Measures include best fit in appointment, training, fixing compensation and replacing senior management.</li> </ul>
<i>Labour shortage for production operations</i>	<ul style="list-style-type: none"> <li>• Investment in higher efficiency machine components and industrial automation.</li> <li>• Recruitment and retention of local employees by offering competitive remuneration and training.</li> </ul>
<i>Impact of foreign exchange fluctuations</i>	<ul style="list-style-type: none"> <li>• Maintain bank accounts mainly in RM and USD to provide natural hedge against fluctuations in exchange rates and reduce exposure to forex risks.</li> </ul>

#### RISK FACTOR: INDUSTRY RISKS

Risk Description	Mitigation Plan
<i>Dependence on the demand and performance of the user-industries</i>	<ul style="list-style-type: none"> <li>• Monitor the political, economic and regulatory environment for potential changes in demand.</li> </ul>
<i>Competition from other suppliers of calcium carbonate products</i>	<ul style="list-style-type: none"> <li>• Diversifying customer base.</li> <li>• Moving up the value chain by developing higher value products and exploring downstream expansion opportunities.</li> </ul>

## Statement on Risk Management and Internal Control (Cont'd)

### INTERNAL CONTROLS

The Group adheres to a robust framework for internal controls, underpinned by a foundation of strong governance practices. This includes clearly defined responsibilities for all levels of the organisation, comprehensive policies and procedures for both financial reporting and operational activities, and a commitment to ensuring effectiveness and efficiency in operations, reliable financial reporting, and compliance with all applicable laws and regulations. This comprehensive approach guarantees the integrity and transparency of our financial information and fosters an environment of trust and accountability across all stakeholders.

The key focal points encompass risk management, the integration of control activities into daily operations, information and communication processes. This facilitates the identification, capture, and the timely exchange of information to fulfil responsibilities, and the continuous monitoring of the internal control system to assess its performance across time.

#### Regulatory and Compliance Structure

The Internal Control systems ensure our operations are aligned with the regulatory and compliance framework, and our operations comply with various national and international standards. This commitment goes beyond legal requirements, fostering responsible and sustainable business practices.

Key areas of compliance include:

- **Manufacturing licenses and exemptions:** Adherence to regulations set forth by the Ministry of International Trade and Industry (MITI) and the Malaysian Investment Development Authority (MIDA).
- **Environmental protection:** Strict compliance with the Environmental Quality Act 1974 (EQA 1974) and its regulations, ensuring proper disposal and management of waste and industrial effluent.
- **Employee well-being:** Prioritise the safety, health, and welfare of our employees, adhering to the Occupational Safety and Health Act 1994 (OSHA 1994) and the Factories and Machinery Act 1967 (FMA 1967).
- **Responsible mineral sourcing:** Follow regulations outlined in the Mineral Development Act 1994 (MDA 1994) regarding mineral exploration and mining activities.
- **Local governance:** Operate within the legal framework established by the Local Government Act 1976 and relevant by-laws, ensuring compliance with local authority requirements.

Our commitment extends beyond simply adhering to regulations. We proactively integrate these requirements into our operational policies and procedures, upholding high standards of:

- **Corporate governance:** Ensuring ethical and transparent business practices.
- **Environmental stewardship:** Minimising environmental impact and promoting sustainability.
- **Social responsibility:** Contributing positively to the communities in which we operate.

By prioritising compliance and ethical conduct, we demonstrate our dedication to responsible and sustainable business practices, fostering a positive impact on our stakeholders and the environment.

#### Governance and Integrity

The Group is steadfast in our commitment to uphold the highest standards of integrity and accountability in the conduct of our businesses and operations. We are deeply committed to operating ethically and in full compliance with all relevant laws, regulations, and requirements. We hold ourselves to the highest standards of integrity, transparency, and accountability as we operate in compliance with all applicable laws and regulations.

The Board has taken an Anti-Corruption Stance, strictly adhering to the Malaysian Anti-Corruption Commission (MACC) Act 2009, the MACC (Amendment) Act 2018, and all other applicable anti-bribery and anti-corruption laws. All employees must comply without exception.

## Statement on Risk Management and Internal Control (Cont'd)

### INTERNAL CONTROLS (CONT'D)

#### Governance and Integrity (Cont'd)

We have also developed comprehensive ethical policies that guide our conduct and support our long-term sustainability goals. These include:

- Board Charter
- Corporate Disclosure Policy and Procedures
- Remuneration Policy
- Code of Conduct & Ethics
- Fit & Proper Policy
- Whistleblowing Policy
- Anti-Bribery & Corruption Policy
- Health and Safety Policy
- Sustainability Policy
- Tax Policy

#### Internal Control Process

##### Effective Communication Strategies

The Group prioritises clear and consistent communication with stakeholders. Dedicated teams work collaboratively to develop accurate and timely information regarding the Group's operations, financial performance, and strategic initiatives. This information is shared effectively through appropriate channels. Our strategy also involves tracking the flow of information and ensuring it reaches the intended audience.

##### Maintaining Rigorous Standards:

- I. Internal Audits: Regular audits ensure objectivity and meticulous scrutiny within the monitoring process.
- II. Regulatory Compliance: The Group adheres to relevant regulations and best practices in corporate governance.

##### Commitment to Sustainability

Our formalised sustainability policy demonstrates our dedication to responsible governance, economic fairness, environmental stewardship, and social impact. This policy is regularly reviewed to ensure its effectiveness.

##### Continuous Improvement

- I. Feedback: Information gathered through monitoring, including internal audits and reviews, is used to refine internal controls and processes.
- II. Business Continuity Management ("BCM"): BCM practices safeguard the organisation's resilience against potential disruptions to our operations.

### INTERNAL AUDIT FUNCTION

In preparation for the Listing, the Company had engaged Sterling Business Alignment Consulting Sdn Bhd, an independent professional consulting company, which is independent of the activities and operations of the Group as its Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group. Subsequent to the Listing, the Group has engaged YC Consultancy, an independent professional consulting company, to provide the internal audit services for the Group commencing 2024.



## Statement on Risk Management and Internal Control (Cont'd)

### REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this statement for inclusion in the Annual Report for the financial year ended 31 December 2024. The review was performed pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. The external auditors reported that nothing has come to their attention that caused them to believe that the Statement on Risk Management and Internal Control, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

### CONCLUSION

Based on the findings and procedures performed by the relevant parties, and assurance from the Managing Director and Chief Financial Officer, the Board is of the view that the risk management and internal control system in place for the financial year and up to the date of this statement, has operated satisfactorily and is sufficient to safeguard shareholders' investment and the Group's assets.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 22 April 2025.

## Directors' Responsibility Statement for the Audited Financial Statements

The Directors are required by the Companies Act 2016 (the "Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Act in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (i) Adopted appropriate accounting policies and applied them consistently;
- (ii) Made judgements and estimates that are reasonable and prudent; and
- (iii) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company maintain proper accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

## Additional Compliance Information

### UTILISATION OF PROCEEDS

Zantat Holdings Berhad was listed on the ACE Market of Bursa Securities on 27 March 2024 ("Listing Date"). As part of the Listing exercise, our Company undertook a public issue of 56,000,000 new ordinary shares at an issue price of RM0.25 per share, raising gross proceeds of RM14.0 million ("IPO proceeds").

The status of the utilisation of the IPO proceeds as of 31 December 2024 is as follows:

Utilisation of proceeds	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance to be utilised (RM'000)	Estimated timeframe for utilisation from the Listing Date
1. Upgrading of R&D facilities	3,830	2,256	1,574	Within *12 months
2. Upgrading of Calrock Perak Plant's Infrastructure	1,000	-	1,000	Within *12 months
3. Investment in high efficiency machine components and industrial automation	1,350	1,165	185	Within 6 months
4. Repayment of bank borrowings	3,390	3,390	-	Within 12 months
5. Working capital	1,430	278	1,152	Within *12 months
6. Listing expenses	3,000	3,000	-	Immediately
	<b>14,000</b>	<b>10,089</b>	<b>3,911</b>	

Note:

\* On 26 March 2025, the Company had extended the timeframe for an additional 18 months of up to 30 months from the date of listing for the utilisation of the remaining unutilised IPO Proceeds.

The utilisation of proceeds as disclosed above should be read together with the Prospectus of the Company dated 6 March 2024.

On 4 November 2024, the Company had undertaken a special issue of up to 40,000,000 new ordinary shares in the Company ("new Zantat Shares") to Independent Third-Party Bumiputera Investors(s) to be identified and/or approved by Ministry of Investment, Trade and Industry, Malaysia ("MITI") ("Special Issue").

Pursuant to the Special Issue, a total of 4,753,400 ordinary shares was listed on the ACE Market of Bursa Malaysia Securities Berhad at the issue price of RM0.3350 per ordinary share for a total gross proceed of approximately RM1.59 million on 4 February 2025. Securities Commission had, vide its letter dated 27 March 2025 stated that the Company is deemed to have complied with the Bumiputera Equity Requirement.

### AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees incurred for services rendered to our Group by our Company's External Auditors for the financial year ended 31 December 2024 ("FYE 2024") are as follows:

	Group RM'000	Company RM'000
Audit services rendered	127	15
Non-audit services rendered	85	79
<b>Total</b>	<b>212</b>	<b>94</b>

## Additional Compliance Information (Cont'd)

### **MATERIAL CONTRACTS**

There was no material contracts entered into by the Group involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year, or which were entered into since the end of the previous financial period.

### **RECURRENT RELATED PARTY TRANSACTION ("RRPT")**

The RRPTs of the Group have been entered into in the normal course of business. The breakdown of the aggregate value of the RRPT made during FYE 2024 is as follows:

Nature of RRPTs	Transacting Related Parties		Relationship of Related Parties with Zantat Holdings Berhad ("Zantat")	Aggregate value of RRPT for 31 December 2024 (RM'000)
	Provider	Recipient		
1. Transportation services and trucking of finished goods to customers	Windfore Enterprise	Calrock Sdn Bhd	Leong Thun Ngai, the sole proprietor of Windfore Enterprise, is the brother-in law of Chan Hup Ooi and Chan Eng Hue.	47
2. Transportation services and trucking of finished goods to customers	Windfore Enterprise	Zantat Sdn Bhd	Chan Hup Ooi is a Director and substantial shareholder of Zantat.  Chan Eng Hue is a substantial shareholder of Zantat.	202
3. Transportation services and trucking of raw materials from suppliers	Lee Mooi Fern Enterprise	Zantat Sdn Bhd	Lee Mooi Fern and Kong Chee Seng, the partners of Lee Mooi Fern Enterprise, are respectively the sister and brother-in-law of Lee Mei Choon.  Lee Mei Choon is the spouse of Chan Hup Ooi who is a Director and substantial shareholder of Zantat.	252
4. Transportation services and trucking of raw materials from suppliers	Lee Nyong Nan	Zantat Sdn Bhd	Lee Nyong Nan is the brother of Lee Mei Choon.  Lee Mei Choon is the spouse of Chan Hup Ooi who is a Director and substantial shareholder of Zantat.	178

# Financial Report

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# Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	454,184	4,030,683
Attributable to:-		
Owners of the Company	454,184	4,030,683

## DIVIDENDS

The Company paid an interim single-tier dividend of 1.5 sen per ordinary share amounting to RM4,200,000 for the financial year ended 31 December 2024 on 25 June 2024.

The directors do not recommend the payment of any further dividends for the financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM57,411,201 to RM70,354,840 by way of public issuance of 56,000,000 new ordinary shares at an issue price of RM0.25 each pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad as disclosed in Note 14 to the financial statements. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,056,361 were offset against share capital of the Company.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

## Directors' Report (Cont'd)

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

### CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

## Directors' Report (Cont'd)

### ITEMS OF AN UNUSUAL NATURE (CONT'D)

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Chan Bin Iuan  
 Chan Jee Chet  
 Chan Hup Ooi  
 Gan Seng Kian  
 Poo Lap Tuck  
 Rima Ramona Binti Muhammad Arif  
 Yap Yoon Kong  
 Chan Jee Yang (Alternate to Chan Hup Ooi and appointed on 21.2.2025)  
 Aw Ee Ling (Appointed on 1.3.2025)  
 Teh Geok Bee (Appointed on 1.3.2025)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Chan Eng Hue  
 Lee Mei Choon  
 Teh Ah Soon @ Teh Soon Tick

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	< ----- Number of Ordinary Shares ----- >			
	At 1.1.2024	Bought	Sold	At 31.12.2024
<b>The Company</b>				
<i>Direct Interests</i>				
Chan Bin Iuan	8,362,700	-	(627,200)	7,735,500
Chan Jee Chet	8,362,700	-	(627,200)	7,735,500
Chan Hup Ooi	8,362,700	-	(627,200)	7,735,500
Gan Seng Kian	-	850,000	(850,000)	-
Poo Lap Tuck	-	850,000	(850,000)	-
Rima Ramona Binti Muhammad Arif	-	250,000	(250,000)	-
Yap Yoon Kong	-	850,000	(850,000)	-
<i>Indirect Interests</i>				
Chan Hup Ooi *	136,192,000	-	(10,214,400)	125,977,600

\* Deemed interested through spouse's and son's shareholdings in the Company and by virtue of his direct and indirect shareholdings in the holding company, CLHF Resources Sdn. Bhd.

## Directors' Report (Cont'd)

### DIRECTORS' INTERESTS (CONT'D)

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows (Cont'd):-

	< ----- Number of Ordinary Shares ----- >			
	At 1.1.2024	Bought	Sold	At 31.12.2024
<b>The Holding Company,</b>				
CLHF Resources Sdn. Bhd.				
<i>Direct Interests</i>				
Chan Bin Iuan	3,360	-	-	3,360
Chan Jee Chet	3,360	-	-	3,360
Chan Hup Ooi	19,560	-	-	19,560
<i>Indirect Interests</i>				
Chan Hup Ooi *	5,720	-	-	5,720

\* Deemed interested through spouse's and son's shareholdings in the holding company.

By virtue of his shareholdings in the Company, Chan Hup Ooi is deemed to have interest in shares in its related corporations during the financial year to the extent of the Company's interests in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares, option over unissued shares or debentures of the Company or its related corporations during the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which close family members of certain directors have substantial financial interests as disclosed in Note 30 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	522,000	372,000
Salaries, bonuses and other benefits	1,759,809	25,000
Defined contribution benefits	207,757	-
	2,489,566	397,000

## Directors' Report (Cont'd)

### DIRECTORS' REMUNERATION (CONT'D)

The estimated monetary value of benefits-in-kind provided by the Group to a director of the Company is RM15,500.

### INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

### SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 35 to the financial statements.

### SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 36 to the financial statements.

### AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	127,000	15,000
Non-audit fees	85,300	79,000
	212,300	94,000

Signed in accordance with a resolution of the directors dated 22 April 2025.

**Chan Bin Iuan**

**Chan Jee Chet**



# Statement By Directors and Statutory Declaration

## STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Chan Bin Iuan and Chan Jee Chet, being two of the directors of Zantat Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 147 to 204 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 22 April 2025.

Chan Bin Iuan

Chan Jee Chet

## STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Aw Ee Ling, MIA Membership Number: 42625, being the director primarily responsible for the financial management of Zantat Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 147 to 204 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Aw Ee Ling  
at Kuala Lumpur  
in the Federal Territory  
on this 22 April 2025

Before me  
Shaiful Hilmi Bin Halim (W804)  
Commissioner for Oaths

Aw Ee Ling

# Independent Auditors' Report to the Members of Zantat Holdings Berhad

(Incorporated in Malaysia)

Registration No: 202101040483 (1440783 - X)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Zantat Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 147 to 204.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of inventories Refer to Note 8 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The carrying amount of inventories held by the Group is approximately RM8.3 million.</p> <p>We focused on this area as the assessment of net realisable value and the estimation of allowances for obsolete and slow-moving inventories are areas involved of significant judgement.</p>	<p>Our audit procedures included:-</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Group's process for measuring the amount of inventories write down.</li> <li>• Reviewed the ageing analysis of inventories and tested its reliability.</li> <li>• Reviewed the net realisable value of inventories.</li> <li>• Evaluated the reasonableness and adequacy of the estimation of allowance for obsolete and slow-moving.</li> </ul>

# Independent Auditors' Report to the Members of Zantat Holdings Berhad (Cont'd)

(Incorporated in Malaysia)

Registration No: 202101040483 (1440783 - X)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Key Audit Matters (Cont'd)

Recoverability of trade receivables Refer to Note 9 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The trade receivables of the Group amounted to approximately RM15.0 million of which RM4.8 million are past due or exceeded credit terms granted by the Group.</p> <p>We focused on this area as the Group carried significant amount of trade receivables and the determination of the adequacy of the impairment loss of trade receivables under Expected Credit Losses ("ECL") method involves significant management judgement.</p>	<p>Our audit procedures included:-</p> <ul style="list-style-type: none"> <li>• Reviewed the ageing analysis of trade receivables and tested its reliability.</li> <li>• Reviewed subsequent cash collections for major trade receivables and overdue amounts.</li> <li>• Evaluated the reasonableness and adequacy of the estimation of allowance for impairment loss.</li> <li>• Tested the adequacy of the allowance for ECL by assessing the relevant assumptions and historical data from the Group's previous collection experience.</li> </ul>

### Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

# Independent Auditors' Report to the Members of Zantat Holdings Berhad (Cont'd)

(Incorporated in Malaysia)

Registration No: 202101040483 (1440783 - X)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

## Independent Auditors' Report to the Members of Zantat Holdings Berhad (Cont'd)

(Incorporated in Malaysia)

Registration No: 202101040483 (1440783 - X)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

22 April 2025

**Ho Yen Ling**  
03378/06/2026 J  
Chartered Accountant



# Statements of Financial Position

As At 31 December 2024

	Note	The Group		The Company	
		2024 RM	2023 RM (Restated)	2024 RM	2023 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in a subsidiary	5	-	-	57,411,200	57,411,200
Property, plant and equipment	6	52,816,062	47,802,284	-	-
Right-of-use assets	7	7,704,211	7,337,855	-	-
		60,520,273	55,140,139	57,411,200	57,411,200
<b>CURRENT ASSETS</b>					
Inventories	8	8,297,388	7,928,097	-	-
Trade receivables	9	15,010,484	20,416,290	-	-
Other receivables, deposits and prepayments	10	1,482,423	1,553,412	146,195	36,815
Amount owing by subsidiaries	11	-	-	7,083,332	-
Current tax assets		1,733,854	283,305	-	-
Short-term investments	12	9,354,881	1,411,767	5,452,436	-
Fixed deposits with licensed banks	13	3,808,944	4,137,534	-	-
Cash and bank balances		3,681,269	4,995,757	29,450	20,200
		43,369,243	40,726,162	12,711,413	57,015
<b>TOTAL ASSETS</b>		103,889,516	95,866,301	70,122,613	57,468,215
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	14	70,354,840	57,411,201	70,354,840	57,411,201
Merger deficit	15	(4,100,000)	(4,100,000)	-	-
Reorganisation deficit	16	(51,411,200)	(51,411,200)	-	-
Retained profits/(Accumulated losses)		58,522,634	62,268,450	(265,197)	(95,880)
<b>TOTAL EQUITY</b>		73,366,274	64,168,451	70,089,643	57,315,321
<b>NON-CURRENT LIABILITIES</b>					
Term loans	17	2,275,309	4,768,353	-	-
Deferred tax liabilities	18	4,225,586	3,412,000	-	-
Lease liabilities	19	929,672	446,663	-	-
		7,430,567	8,627,016	-	-

The annexed notes form an integral part of these financial statements.

## Statements of Financial Position As At 31 December 2024 (Cont'd)

		The Group		The Company	
	Note	2024 RM	2023 RM (Restated)	2024 RM	2023 RM
CURRENT LIABILITIES					
Trade payables	20	5,729,349	6,300,519	-	-
Other payables and accruals	21	8,488,649	9,538,635	32,970	21,819
Amount owing to a subsidiary	11	-	-	-	131,075
Lease liabilities	19	443,653	422,689	-	-
Short-term borrowings	22	8,431,024	6,808,991	-	-
		23,092,675	23,070,834	32,970	152,894
<b>TOTAL LIABILITIES</b>		30,523,242	31,697,850	32,970	152,894
<b>TOTAL EQUITY AND LIABILITIES</b>		103,889,516	95,866,301	70,122,613	57,468,215

The annexed notes form an integral part of these financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2024

	Note	The Group		The Company	
		2024 RM	2023 RM (Restated)	2024 RM	2023 RM
REVENUE	23	101,877,229	122,795,624	7,020,000	-
COST OF SALES		(63,848,565)	(73,718,425)	-	-
GROSS PROFIT		38,028,664	49,077,199	7,020,000	-
OTHER INCOME		1,200,154	1,279,064	209,380	-
		39,228,818	50,356,263	7,229,380	-
SELLING AND DISTRIBUTION EXPENSES		(24,137,967)	(27,473,440)	-	-
ADMINISTRATIVE EXPENSES		(10,835,398)	(11,109,296)	(3,198,697)	(88,819)
OTHER EXPENSES		(1,246,864)	(1,254,692)	-	-
FINANCE COSTS		(537,020)	(909,578)	-	-
PROFIT/(LOSS) BEFORE TAXATION	24	2,471,569	9,609,257	4,030,683	(88,819)
TAX EXPENSE	25	(2,017,385)	(2,840,294)	-	-
PROFIT/(LOSS) AFTER TAXATION		454,184	6,768,963	4,030,683	(88,819)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		454,184	6,768,963	4,030,683	(88,819)
<b>PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		454,184	6,768,963	4,030,683	(88,819)
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-</b>					
Owners of the Company		454,184	6,768,963	4,030,683	(88,819)
<b>EARNINGS PER SHARE</b>	26				
Basic (sen)		0.17	3.02		
Diluted (sen)		0.17	3.02		

The annexed notes form an integral part of these financial statements.

# Statements of Changes in Equity

## For the Financial Year Ended 31 December 2024

The Group	Note	Share Capital RM	Non-Distributable Merger Deficit RM	Reorganisation Deficit RM	Distributable Retained Profits RM	Total Equity RM
Balance at 1.1.2023		6,000,000	(4,100,000)	-	55,506,548	57,406,548
Profit after taxation/Total comprehensive income for the financial year		-	-	-	6,768,963	6,768,963
Effect of group restructuring exercise	14	51,411,201	-	(51,411,200)	(7,061)	(7,060)
Balance at 31.12.2023/1.1.2024		57,411,201	(4,100,000)	(51,411,200)	62,268,450	64,168,451
Profit after taxation/Total comprehensive income for the financial year		-	-	-	454,184	454,184
Dividends by the Company	27	-	-	-	(4,200,000)	(4,200,000)
Issuance of shares pursuant to public issue	14	14,000,000	-	-	-	14,000,000
Share issuance expenses for the public issue	14	(1,056,361)	-	-	-	(1,056,361)
Total contributions by and distributions to owners		12,943,639	-	-	(4,200,000)	8,743,639
Balance at 31.12.2024		70,354,840	(4,100,000)	(51,411,200)	58,522,634	73,366,274

The annexed notes form an integral part of these financial statements.

## Statements of Changes in Equity

### For the Financial Year Ended 31 December 2024 (Cont'd)

The Company	Note	Share Capital RM	Distributable Accumulated Losses RM	Total Equity RM
Balance at 1.1.2023		1	(7,061)	(7,060)
Loss after taxation/Total comprehensive expenses for the financial year		-	(88,819)	(88,819)
Contribution by owners of the Company: - Issuance of new ordinary shares	14	57,411,200	-	57,411,200
Balance at 31.12.2023/1.1.2024		57,411,201	(95,880)	57,315,321
Profit after taxation/Total comprehensive income for the financial year		-	4,030,683	4,030,683
Dividends by the Company	27	-	(4,200,000)	(4,200,000)
Issuance of shares pursuant to public issue	14	14,000,000	-	14,000,000
Share issuance expenses for the public issue	14	(1,056,361)	-	(1,056,361)
Total contributions by and distributions to owners		12,943,639	(4,200,000)	8,743,639
Balance at 31.12.2024		70,354,840	(265,197)	70,089,643

The annexed notes form an integral part of these financial statements.



# Statements of Cash Flows

## For the Financial Year Ended 31 December 2024

		The Group		The Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit/(Loss) before taxation		2,471,569	9,609,257	4,030,683	(88,819)
Adjustments for:-					
Bad debts written off		57,561	1,600	-	-
Depreciation of:					
- property, plant and equipment		5,577,822	5,457,806	-	-
- right-of-use assets		560,306	561,952	-	-
Interest expense on:					
- borrowings		495,789	873,379	-	-
- lease liabilities		41,231	36,200	-	-
Plant and equipment written off		16,708	23,076	-	-
Fair value gain on short-term investments		(159,124)	(9,267)	-	-
Interest income		(323,214)	(121,525)	(209,380)	-
Net gain on disposal of plant and equipment		(193,122)	(183,997)	-	-
Net unrealised gain on foreign exchange		(314,722)	(498,792)	-	-
Operating profit/(loss) before working capital changes		8,230,804	15,749,689	3,821,303	(88,819)
(Increase)/Decrease in inventories		(369,291)	666,549	-	-
Decrease/(Increase) in trade and other receivables		6,472,288	536,660	(109,380)	(36,815)
(Decrease)/Increase in trade and other payables		(1,994,998)	1,628,891	11,151	14,758
(Decrease)/Increase in amount owing to a subsidiary		-	-	(131,075)	131,075
<b>CASH FROM OPERATIONS</b>		<b>12,338,803</b>	<b>18,581,789</b>	<b>3,591,999</b>	<b>20,199</b>
Income tax paid		(2,654,350)	(1,232,024)	-	-
Interest paid		(556,329)	(914,686)	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>9,128,124</b>	<b>16,435,079</b>	<b>3,591,999</b>	<b>20,199</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>					
Advances to subsidiaries		-	-	(7,083,332)	-
Increase in short-term investments		159,124	9,267	-	-
Interest income received		323,214	121,525	209,380	-
Proceeds from disposal of plant and equipment		195,600	184,000	-	-
Purchase of property, plant and equipment	28(a)	(10,802,996)	(2,098,884)	-	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>		<b>(10,125,058)</b>	<b>(1,784,092)</b>	<b>(6,873,952)</b>	<b>-</b>

The annexed notes form an integral part of these financial statements.

## Statements of Cash Flows

### For the Financial Year Ended 31 December 2024 (Cont'd)

		The Group		The Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>					
Dividend paid	27	(4,200,000)	-	(4,200,000)	-
Effect of group restructuring exercise		-	(7,060)	-	-
Net drawdown/(repayments) of bankers' acceptances	28(b)	2,021,000	(4,019,000)	-	-
Net drawdown/(repayments) of post-shipment buyer loan	28(b)	1,152,878	(1,501,161)	-	-
Net repayments of revolving credit	28(b)	-	(1,500,000)	-	-
Payments of hire purchase payables	28(b)	(1,264,531)	(2,153,422)	-	-
Payments of lease liabilities	28(b)	(422,689)	(405,240)	-	-
Payment of share issuance expenses	14	(1,056,361)	-	(1,056,361)	-
Proceeds from issuance of ordinary shares	14	14,000,000	-	14,000,000	-
Proceeds from drawdown of term loans	28(b)	2,222,925	-	-	-
Repayments of invoice financing	28(b)	-	(349,988)	-	-
Repayments of term loans	28(b)	(4,983,974)	(2,463,818)	-	-
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>		<b>7,469,248</b>	<b>(12,399,689)</b>	<b>8,743,639</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>6,472,314</b>	<b>2,251,298</b>	<b>5,461,686</b>	<b>20,199</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>10,545,058</b>	<b>7,973,268</b>	<b>20,200</b>	<b>1</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>		<b>(172,278)</b>	<b>320,492</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	28(d)	<b>16,845,094</b>	<b>10,545,058</b>	<b>5,481,886</b>	<b>20,200</b>

The annexed notes form an integral part of these financial statements.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2024

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office : Unit 7-01, Level 7, Menara Lagenda,  
No. 3, Jalan SS20/27,  
47400 Petaling Jaya, Selangor.

Principal place of business : Lot 1013-B, Jalan 2/32A, 6 ½ Miles,  
Kepong Industrial Area, Jalan Kepong,  
52100 Kuala Lumpur.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of directors dated 22 April 2025.

### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
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
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:-

##### MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION

##### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

###### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

###### **(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

###### *Key Sources of Estimation Uncertainty (Cont'd)*

###### **(b) Impairment of Investment in a Subsidiary, Property, Plant and Equipment and Right-of-use Assets**

The Group and the Company determine whether an item of investment in a subsidiary, property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of investment in a subsidiary, property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 5, 6 and 7 to the financial statements respectively.

###### **(c) Write-down of Inventories**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 8 to the financial statements.

###### **(d) Impairment of Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is RM15,010,484 (2023 – RM20,416,290) .

###### **(e) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group and the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 10 and 11 to the financial statements respectively.

###### **(f) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of the current tax assets of the Group as at the reporting date is RM1,733,854 (2023 - RM283,305).



## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

###### *Key Sources of Estimation Uncertainty (Cont'd)*

###### **(g) Discount Rates used in Leases**

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

###### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

###### **Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

##### 4.2 FINANCIAL INSTRUMENTS

###### **(a) Financial Assets**

###### Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes include interest income.

###### Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 4.2 FINANCIAL INSTRUMENTS (CONT'D)

###### (b) Financial Liability

###### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

###### (c) Equity

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares is not remeasured subsequently.

##### 4.3 BASIS OF CONSOLIDATION

###### (a) Business Combination of Zantat Sdn. Bhd. ("Zantat") and its subsidiaries

Zantat applies merger method of accounting for those business combinations under common control. The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or deficit, as appropriate.

###### (b) Restructuring

The Company was incorporated for the purpose of acquiring Zantat and its subsidiaries. The acquisition undertaken by the Company is a restructuring exercise. As the Company was not a business as defined by MFRS 3, the accounting treatment for acquisitions is outside the scope of MFRS 3 and is accounted for as a capital reorganisation as the Group is ultimately controlled by the same party and/or parties both before and after the restructuring exercise.

The assets and liabilities of the subsidiaries are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statements of profit or loss and other comprehensive income reflect the results of subsidiary for the full reporting period (irrespective of then the combination takes place) and comparatives are presented as if the subsidiary had always been consolidated since the date for which the subsidiary had come under common control.

The difference between the cost of the acquisition and the share capital of the subsidiary is reflected within equity as reorganisation reserve or reorganisation deficit, as appropriate.

##### 4.4 INVESTMENT IN A SUBSIDIARY

Investment in a subsidiary which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

##### 4.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 4.5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2%
Plant and machinery	10%
Factory tools and equipment	10%
Motor vehicles	20%
Forklift, wheel loader and lorries	10%-20%
Office equipment	10%
Furniture and fittings	10%
Air-conditioners	10%
Electrical equipment and fittings	10%
Lab equipment	10%
Renovation	10%-20%
Software	20%

Buildings in progress represent laboratory office and factory buildings under construction. Plant and machinery and lab equipment under installation represent production machinery and laboratory equipment under installation respectively. They are not depreciated until such time when the asset is available for use.

##### 4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

###### (a) Short-term Leases

The Group applies the "short-term lease" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systemic basis is more appropriate.

###### (b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

###### (c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

##### 4.7 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase, plus other costs incurred in bringing the inventories to their present location and condition.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 5. INVESTMENT IN A SUBSIDIARY

	The Company	
	2024	2023
	RM	RM
Unquoted shares, at cost	57,411,200	57,411,200

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024	2023	
Zantat Sdn. Bhd. ("Zantat")	Malaysia	100%	100%	Production of calcium carbonate, processing and trading of industrial minerals and operations of limestone quarry
<b>Subsidiaries of Zantat</b>				
Zantat Light C.C. Sdn. Bhd.	Malaysia	100%	100%	Operations of limestone quarry
Calrock Sdn. Bhd.	Malaysia	100%	100%	Production of calcium carbonate
Zaneco Sdn. Bhd.	Malaysia	100%	100%	Manufacturer of bioplastic compound

In the previous financial year, the Company had undertaken a restructuring exercise via acquisition of ordinary shares representing 100% equity interest in Zantat for a total purchase consideration of RM57,411,200 which was satisfied entirely by the issuance of 223,999,999 shares at an issue price of RM0.2563 each.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2024 RM	Additions RM	Transfer RM	Disposals RM	Written Off RM	Depreciation Charges RM	At 31.12.2024 RM
<b>2024</b>							
<i>Carrying Amount</i>							
Buildings	23,939,674	60,809	-	-	-	(569,335)	23,431,148
Buildings in progress	14,265	1,242,068	-	-	-	-	1,256,333
Plant and machinery	19,573,249	879,870	330,917	-	(10,806)	(3,945,142)	16,828,088
Plant and machinery under installation	328,390	4,185,997	(330,917)	-	-	-	4,183,470
Factory tools and equipment	1,203,783	320,553	-	-	(2,213)	(231,887)	1,290,236
Motor vehicles	102,715	684,519	-	(7)	-	(145,291)	641,936
Forklift, wheel loader and lorries	806,434	102,800	-	(1)	-	(257,564)	651,669
Office equipment	434,009	125,238	-	(119)	(3,689)	(91,532)	463,907
Furniture and fittings	568,496	30,714	-	-	-	(102,954)	496,256
Air-conditioners	332,251	20,409	-	(2,351)	-	(69,284)	281,025
Electrical equipment and fittings	441,410	128,196	-	-	-	(129,339)	440,267
Lab equipment	-	419,268	-	-	-	(11,940)	407,328
Lab equipment under installation	-	2,239,334	-	-	-	-	2,239,334
Renovation	57,606	94,883	-	-	-	(18,979)	133,510
Software	2	76,128	-	-	-	(4,575)	71,555
	47,802,284	10,610,786	-	(2,478)	(16,708)	(5,577,822)	52,816,062



## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2023 RM	Additions RM	Transfer RM	Disposals RM	Written Off RM	Depreciation Charges RM	At 31.12.2023 RM
<b>2023</b>							
<i>Carrying Amount</i>							
Buildings	24,528,906	1,850	-	-	(22,741)	(568,341)	23,939,674
Buildings in progress	14,265	-	-	-	-	-	14,265
Plant and machinery	17,757,429	140,374	5,455,276	-	-	(3,779,830)	19,573,249
Plant and machinery under installation	4,863,924	1,045,627	(5,581,161)	-	-	-	328,390
Factory tools and equipment	1,227,421	85,194	125,885	-	(4)	(234,713)	1,203,783
Motor vehicles	248,344	-	-	(1)	-	(145,628)	102,715
Forklift, wheel loader and lorries	647,795	395,000	-	(2)	-	(236,359)	806,434
Office equipment	408,341	111,680	-	-	(75)	(85,937)	434,009
Furniture and fittings	606,423	60,967	-	-	-	(98,894)	568,496
Air-conditioners	382,737	19,038	-	-	(256)	(69,268)	332,251
Electrical equipment and fittings	544,169	29,464	-	-	-	(132,223)	441,410
Renovation	49,289	19,415	-	-	-	(11,098)	57,606
Software	95,517	-	-	-	-	(95,515)	2
	51,374,560	1,908,609	-	(3)	(23,076)	(5,457,806)	47,802,284

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2024</b>			
Buildings	28,466,929	(5,035,781)	23,431,148
Buildings in progress	1,256,333	-	1,256,333
Plant and machinery	52,261,087	(35,432,999)	16,828,088
Plant and machinery under installation	4,183,470	-	4,183,470
Factory tools and equipment	4,531,176	(3,240,940)	1,290,236
Motor vehicles	2,932,557	(2,290,621)	641,936
Forklift, wheel loader and lorries	3,739,140	(3,087,471)	651,669
Office equipment	1,368,339	(904,432)	463,907
Furniture and fittings	1,147,840	(651,584)	496,256
Air-conditioners	780,936	(499,911)	281,025
Electrical equipment and fittings	2,120,202	(1,679,935)	440,267
Lab equipment	419,268	(11,940)	407,328
Lab equipment under installation	2,239,334	-	2,239,334
Renovation	474,402	(340,892)	133,510
Software	553,707	(482,152)	71,555
	106,474,720	(53,658,658)	52,816,062
<b>2023</b>			
Buildings	28,406,120	(4,466,446)	23,939,674
Buildings in progress	14,265	-	14,265
Plant and machinery	51,873,007	(32,299,758)	19,573,249
Plant and machinery under installation	328,390	-	328,390
Factory tools and equipment	4,316,003	(3,112,220)	1,203,783
Motor vehicles	3,092,635	(2,989,920)	102,715
Forklift, wheel loader and lorries	3,779,400	(2,972,966)	806,434
Office equipment	1,280,746	(846,737)	434,009
Furniture and fittings	1,117,126	(548,630)	568,496
Air-conditioners	781,178	(448,927)	332,251
Electrical equipment and fittings	1,992,006	(1,550,596)	441,410
Renovation	379,519	(321,913)	57,606
Software	477,579	(477,577)	2
	97,837,974	(50,035,690)	47,802,284

- (a) Certain buildings and plant and machinery under installation of the Group have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Notes 17 and 22 to the financial statements.

## Notes to the Financial Statements For the Financial Year Ended 31 December 2024 (Cont'd)

### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (b) Included in the assets of the Group at the end of the previous reporting period which were acquired under hire purchase terms were as follows:-

	The Group 2023 RM
Plant and machinery	8,730,708
Motor vehicles	21,700
	8,752,408

### 7. RIGHT-OF-USE ASSETS

	At 1.1.2024 RM	Modification of Lease Liabilities (Note 19) RM	Depreciation Charges RM	At 31.12.2024 RM
<b>The Group</b>				
<b>2024</b>				
<i>Carrying Amount</i>				
Leasehold land	6,480,263	-	(130,394)	6,349,869
Factory buildings	778,410	919,168	(389,196)	1,308,382
Hostels	79,182	7,494	(40,716)	45,960
	7,337,855	926,662	(560,306)	7,704,211

	At 1.1.2023 RM	Addition (Note 19) RM	Modification of Lease Liabilities (Note 19) RM	Depreciation Charges RM	At 31.12.2023 RM
<b>2023</b>					
<i>Carrying Amount</i>					
Leasehold land	6,625,252	-	-	(144,989)	6,480,263
Factory buildings	768,940	-	393,950	(384,480)	778,410
Hostels	35,583	55,695	20,387	(32,483)	79,182
	7,429,775	55,695	414,337	(561,952)	7,337,855

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 7. RIGHT-OF-USE ASSETS (CONT'D)

- (a) The Group leases certain pieces of leasehold land, factory buildings and hostels of which the leasing activities are summarised below:-
- (i) Leasehold land The Group has entered into 5 (2023 - 5) non-cancellable operating lease agreements for the use of land. The leases are for a period of 54 to 99 (2023 - 54 to 99) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease the whole or any part of the land.
  - (ii) Factory buildings The Group has leased factory buildings for a period of 3 (2023 - 2 to 3) years, with an option to renew the lease after that date at a new rental rate to be based on the prevailing market rate mutually agreed after that date.
  - (iii) Hostels The Group has leased hostels for a period of 1 to 3 (2023 - 2) years, with an option to renew the lease after that date at a new rental rate to be based on the prevailing market rate mutually agreed after that date.
- (b) During the financial year, the Group also has leases with lease terms of 12 months or less. The Group has applied the "short-term lease" recognition exemptions for these leases.
- (c) Leasehold land of the Group has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 17 and 22 to the financial statements.

#### 8. INVENTORIES

	The Group	
	2024	2023
	RM	RM
Raw materials	2,518,953	2,287,170
Work-in-progress	15,262	-
Packing materials	1,499,064	1,229,216
Finished goods	2,235,959	2,352,767
Consumables	1,496,855	1,511,617
Goods-in-transit	531,295	547,327
	<b>8,297,388</b>	<b>7,928,097</b>
Recognised in profit or loss:-		
Inventories recognised as cost of sales	63,848,565	73,718,425

#### 9. TRADE RECEIVABLES

The Group's normal trade credit terms range from 30 to 90 (2023 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Other receivables		9,500	36,640	-	-
Deposits	(a)	1,052,250	179,430	30,315	-
Prepayments	(b)	386,408	1,337,342	115,880	36,815
Advances to suppliers	(c)	34,265	-	-	-
		1,482,423	1,553,412	146,195	36,815

- (a) Included in deposits of the Group are downpayments made for acquisition of plant and equipment amounting to RM720,107.
- (b) At the end of the previous financial year, included in prepayments of the Group were downpayments made for acquisition of plant and equipment amounting to RM40,625.
- (c) The advances to suppliers are unsecured, interest-free and will be offset against future purchases from the suppliers.

#### 11. AMOUNTS OWING BY/(TO) SUBSIDIARIES

These amounts owing are non-trade in nature, unsecured, interest free, repayable on demand and to be settled in cash.

#### 12. SHORT-TERM INVESTMENTS

The short-term investments of the Group and of the Company represent investments in highly liquid money market instruments. These investments are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

#### 13. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.20% to 2.95% (2023 - 1.70% to 2.95%) per annum. The fixed deposits have a maturity period of 1 (2023 - 1) day for the Group.



## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 14. SHARE CAPITAL

	The Group			
	2024	2023	2024	2023
	Number Of Shares		RM	RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January	224,000,000	6,000,000	57,411,201	6,000,000
Effect of group restructuring exercise	-	218,000,000	-	51,411,201
Issuance of shares pursuant to public issue	56,000,000	-	14,000,000	-
Share issuance expenses	-	-	(1,056,361)	-
At 31 December	280,000,000	224,000,000	70,354,840	57,411,201

	The Company			
	2024	2023	2024	2023
	Number Of Shares		RM	RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January	224,000,000	1	57,411,201	1
Issuance of new shares:				
- for acquisition of a subsidiary	-	223,999,999	-	57,411,200
- pursuant to public issue	56,000,000	-	14,000,000	-
Share issuance expenses	-	-	(1,056,361)	-
At 31 December	280,000,000	224,000,000	70,354,840	57,411,201

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial year, the Company increased its issued and paid-up share capital from RM57,411,201 to RM70,354,840 by way of public issuance of 56,000,000 new ordinary shares at an issue price of RM0.25 each pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The listing expense arising from issuance of new ordinary shares amounting to RM1,056,361 were offset against share capital of the Company.
- (c) In the previous financial year, the Company increased its issued and paid-up share capital from RM1 to RM57,411,201 by issuance of 223,999,999 new ordinary shares at an issue price of RM0.2563 each for the acquisition of the entire equity interest of a subsidiary, Zantat Sdn. Bhd..

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

## Notes to the Financial Statements For the Financial Year Ended 31 December 2024 (Cont'd)

### 15. MERGER DEFICIT

The merger deficit arose from the business combination of Zantat and its subsidiaries which was accounted for under the merger method of accounting principles. Under the merger method of accounting principles, the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries will be reflected within equity as merger deficit.

### 16. REORGANISATION DEFICIT

The reorganisation deficit arose from the difference between carrying value of the investment and the nominal value of the shares of the subsidiary upon group restructuring exercise.

### 17. TERM LOANS (SECURED)

	The Group	
	2024 RM	2023 RM
Current liabilities (Note 22)	1,865,114	2,152,428
Non-current liabilities	2,275,309	4,768,353
	4,140,423	6,920,781

(a) Details of the repayment terms for term loans of the Group are as follows:-

Term loans	Number of Monthly Instalments	Monthly Instalment Amount RM	Commencement Date of Repayment	The Group	
				2024 RM	2023 RM
1	96	39,375	March 2015	-	142,550
2	96	72,917	April 2018	-	3,144,419
3	72	36,860	July 2019	700,330	1,142,645
4	60	6,167	August 2021	117,167	191,167
5	60	50,000	November 2022	1,100,000	2,300,000
6	60	22,350	Note 1	381,286	-
7	60	20,000	Note 1	413,500	-
8	60	50,000	Note 1	1,428,140	-
				4,140,423	6,920,781

Note 1 - Term loans are to be repaid upon full drawdown. As at 31 December 2024, these term loans are yet to fully drawdown.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 17. TERM LOANS (SECURED) (CONT'D)

- (b) The floating rate term loans of the Group at the end of the reporting period were subjected to the following effective interest rates per annum:-

	The Group	
	2024 %	2023 %
Effective interest rates	4.68 - 5.69	4.87 - 6.68

- (c) The term loans of the Group are secured by:-

- (i) a legal charge over certain leasehold land, buildings, and machinery under installation of the Group as disclosed in Notes 6 and 7 to the financial statements; and
- (ii) a corporate guarantee by the Company.

- (d) The major covenants for term loans of the Group are as follows:-

Term loans 3, 6 and 7 of RM700,330, RM381,286 and RM413,500 (2023 - RM1,142,645, Nil and Nil) respectively

- (i) Minimum tangible net worth of RM37,000,000 is to be maintained at all time.
- (ii) Gearing ratio of the subsidiary shall not exceed 1.5 times.

Term loan 5 of RM1,100,000 (2023 - RM2,300,000)

- (i) Gearing ratio shall not exceed as per below, failing which the subsidiary required to increase its paid-up share capital by RM300,000 and to paid down the term loan outstanding balance by RM500,000 on or before 31.1.2025.

December 2024	3.00 times
December 2025	2.75 times
December 2026	2.50 times
December 2027	2.00 times

- (ii) The subsidiary shall not declare or pay dividends exceeding its after-tax profit in a financial year without the bank's prior consent.

Term loan 8 of RM1,428,140 (2023 - Nil)

Gearing ratio of the subsidiary shall not exceed 2 times.

The covenants are tested annually on December 2024. The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 18. DEFERRED TAX LIABILITIES

	At 1.1.2024 RM	Recognised in Profit or Loss (Note 25) RM	At 31.12.2024 RM
<b>The Group</b>			
<b>2024</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment and right-of-use assets	3,412,000	737,067	4,149,067
Unrealised gain on foreign exchange	-	76,519	76,519
	3,412,000	813,586	4,225,586

	At 1.1.2023 RM	Recognised in Profit or Loss (Note 25) RM	At 31.12.2023 RM
<b>2023</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment and right-of-use assets	3,024,000	388,000	3,412,000

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	<b>The Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
Unused tax losses:		
- expires in year of assessment 2034	717,008	-
Unabsorbed capital allowances	546,731	-
Other deductible temporary differences	2,061	2,203
	1,265,800	2,203

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 19. LEASE LIABILITIES

	The Group	
	2024 RM	2023 RM
At 1 January	869,352	804,560
Additions (Note 7)	-	55,695
Interest expense recognised in profit or loss	41,231	36,200
Changes due to lease modification (Note 7)	926,662	414,337
Payment of principal	(422,689)	(405,240)
Payment of interest expense	(41,231)	(36,200)
At 31 December	1,373,325	869,352
Analysed by:-		
Current liabilities	443,653	422,689
Non-current liabilities	929,672	446,663
	1,373,325	869,352

#### 20. TRADE PAYABLES

- (a) The normal trade terms granted to the Group range from 30 to 90 (2023 - 30 to 90) days.
- (b) Included in the trade payables of the Group is an amount owing to related parties amounting to RM19,416 (2023 - RM64,160). The trade terms granted to the Group are 30 (2023 - 30) days.

#### 21. OTHER PAYABLES AND ACCRUALS

	Note	The Group		The Company	
		2024 RM	2023 RM (Restated)	2024 RM	2023 RM
Other payables	(a)	2,484,363	2,573,336	-	2,269
Accruals	(b)	5,975,946	6,539,575	32,970	19,550
Advances from customers		28,340	425,724	-	-
		8,488,649	9,538,635	32,970	21,819

- (a) Included in the other payables of the Group are unpaid balances of RM487,272 (2023 - Nil) for acquisition of plant and equipment.
- (b) Included in the accruals of the Group are handling fees amounting to RM5,010,508 (2023 - RM5,143,852) denominated in United States Dollar and payable to sales facilitators for identifying, introducing, recommending prospective customers, negotiating on sales value, coordinating the logistics and handling of the Group's products.



## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 22. SHORT-TERM BORROWINGS

	The Group	
	2024	2023
	RM	RM
<b>Secured</b>		
Bankers' acceptances	4,825,000	2,804,000
Post-shipment buyer loan	1,740,910	588,032
Term loans (Note 17)	1,865,114	2,152,428
Hire purchase payables	-	1,264,531
	8,431,024	6,808,991

The bankers' acceptances, post-shipment buyer loan and term loans of the Group are secured by:-

- (i) a legal charge over certain leasehold land, buildings and machinery under installation of the Group as disclosed in Notes 6 and 7 to the financial statements;
- (ii) an assignment of life assurance policy by certain directors of the Group; and
- (iii) a corporate guarantee by the Company.

The interest rate profile of the short-term borrowings of the Group are summarised below:-

		Interest Rate	Effective Interest Rate	
	Note		The Group	
			2024	2023
			%	%
Bankers' acceptances	(a)	Floating	4.00 - 4.20	3.92 - 3.96
Post-shipment buyer loan	(b)	Floating	4.27 - 4.29	4.32 - 4.35
Term loans (Note 17)		Floating	4.68 - 5.69	4.87 - 6.68
Hire purchase payables	(c)	Fixed	-	4.35 - 5.46

- (a) The major covenants of the bankers' acceptances are as follows:-

- (i) Gearing ratio of the subsidiary shall not exceed 2 times.
- (ii) The subsidiary shall not declare dividends in excess of 50% of its current financial year's profit after tax without the bank's prior consent.

- (b) The major covenants of the post-shipment buyer loan are similar to term loans 3, 6 and 7 as disclosed in Note 17 to the financial statements.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 22. SHORT-TERM BORROWINGS (CONT'D)

##### (c) Hire purchase payables

	The Group 2023 RM
Minimum hire purchase payments:	
- not later than 1 year	1,285,281
Less: Future finance charges	(20,750)
	1,264,531
Current liabilities	1,264,531

The hire purchase payables of the Group at the end of the previous reporting period were subjected to the following effective interest rates per annum:-

	The Group 2023 %
Effective interest rates	4.35 - 5.46

The hire purchase payables of the Group in the previous financial year were secured by certain plant and machinery and motor vehicles under finance lease as disclosed in Note 6(b) to the financial statements.

#### 23. REVENUE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue from Contracts with Customers</b>				
<u>Recognised at a point in time</u>				
Sale of goods:				
- Local sales	43,074,305	41,501,243	-	-
- Oversea sales	58,802,924	81,294,381	-	-
	101,877,229	122,795,624	-	-
<b>Revenue from Other Sources</b>				
Dividend income from a subsidiary	-	-	7,020,000	-
	101,877,229	122,795,624	7,020,000	-

## Notes to the Financial Statements For the Financial Year Ended 31 December 2024 (Cont'd)

### 23. REVENUE (CONT'D)

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 31.2 to the financial statements.
- (b) The Group has applied the practical expedient for not adjusting the sales price for the effects of a significant financing component when the period between the transfer of the promised goods or services to the customer and payment by the customer is 1 year or less.
- (c) The revenue of the Group primarily derives from domestic and international markets.

Revenue from sale of goods is recognised at a point in time when goods have been transferred and accepted by customers, net of discount or when the goods have reached the destination set by the customers.

The credit period is 30 to 90 days from the invoice date. There is no significant financing component in the selling price as the sales are made on the normal credit terms not exceeding 12 months.

The Group does not provide warranties, returns, refunds, or other similar obligations to its customers.

- (d) Dividend income is recognised when the right to receive dividend payment is established.

### 24. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fee	127,000	155,000	15,000	14,000
- non-audit fee	85,300	395,100	79,000	10,000
Directors' fees	522,000	197,500	372,000	47,500
Directors' non-fee emoluments	1,967,566	2,539,089	25,000	-
<b>Material Expenses/(Income)</b>				
Depreciation:				
- property, plant and equipment	5,577,822	5,457,806	-	-
- right-of-use assets	560,306	561,952	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances	129,314	131,024	-	-
- post-shipment buyer loan	70,884	89,400	-	-
- revolving credit	7,451	44,720	-	-
- term loans	267,389	488,590	-	-
- hire purchase payables	20,751	119,645	-	-
Interest expense on lease liabilities	41,231	36,200	-	-
Lease expenses on short-term leases	7,950	22,500	-	-
Listing and special issue expenses	957,239	1,063,722	2,399,059	27,490
Plant and equipment written off	16,708	23,076	-	-

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 24. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/(crediting) (Cont'd):-				
<b>Material Expenses/(Income) (Cont'd)</b>				
Staff costs (including directors of a subsidiary and other key management personnel as disclosed in Note 29):				
- short-term employee benefits	12,706,192	13,360,439	-	-
- defined contribution benefits	985,066	969,800	-	-
- others	174,728	132,182	-	-
Interest income on financial assets measured at amortised cost:				
- fixed deposits with licensed banks	(102,359)	(120,098)	-	-
- others	(2,963)	(5)	(2,944)	-
Interest income on financial assets measured at fair value through profit or loss:				
- short-term investments	(217,892)	(1,422)	(206,436)	-
Net gain on disposal of plant and equipment	(193,122)	(183,997)	-	-
Net loss/(gain) on foreign exchange:				
- realised	739,980	(341,067)	-	-
- unrealised	(314,722)	(498,792)	-	-

#### 25. TAX EXPENSE

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current tax expense	1,193,613	2,753,000	-	-
Under/(Over)provision in the previous financial year	10,186	(300,706)	-	-
	1,203,799	2,452,294	-	-
Deferred tax (Note 18):				
- origination of temporary differences	304,852	216,000	-	-
- underprovision in the previous financial year	508,734	172,000	-	-
	813,586	388,000	-	-
	2,017,385	2,840,294	-	-

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 25. TAX EXPENSE (CONT'D)

A reconciliation of tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before taxation	2,471,569	9,609,257	4,030,683	(88,819)
Tax at statutory tax rate of 24% (2023 - 24%)	593,177	2,306,222	967,364	(21,317)
Tax effects of:				
- Non-deductible expenses	1,045,151	649,796	717,436	21,317
- Non-taxable income	(429,059)	(2,224)	(1,684,800)	-
- Double deduction expenses	(14,067)	-	-	-
Deferred tax assets not recognised during the financial year	303,263	15,206	-	-
Under/(Over)provision of current tax in the previous financial year	10,186	(300,706)	-	-
Underprovision of deferred taxation in the previous financial year	508,734	172,000	-	-
	2,017,385	2,840,294	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit for the financial year.

#### 26. EARNINGS PER SHARE

##### (a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2024	2023
Profit attributable to owners of the Company (RM)	454,184	6,768,963
Weighted average number of ordinary shares	266,841,530	224,000,000
Basic earnings per share (sen)	0.17	3.02

##### (b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares during the financial year.

Notes to the Financial Statements  
For the Financial Year Ended 31 December 2024 (Cont'd)

## 27. DIVIDENDS

	The Group / The Company
	2024                      2023
	RM                        RM
<b>Ordinary shares</b>	
Interim single-tier dividend of 1.5 sen per ordinary share in respect of the current financial year	4,200,000                      -

## 28. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2024	2023
	RM	RM
<b>Property, Plant and Equipment</b>		
Cost of property, plant and equipment purchased	10,610,786	1,908,609
Add: Accruals - balance paid in the current financial year	-	198,710
Less: Other payables - balance remain unpaid		
as at the end of current financial year (Note 21(a))	(487,272)	-
Add: Deposits/Prepayments made for future purchases (Note 10(a) and (b))	720,107	40,625
Less: Prepayments made in previous financial year	(40,625)	(49,060)
	10,802,996	2,098,884

## Right-of-use Assets

Cost of right-of-use assets acquired (Note 7)	55,695
Less: Addition of new lease liabilities (Note 19)	(55,695)
	-



## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 28. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Lease Liabilities RM	Term Loans RM	Hire Purchase Payables RM	Post- Shipment Buyer Loan RM	Revolving Credit RM	Bankers' Acceptances RM	Total RM
<b>2024</b>							
At 1 January	869,352	6,920,781	1,264,531	588,032	-	2,804,000	12,446,696
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	-	2,222,925	-	5,709,594	650,000	18,088,000	26,670,519
Repayments of principal	(422,689)	(4,983,974)	(1,264,531)	(4,556,716)	(650,000)	(16,067,000)	(27,944,910)
Payments of interest	(41,231)	(286,698)	(20,751)	(70,884)	(7,451)	(129,314)	(556,329)
	(463,920)	(3,047,747)	(1,285,282)	1,081,994	(7,451)	1,891,686	(1,830,720)
<u>Other Changes</u>							
Modification of leases	926,662	-	-	-	-	-	926,662
Interest expense recognised in profit or loss	41,231	267,389	20,751	70,884	7,451	129,314	537,020
	967,893	267,389	20,751	70,884	7,451	129,314	1,463,682
At 31 December	1,373,325	4,140,423	-	1,740,910	-	4,825,000	12,079,658

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 28. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Lease Liabilities RM	Term Loans RM	Hire Purchase Payables RM	Post- Shipment Buyer Loan RM	Revolving Credit RM	Bankers' Acceptances RM	Invoice Financing RM	Total RM
<b>2023</b>								
At 1 January	804,560	9,389,706	3,417,953	2,089,193	1,500,000	6,823,000	349,988	24,374,400
<b>Changes in Financing</b>								
<b>Cash Flows</b>								
Proceeds from drawdown	-	-	-	8,805,422	2,450,000	16,134,000	-	27,389,422
Repayments of principal	(405,240)	(2,463,818)	(2,153,422)	(10,306,583)	(3,950,000)	(20,153,000)	(349,988)	(39,782,051)
Payments of interest	(36,200)	(493,697)	(119,645)	(89,400)	(44,720)	(131,024)	-	(914,686)
	(441,440)	(2,957,515)	(2,273,067)	(1,590,561)	(1,544,720)	(4,150,024)	(349,988)	(13,307,315)
<b>Other Changes</b>								
Acquisition of new lease	55,695	-	-	-	-	-	-	55,695
Modification of leases	414,337	-	-	-	-	-	-	414,337
Interest expense recognised in profit or loss	36,200	488,590	119,645	89,400	44,720	131,024	-	909,579
	506,232	488,590	119,645	89,400	44,720	131,024	-	1,379,611
At 31 December	869,352	6,920,781	1,264,531	588,032	-	2,804,000	-	12,446,696

## Notes to the Financial Statements For the Financial Year Ended 31 December 2024 (Cont'd)

### 28. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2024 RM	2023 RM
Interest paid on lease liabilities	41,231	36,200
Payment of lease liabilities	422,689	405,240
Payment of short-term leases	7,950	22,500
	471,870	463,940

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term investments	9,354,881	1,411,767	5,452,436	-
Fixed deposits with licensed banks	3,808,944	4,137,534	-	-
Cash and bank balances	3,681,269	4,995,757	29,450	20,200
	16,845,094	10,545,058	5,481,886	20,200

### 29. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and a member of senior management of the Group.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	522,000	197,500	372,000	47,500
- salaries, bonuses and other benefits	1,759,809	2,292,939	25,000	-
	2,281,809	2,490,439	397,000	47,500
Defined contribution benefits	207,757	246,150	-	-
	2,489,566	2,736,589	397,000	47,500

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 29. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>(a) Directors (Cont'd)</b>				
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- fees	150,000	150,000	-	-
- salaries, bonuses and other benefits	802,314	1,231,309	-	-
	952,314	1,381,309	-	-
Defined contribution benefits	96,048	93,990	-	-
	1,048,362	1,475,299	-	-
Total directors' remuneration	3,537,928	4,211,888	397,000	47,500

The estimated monetary value of benefits-in-kind provided by the Group to a director of the Company is RM15,500 (2023 - RM14,000).

	The Group	
	2024 RM	2023 RM
<b>(b) Other Key Management Personnel</b>		
Short-term employee benefits	329,257	335,001
Defined contribution benefits	39,312	40,100
Total compensation for other key management personnel	368,569	375,101

#### 30. RELATED PARTY DISCLOSURES

##### Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the statements of cash flows and Note 24 to the financial statements, the Group and the Company also carried out the following significant transactions with their related parties during the financial year:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Dividend income received from a subsidiary	-	-	(7,020,000)	-
Share issuance expenses charged by a subsidiary	-	-	1,619,212	-
Transportation expenses charged by a close family member of certain directors	178,246	218,607	-	-
Transportation expenses charged by entities controlled by close family members of certain directors	501,346	803,887	-	-

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 30. RELATED PARTY DISCLOSURES (CONT'D)

##### Significant Related Party Transactions and Balances (Cont'd)

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Notes 11 and 20 to the financial statements.

#### 31. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision makers in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products.

The Group is organised into 2 main reportable segments as follows:-

- Production segment - involved in production of ground calcium carbonate, calcium carbonate dispersion and kaolin dispersion.
  - Bioplastic segment - involved in manufacturing of bioplastic compound and packaging products.
  - Others - involved in the business of trading and processing in other industrial minerals, operations of limestone quarry and investment holding.
- (a) The chief operating decision makers assess the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Segment assets and liabilities information are not regularly provided to the chief operating decision makers. Hence, no disclosure is made on segment assets and liabilities.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 31. OPERATING SEGMENTS (CONT'D)

##### 31.1 BUSINESS SEGMENTS

2024	Production RM	Bioplastic RM	Others RM	Consolidation Adjustments RM	The Group RM
<b>Revenue</b>					
External revenue	102,084,195	40,515	4,520,729	(4,768,210)	101,877,229
Inter-segment revenue	4,040	-	8,752,004	(8,756,044)	-
Total revenue	102,088,235	40,515	13,272,733	(13,524,254)	101,877,229
<b>Results</b>					
Segment profit/(loss) before interest and taxation	6,325,477	(1,304,740)	5,040,192	(7,052,340)	3,008,589
Finance costs					(537,020)
Tax expense					(2,017,385)
Profit after taxation					454,184
Segment profit/(loss) includes the followings:-					
Bad debts written off	46,544	-	11,017	-	57,561
Depreciation:					
- property, plant and equipment	4,912,678	544,750	120,394	-	5,577,822
- right-of-use assets	468,038	56,941	92,268	(56,941)	560,306
Interest expense	395,037	98,352	2,400	-	495,789
Interest expense on lease liabilities	33,340	2,836	7,891	(2,836)	41,231
Plant and equipment written off	16,606	-	102	-	16,708
Fair value gain on short-term investments	(143,403)	-	(15,721)	-	(159,124)
Net gain on disposal on plant and equipment	(150,166)	-	(42,956)	-	(193,122)
Net unrealised (gain)/loss on foreign exchange	(316,727)	2,061	(56)	-	(314,722)
Interest income:					
- fixed deposits with licensed banks	(87,002)	-	(15,357)	-	(102,359)
- short-term investment	(10,324)	-	(207,568)	-	(217,892)
- subsidiary	(29,100)	-	(181)	29,281	-
- others	-	(19)	(2,944)	-	(2,963)



## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 31. OPERATING SEGMENTS (CONT'D)

##### 31.1 BUSINESS SEGMENTS (CONT'D)

2023 (Restated)	Production RM	Bioplastic RM	Others RM	Consolidation Adjustments RM	The Group RM
<b>Revenue</b>					
External revenue	124,343,752	-	3,444,802	(4,992,930)	122,795,624
Inter-segment revenue	2,400	-	1,928,778	(1,931,178)	-
<b>Total revenue</b>	<b>124,346,152</b>	<b>-</b>	<b>5,373,580</b>	<b>(6,924,108)</b>	<b>122,795,624</b>
<b>Results</b>					
Segment profit/(loss) before interest and taxation	10,894,725	(1,021,416)	648,537	(3,011)	10,518,835
Finance costs					(909,578)
Tax expense					(2,840,294)
<b>Profit after taxation</b>					<b>6,768,963</b>
Segment profit/(loss) includes the followings:-					
Bad debts written off	1,367	-	233	-	1,600
Depreciation:					
- property, plant and equipment	5,083,138	264,293	110,375	-	5,457,806
- right-of-use assets	476,985	56,984	84,967	(56,984)	561,952
Interest expense	723,970	145,179	4,230	-	873,379
Interest expense on lease liabilities	30,951	3,269	5,249	(3,269)	36,200
Plant and equipment written off	23,039	-	37	-	23,076
Fair value gain on short-term investment	(7,924)	-	(1,343)	-	(9,267)
Net gain on disposal on plant and equipment	(162,340)	-	(21,657)	-	(183,997)
Net unrealised gain on foreign exchange	(483,603)	(1,105)	(14,084)	-	(498,792)
Interest income:					
- fixed deposits with licensed banks	(105,653)	-	(14,445)	-	(120,098)
- short-term investment	(1,215)	-	(207)	-	(1,422)
- others	-	(5)	-	-	(5)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 31. OPERATING SEGMENTS (CONT'D)

##### 31.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	The Group	
	2024 RM	2023 RM
Malaysia	43,074,305	41,501,243
India	48,279,673	71,155,465
Others	10,523,251	10,138,916
	101,877,229	122,795,624

The geographical information for non-current assets is not presented as the Group operates primarily in Malaysia during the reporting period.

##### 31.3 MAJOR CUSTOMERS

The following are the major customers with revenue equal to or more than 10% of the Group's total revenue:-

	2024 RM	The Group 2023 RM	Segment
Customer 1	17,206,490	26,519,683	Production
Customer 2	6,465,337	12,631,875	Production

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 32. CAPITAL COMMITMENTS

	The Group	
	2024	2023
	RM	RM
<u>Approved and contracted for:</u>		
Construction of buildings	92,951	1,151,593
Acquisition of plant and machinery	612,112	1,800
Acquisition of forklift	109,000	-
Acquisition of electrical equipment and fittings	786,500	-
Acquisition of lab equipment	959,714	-
Acquisition of software	24,300	-
	2,584,577	1,153,393

#### 33. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

##### (a) Market Risk

##### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk is primarily United States Dollar ("USD"), Chinese Yuan ("CNY"), Singapore Dollar ("SGD") and Australian Dollar ("AUD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) Market Risk (Cont'd)

###### (i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

###### Foreign Currency Exposure

The Group	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Australian Dollar RM	Ringgit Malaysia RM	Total RM
<b>2024</b>						
<b>Financial Assets</b>						
Trade receivables	6,267,591	-	15,559	-	8,727,334	15,010,484
Other receivables and deposits	-	-	-	-	341,643	341,643
Short-term investments	3,890,571	-	-	-	5,464,310	9,354,881
Fixed deposits with licensed banks	-	-	-	-	3,808,944	3,808,944
Cash and bank balances	2,504,482	2,927	-	48	1,173,812	3,681,269
	12,662,644	2,927	15,559	48	19,516,043	32,197,221

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

##### Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Australian Dollar RM	Ringgit Malaysia RM	Total RM
<b>2024</b>						
<u>Financial Liabilities</u>						
Trade payables	-	647,062	-	-	5,082,287	5,729,349
Other payables and accruals	5,036,988	479,631	-	-	2,943,690	8,460,309
Bankers' acceptances	-	-	-	-	4,825,000	4,825,000
Post-shipment buyer loan	-	-	-	-	1,740,910	1,740,910
Term loans	-	-	-	-	4,140,423	4,140,423
	5,036,988	1,126,693	-	-	18,732,310	24,895,991
Net financial assets/(liabilities)						
Add: Net financial assets denominated in the entity's functional currency	7,625,656	(1,123,766)	15,559	48	783,733	7,301,230
	-	-	-	-	(783,733)	(783,733)
Currency Exposure	7,625,656	(1,123,766)	15,559	48	-	6,517,497

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

##### Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Australian Dollar RM	Ringgit Malaysia RM	Total RM
<b>2023 (Restated)</b>						
Financial Assets						
Trade receivables	11,520,804	-	194,319	-	8,701,167	20,416,290
Other receivables and deposits	-	-	-	-	216,070	216,070
Short-term investment	-	-	-	-	1,411,767	1,411,767
Fixed deposits with licensed banks	-	-	-	-	4,137,534	4,137,534
Cash and bank balances	2,389,554	1,384	-	35	2,604,784	4,995,757
	13,910,358	1,384	194,319	35	17,071,322	31,177,418



## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

##### Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Australian Dollar RM	Ringgit Malaysia RM	Total RM
<b>2023 (Restated)</b>						
<u>Financial Liabilities</u>						
Trade payables	-	579,062	-	-	5,721,457	6,300,519
Other payables and accruals	5,143,852	-	-	-	3,969,059	9,112,911
Bankers' acceptances	-	-	-	-	2,804,000	2,804,000
Post-shipment buyer loan	-	-	-	-	588,032	588,032
Term loans	-	-	-	-	6,920,781	6,920,781
Hire purchase payables	-	-	-	-	1,264,531	1,264,531
	5,143,852	579,062	-	-	21,267,860	26,990,774
Net financial assets/(liabilities)	8,766,506	(577,678)	194,319	35	(4,196,538)	4,186,644
Less: Net financial liabilities denominated in the entity's functional currency	-	-	-	-	4,196,538	4,196,538
Currency Exposure	8,766,506	(577,678)	194,319	35	-	8,383,182

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) Market Risk (Cont'd)

###### (i) Foreign Currency Risk (Cont'd)

###### *Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2024	2023
	RM	RM
<b>Effects on Profit After Taxation</b>		
USD/RM		
- strengthened by 5%	+289,775	+333,127
- weakened by 5%	-289,775	-333,127
CNY/RM		
- strengthened by 5%	-42,703	-21,952
- weakened by 5%	+42,703	+21,952
SGD/RM		
- strengthened by 5%	+591	+7,384
- weakened by 5%	-591	-7,384
AUD/RM		
- strengthened by 5%	+2	+1
- weakened by 5%	-2	-1

There is no impact on the Group's equity.

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

###### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowing with variables rates. The Group adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 17 and 22 to the financial statements.

## Notes to the Financial Statements For the Financial Year Ended 31 December 2024 (Cont'd)

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

###### (ii) Interest Rate Risk (Cont'd)

###### *Interest Rate Risk Sensitivity Analysis*

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

###### (iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

##### (b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

###### (i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 1 (2023 - 2) customers which constituted approximately 22% (2023 - 36%) of its trade receivables.

###### (ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

###### (iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in related to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patters.

##### Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2023 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debt as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables (Cont'd)

##### *Allowance for Impairment Losses*

The information about the credit exposure for trade receivables is as follows:-

<i>Carrying Amount</i>	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Current (not past due)	10,201,300	12,491,682
1 to 30 days past due	3,457,546	6,066,226
31 to 60 days past due	781,516	975,161
61 to 90 days past due	168,840	683,453
More than 90 days past due	401,282	199,768
	4,809,184	7,924,608
	15,010,484	20,416,290

The Group believes that no impairment allowance is necessary in respect of its trade receivables because the probability of default by these trade receivables were negligible. They are good customers with no history of default.

##### Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

##### *Allowance for Impairment Losses*

No expected credit loss is recognised on other receivables as it is negligible.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

##### Amount Owing by Subsidiaries (Non-trade Balances)

The Company also applies the 3-stage general approach (see information in other receivables above) to measuring expected credit losses for all inter-company balances.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Group and the Company use 3 categories to reflect its credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.



## Notes to the Financial Statements For the Financial Year Ended 31 December 2024 (Cont'd)

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### *Allowance for Impairment Losses*

At the end of the reporting period, there was no indication that the balances are not recoverable.

##### Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

##### *Allowance for Impairment Losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
<b>2024</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	-	5,729,349	5,729,349	5,729,349	-
Other payables and accruals	-	8,460,309	8,460,309	8,460,309	-
Bankers' acceptances	4.00 - 4.20	4,825,000	4,825,000	4,825,000	-
Post-shipment buyer loan	4.27 - 4.29	1,740,910	1,740,910	1,740,910	-
Term loans	4.68 - 5.69	4,140,423	4,670,477	2,151,040	2,519,437
Lease liabilities	4.88 - 6.10	1,373,325	1,478,620	501,120	977,500
		26,269,316	26,904,665	23,407,728	3,496,937
<b>2023 (Restated)</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	-	6,300,519	6,300,519	6,300,519	-
Other payables and accruals	-	9,112,911	9,112,911	9,112,911	-
Bankers' acceptances	3.92 - 3.96	2,804,000	2,804,000	2,804,000	-
Post-shipment buyer loan	4.32 - 4.35	588,032	588,032	588,032	-
Term loans	4.87 - 6.68	6,920,781	7,660,882	2,501,670	5,159,212
Hire purchase payables	4.35 - 5.46	1,264,531	1,285,281	1,285,281	-
Lease liabilities	5.48 - 6.10	869,352	925,600	463,920	461,680
		27,860,126	28,677,225	23,056,333	5,620,892

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### *Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
<b>2024</b>			
<u>Non-derivatives Financial Liabilities</u>			
Other payables and accruals	32,970	32,970	32,970
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	-	10,706,333	10,706,333
	32,970	10,739,303	10,739,303
<b>2023</b>			
<u>Non-derivatives Financial Liabilities</u>			
Other payables and accruals	21,819	21,819	21,819
Amount owing to a subsidiary	131,075	131,075	131,075
	152,894	152,894	152,894

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair values on initial recognition were not material.

##### 33.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.2 CAPITAL RISK MANAGEMENT (CONT'D)

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total debts divided by total equity. The Group includes within total debts, loans and borrowings from financial institutions. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2024 RM	2023 RM
Bankers' acceptances	4,825,000	2,804,000
Post-shipment buyer loan	1,740,910	588,032
Term loans	4,140,423	6,920,781
Hire purchase payables	-	1,264,531
Total debts	10,706,333	11,577,344
Total equity	73,366,274	64,168,451
Debt-to-equity ratio	0.15	0.18

There was no change in the approach to capital management during the financial year.

As the Company has no external borrowings, the debt-to-equity ratio is not presented as it may not provide a meaningful indicator of the risk of borrowings.

##### 33.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM	2023 RM (Restated)	2024 RM	2023 RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments	9,354,881	1,411,767	5,452,436	-
<u>Amortised Costs</u>				
Trade receivables	15,010,484	20,416,290	-	-
Other receivables and deposits	341,643	216,070	30,315	-
Amount owing by subsidiaries	-	-	7,083,332	-
Fixed deposits with licensed banks	3,808,944	4,137,534	-	-
Cash and bank balances	3,681,269	4,995,757	29,450	20,200
	22,842,340	29,765,651	7,143,097	20,200

## Notes to the Financial Statements For the Financial Year Ended 31 December 2024 (Cont'd)

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### 33.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
	(Restated)			
<b>Financial Liability</b>				
<u>Amortised Costs</u>				
Trade payables	5,729,349	6,300,519	-	-
Other payables and accruals	8,460,309	9,112,911	32,970	21,819
Amount owing to a subsidiary	-	-	-	131,075
Bankers' acceptances	4,825,000	2,804,000	-	-
Post-shipment buyer loan	1,740,910	588,032	-	-
Term loans	4,140,423	6,920,781	-	-
Hire purchase payables	-	1,264,531	-	-
	24,895,991	26,990,774	32,970	152,894

#### 33.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group	
	2024	2023
	RM	RM
<b>Financial Assets</b>		
<u>Fair Value Through Profit or Loss</u>		
Net gains recognised in profit or loss by:		
- Fair value gain on short-term investments	159,124	9,267
<u>Amortised Cost</u>		
Net loss recognised in profit or loss:		
- Bad debts written off	57,561	1,600

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
<b>2024</b>								
<u>Financial Asset</u>								
Short-term investments:								
- money market funds	-	9,354,881	-	-	-	-	9,354,881	9,354,881
<u>Financial Liability</u>								
Term loans	-	-	-	-	4,140,423	-	4,140,423	4,140,423
<b>2023</b>								
<u>Financial Asset</u>								
Short-term investments:								
- money market funds	-	1,411,767	-	-	-	-	1,411,767	1,411,767
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	6,920,781	-	6,920,781	6,920,781
Hire purchase payables	-	-	-	-	1,264,531	-	1,264,531	1,264,531



## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
<b>2024</b>								
<u>Financial Asset</u>								
Short-term investments:								
- money market funds	-	5,452,436	-	-	-	-	5,452,436	5,452,436

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. FINANCIAL INSTRUMENTS (CONT'D)

##### 33.5 FAIR VALUE INFORMATION (CONT'D)

###### (a) Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

The fair value of money market funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

###### (b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair value of hire purchase payables was estimated by discounting future cash flows using effective interest rates for similar type of hire purchase arrangements.

#### 34. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

The Group	As Previously Reported RM	As Restated RM
Consolidated Statement of Financial Position (Extract):-		
Trade payables	7,464,352	6,300,519
Other payables and accruals	8,374,802	9,538,635
Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract):-		
Selling and distribution expenses	25,937,168	27,473,440
Administrative expenses	12,307,658	11,109,296
Finance costs	1,247,488	909,578

## Notes to the Financial Statements For the Financial Year Ended 31 December 2024 (Cont'd)

### 35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 27 March 2024, the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") with the public issue of 56,000,000 new ordinary shares at an issue price of RM0.25 each.
- (b) The Company had on 10 September 2024 announced to implement a special issue of up to 40,000,000 new ordinary shares in the Company, representing approximately 12.5% of the Company's enlarged number of issued shares to independent third-party Bumiputera investors to be identified and/or approved by the Ministry of Investment, Trade and Industry Malaysia ("Proposed Special Issue").

On 13 September 2024, M&A Securities Sdn. Bhd. had submitted the additional listing application in relation to the Proposed Special Issue to Bursa Securities.

On 9 October 2024, the Company had announced that Bursa Securities had approved the listing of and quotation for up to 40,000,000 new ordinary shares to be issued pursuant to the Proposed Special Issue on the ACE Market of Bursa Securities, subject to conditions.

On 4 November 2024, the Company had obtained its shareholders' approval at the Extraordinary General Meeting for the Proposed Special Issue.

### 36. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 16 January 2025, the Company had announced that the Company fixed the issue price at RM0.335 per Special Issue Share to be issued pursuant to the Special Issue.

On 4 February 2025, a total of 4,753,400 Special Issue Shares were listed on the ACE Market of Bursa Securities.

On 28 March 2025, the Company had announced that the Special Issue Share is deemed to have complied with the Bumiputera Equity Requirements via a letter dated 27 March 2025 from Securities Commission Malaysia. As such, the Special Issue is deemed completed.

# List of Properties

## As at 31 December 2024

Registered Owner	Postal Address / Title Details	Description of Property / Existing Use	Approximate Land / Built-up Area	Tenure	Date of Acquisition	Approximate Age of Buildings	Net Book Value (RM'000)
Zantat Sdn Bhd	PT 24571 Kaw. Industri Batu Kapur Keramat Pulau, 31300 Kampung Kepayang, Perak / H.S.(D) 229426, PT 24571, Mukim Sungai Raya, Daerah Kinta, Negeri Perak.	A single-storey manufacturing facility annexed with a single-storey office building and warehouse and a double-storey hostel accommodation / Manufacturing plant and hostel for foreign workers	21,410 m <sup>2</sup> / 118,000 sq.ft.	Leasehold for 99 years expiring on 3 July 2115	<ul style="list-style-type: none"> <li>7 July 2005 (Land)</li> <li>12 October 2016 (Manufacturing plant)</li> <li>29 April 2022 (Hostel)</li> </ul>	8 years  2 years	10,748
Zantat Sdn Bhd	PT 21289 (Lot 335978) Kaw. Industri Batu Kapur Keramat Pulau, 31300 Kampung Kepayang, Perak / PN1066053, Lot 335978, Mukim Sungai Raya, Daerah Kinta, Negeri Perak.	A single-storey manufacturing facility annexed with a double-storey office building and warehouse / Manufacturing plant	18,979 m <sup>2</sup> / 107,000 sq.ft.	Leasehold for 99 years expiring on 25 September 2107	<ul style="list-style-type: none"> <li>15 October 2014 (Land)</li> <li>28 July 2018 (Manufacturing plant)</li> </ul>	6 years	14,404
Zantat Sdn Bhd	PT 21294 (Lot 335983) Kaw. Industri Batu Kapur Keramat Pulau, 31300 Kampung Kepayang, Perak / PN 1066057, Lot 335983, Mukim Sungai Raya, Daerah Kinta, Negeri Perak.	Quarry land / No quarrying operations currently	59,790 m <sup>2</sup>	Leasehold for 60 years expiring on 25 September 2068	15 October 2014	N/A	2,718
Zantat Light C.C. Sdn Bhd	PT 22565, Kaw. Industri Batu Kapur Keramat Pulau, 31300 Kampung Kepayang, Perak / H.S.(D) 190127, PT 22565, Mukim Sungai Raya, Daerah Kinta, Negeri Perak.	Quarry land / Quarry operations	40,440 m <sup>2</sup>	Leasehold for 60 years expiring on 14 March 2070	13 August 2002	N/A	424
Calrock Sdn Bhd	60, Persiaran Portland, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak / PN 289294, Lot 60997, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak.	A single-storey manufacturing facility annexed with 2 single-storey office building / Manufacturing plant	7,572 m <sup>2</sup> / 54,240 sq.ft.	Leasehold for 99 years expiring on 30 June 2076	<ul style="list-style-type: none"> <li>26 April 2000 (Land)</li> <li>25 July 2001 (Manufacturing plant)</li> </ul>	23 years	1,083
Calrock Sdn Bhd	30, Persiaran Taman Tasek 1, Taman Tasek Baru, 31400 Ipoh, Perak / PN 374167, Lot 177880, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak.	Double-storey terrace house (corner house) / Hostel for foreign workers	317 m <sup>2</sup> / 2,182 sq.ft.	Leasehold for 99 years expiring on 3 July 2113	8 November 2017	7 years	403

# Analysis of Shareholdings

## As At 28 March 2025

Number of Shares Issued : 284,753,400  
 Voting rights : One vote for one ordinary share  
 No. of Shareholders : 2,209

### Distribution of shareholdings

Category	No. of Holders	%	No. of Shares	%
Less than 100	0	0.00	0	0.00
100 - 1,000	295	13.35	130,600	0.05
1,001 - 10,000	922	41.74	5,576,200	1.96
10,001 - 100,000	841	38.07	28,401,400	9.97
100,001 to less than 5% of issued shares	148	6.70	104,914,600	36.84
5% and above of issued shares	3	0.14	145,730,600	51.18
<b>Total</b>	<b>2,209</b>	<b>100.0</b>	<b>284,753,400</b>	<b>100.0</b>

### SUBSTANTIAL SHAREHOLDERS

		SHAREHOLDINGS		
	Direct Interest	%	Deemed interest	%
1 CLHF Resources Sdn Bhd	110,506,600	38.81	-	-
2 Teh Ah Soon @ Teh Soon Tick	18,648,000	6.55	-	-
3 Chan Eng Hue	16,576,000	5.82	-	-
4 Chan Hup Ooi	7,735,500	2.72	125,977,600 <sup>(a)</sup>	44.24

### DIRECTORS' SHAREHOLDINGS

		SHAREHOLDINGS		
	Direct Interest	%	Deemed interest	%
1 Yap Yoon Kong	0	-	-	-
2 Chan Hup Ooi	7,735,500	2.72	125,977,600 <sup>(a)</sup>	44.24
3 Chan Bin Iuan	9,785,500	3.44	-	-
4 Chan Jee Chet	7,735,500	2.72	-	-
5 Aw Ee Ling	300,000	0.11	-	-
6 Poo Lap Tuck	-	-	-	-
7 Dr Gan Seng Kian	-	-	-	-
8 Rima Ramona Binti Muhammad Arif	-	-	-	-
9 Prof. Dr. Teh Geok Bee	-	-	-	-
10 Chan Jee Yang (Alternate Director)	7,735,500	2.72	-	-

#### Note:

(a) Deemed interest by virtue of his interest in CLHF Resources Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016 ("Act") and his spouse's and son's shareholdings pursuant to Section 59(11) of the Act.

## Analysis of Shareholdings As At 28 March 2025 (Cont'd)

### THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CLHF Resources Sdn Bhd	110,506,600	38.81
2	Teh Ah Soon @ Teh Soon Tick	18,648,000	6.55
3	Chan Eng Hue	16,576,000	5.82
4	Chan Bin Iuan	9,785,500	3.44
5	Chan Hup Ooi	7,735,500	2.72
6	Chan Jee Chet	7,735,500	2.72
7	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Mei Choon	7,735,500	2.72
8	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Jee Yang	7,735,500	2.72
9	Teh Koh Tun	6,266,000	2.20
10	Lim Gaik Lan	6,216,000	2.18
11	Teh Su Hui	6,216,000	2.18
12	Chong Jia Shun	2,450,600	0.86
13	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Young Chuan Kim (E-KTU)	1,600,000	0.56
14	Cheah Yee Lin	1,500,000	0.53
15	Ng Paik Hoon	1,381,300	0.48
16	Wong Chung Hua	1,296,500	0.45
17	TCT Farm Sdn. Bhd.	1,092,000	0.38
18	Chen Thean Seong	860,000	0.30
19	Ng Lim Mooi	790,800	0.28
20	Abd Ghani bin Abdullah	754,500	0.26
21	Muhammad Bazli bin Mohd Haris	680,000	0.24
22	Lim Chee Chang	600,000	0.21
23	Tan Seok Guan	600,000	0.21
24	Maybank Nominees (Tempatan) Sdn Bhd Tob Weng Kin	587,800	0.21
25	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Ee Peng (E-TAI)	586,000	0.21
26	Cheeng Sui Ping	575,000	0.20
27	Lim Chui Huong	566,000	0.19
28	David Phong Voon Kheong	547,600	0.19
29	Adib Dhiyauddin bin Azhar	546,600	0.19
30	Lai Boon Kiat	500,000	0.17
<b>TOTAL</b>		<b>222,670,800</b>	<b>78.20</b>



# Notice of 3<sup>rd</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the 3<sup>rd</sup> Annual General Meeting (“**AGM**”) of Zantat Holdings Berhad (“**the Company**”) will be held at Agate Room, Level G, M World Hotel PJ (formerly known as AVANTÉ Hotel), 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor on **Friday, 30 May 2025 at 10.00 a.m.**, or any adjournment thereof for the purpose of considering and, if thought fit, passing with or without modifications the resolutions as set out in this notice:

## AGENDA

### AS ORDINARY BUSINESS

- |    |  |  |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors’ Report and Auditors’ Report thereon.                            | <b>(Please refer to Explanatory Notes)</b> |
| 2. | To approve the payment of Directors’ fees for the Company and Group totaling RM802,000 for the financial year ending 31 December 2025.   | <b>RESOLUTION 1</b>                        |
| 3. | To approve the payment of Directors’ benefits up to an amount of RM50,000 for the financial year ending 31 December 2025 and up to the date of the 4 <sup>th</sup> AGM of the Company. | <b>RESOLUTION 2</b>                        |
| 4. | To re-elect Mr Chan Hup Ooi, who retires in accordance with Article 18.2 of the Company’s Constitution and being eligible, has offered himself for re-election.                        | <b>RESOLUTION 3</b>                        |
| 5. | To re-elect Mr Poo Lap Tuck, who retires in accordance with Article 18.2 of the Company’s Constitution and being eligible, has offered himself for re-election.                        | <b>RESOLUTION 4</b>                        |
| 6. | To re-elect Ms Aw Ee Ling, who retires in accordance with Article 18.9 of the Company’s Constitution and being eligible, has offered herself for re-election.                          | <b>RESOLUTION 5</b>                        |
| 7. | To re-elect Prof Dr Teh Geok Bee, who retires in accordance with Article 18.9 of the Company’s Constitution and being eligible, has offered herself for re-election.                   | <b>RESOLUTION 6</b>                        |
| 8. | To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.  | <b>RESOLUTION 7</b>                        |

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution with or without modifications:

- |    |  |                     |
|----|--|---------------------|
| 9. | <b>AUTHORITY TO ALLOT AND ISSUE SHARES BY THE DIRECTORS UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</b> | <b>RESOLUTION 8</b> |
|----|--|---------------------|

“**THAT** subject always to the Companies Act, 2016 (“**the Act**”), the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and approvals of Bursa Securities and other relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority, AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities, AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company, unless revoked or varied by ordinary resolution of the Company at a general meeting.

## Notice of 3<sup>rd</sup> Annual General Meeting (Cont'd)

**AND THAT** the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

10. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

**SIEW SUET WEI (MAICSA 7011254)**

SSM Practicing Certificate No. 202008001690

Company Secretary

Petaling Jaya

Date: 30 April 2025

### NOTES:

#### (A) Information for Shareholders/Proxies

- For the purpose of determining a member who shall be entitled to attend and vote at the 3<sup>rd</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 15.9 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), to issue a General Meeting Record of Depositors as of 22 May 2025. Only a depositor whose name appears on the Record of Depositors as of 22 May 2025 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member appoints more than one (1) proxy but not more than two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”) as defined under the SICDA, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
- The duly completed and executed Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the Proxy Form may be submitted electronically via TIIH online website at <https://tiih.online>, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
- Pursuant to Rule 8.31A(1) of the Listing Requirements, voting at the AGM of the Company will be conducted by poll. Poll Administrator and Independent Scrutineers will be appointed respectively to conduct the polling and to verify the results of the poll.

## Notice of 3<sup>rd</sup> Annual General Meeting (Cont'd)

8. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree, and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this Meeting and convening the Meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

### **EXPLANATORY NOTES ON ORDINARY BUSINESS**

#### **1. Audited Financial Statements for the financial year ended 31 December 2024**

This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Act, the audited financial statements do not require the approval of the shareholders. As such, this matter will not be put forward for voting.

#### **2. Ordinary Resolutions No. 1 & 2: Payment of Directors' Fees & Benefits**

Pursuant to Section 230(1) of the Act, the shareholders' approval is sought for the proposed payment of Directors' fees and benefits to the Directors.

Ordinary Resolution 1 is to seek shareholders' approval on the payment of Directors' fees for the Company and the Group for the financial year ending 31 December 2025 which have been reviewed by the Remuneration Committee and the Board of Directors of the Company.

Ordinary Resolution 2 is to seek shareholders' approval on the payment of Directors' benefits to the Non-Executive Directors in respect of financial year ending 31 December 2025 and up to the date of the 4<sup>th</sup> AGM of the Company which have been reviewed by the Remuneration Committee and the Board of Directors of the Company. The calculation of the benefits is in respect of meeting allowance and based on the estimated number of scheduled and/or special Board and Board Committees' meetings and on the assumption that the number of Non-Executive Directors in office remain the same during the financial year ending 31 December 2025. If the proposed amount is insufficient (due to enlarged Board size and additional number of meetings), approval will be sought at the next AGM to meet the shortfall.

#### **3. Ordinary Resolutions No. 3 to 6: Re-election of Directors**

Article 18.2 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS THAT all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Mr Chan Hup Ooi and Mr Poo Lap Tuck ("**Retiring Directors**") are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election and abstained from deliberation as well as decision on their own eligibility to stand for re-election at the forthcoming 3<sup>rd</sup> AGM.

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the 3<sup>rd</sup> AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee ("NC") has reviewed and assessed each of the Retiring Directors from the annual assessment and evaluation of the Board, Board Committees and Independent Directors for the financial year ended 31 December 2024. The NC had recommended for the Retiring Directors to be re-elected based on the following:

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the fit and proper criteria in discharging their roles as Directors of the Company;

## Notice of 3<sup>rd</sup> Annual General Meeting (Cont'd)

- (iii) level of independence demonstrated by the Independent Directors; and
- (iv) their ability to act in the best interest of the Company in decision-making.

The Board had endorsed the recommendation of the NC on the above re-election. The profiles of the Retiring Directors are set out on pages 107 and 111 of the Integrated Annual Report 2024 of the Company.

Article 18.9 of the Company's Constitution provides that any Director appointed as an addition to the existing Board of Directors shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be considered in determining the Directors who are to retire by rotation at that meeting. Ms Aw Ee Ling and Prof Dr Teh Geok Bee were appointed as Directors on 1 March 2024.

### 4. **Ordinary Resolution No. 7: Appointment of Auditors**

The Audit and Risk Management Committee ("ARMC") has assessed the suitability, effectiveness and independence of Crowe Malaysia PLT from the annual assessment and was satisfied with their independence and performance. The ARMC had recommended the re-appointment of Crowe Malaysia PLT as external auditors of the Company to the Board for their recommendation to the shareholders for re-appointment at the 3<sup>rd</sup> AGM until the conclusion of the AGM in year 2026.

The Board, at the recommendation of the ARMC, endorsed the re-appointment of Crowe Malaysia PLT as external auditors of the Company for FY2025, to be presented to the shareholders for approval.

### 5. **Ordinary Resolution No. 8: Authority to allot and issue shares by the Directors under Sections 75 And 76 of the Act**

The Company had during its 2<sup>nd</sup> AGM held on 25 June 2024 obtained from its shareholders, a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company and this mandate had not been utilised by the Company.

The proposed Ordinary Resolution 8 is a renewal of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. This Ordinary Resolution 8, if passed, will give flexibility to the Board of Directors to raise fund, including but not limited to placing of shares to finance future investment(s), project(s), acquisition(s) and/or working capital without convening a separate general meeting for shareholders' approval, thereby saving time and avoiding additional costs. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next annual general meeting.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

Pursuant to the specific mandate granted by shareholders at the Extraordinary General Meeting held on 4 November 2024, the Company issued a total of 4,753,400 ordinary shares at an issue price of RM0.3350 each in the share capital of the Company to 118 Bumiputera investors ("Special Issue").

## Notice of 3<sup>rd</sup> Annual General Meeting (Cont'd)

### STATEMENT ACCOMPANYING NOTICE OF 3<sup>RD</sup> ANNUAL GENERAL MEETING

(pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

**1. Details of individual who are standing for election as Directors (excluding Directors standing for re-election)**

There are no individuals who are standing for election as Directors.

**2. General mandate for issue of securities in accordance with Rule 6.04(1) of the ACE Market Listing Requirements**

The Company will seek shareholders' approval on the general meeting for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements. Please refer to the Proposed Ordinary Resolution 8 as stated in Notice of the 3<sup>rd</sup> AGM of the Company for details.

# Administrative Guide for Shareholders for the 3<sup>rd</sup> Annual General Meeting

**Date** : Friday, 30 May 2025  
**Time** : 10.00 a.m.  
**Meeting Venue** : Agate Room, Level G, M World Hotel PJ (formerly known as AVANTÉ Hotel),  
 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor

## 1. REGISTRATION AT THE AGM

- Registration will commence at 9.00 a.m. and will end at a time as directed by the Chairman of the Meeting.
- Kindly present your original MyKad or passport (for Non-Malaysian) to the registration personnel at the registration counter for verification.
- Upon verification, you are required to sign the Attendance List and will be given a wristband which has personalised passcode for entry to the meeting venue. There will be no replacement of wristband in the event you lose or misplace the wristband.
- Registration on behalf of another person even with his/her original MyKad or passport is strictly NOT ALLOWED.
- If you are attending the AGM as shareholder as well as proxy, you will be registered once and will only be given one wristband with personalised passcode.

## 2. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only a shareholder whose name appears on the Record of Depositors as at 22 May 2025 shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

## 3. APPOINTMENT OF PROXY

Proxy Form and/or documents relating to the appointment of proxy/corporate representative/attorney for the 3<sup>rd</sup> AGM whether in hardcopy or by electronic means shall be deposited or submitted in the following manner not later than Wednesday, 28 May 2025 at 10.00 a.m.:-

- In hard copy form:-  
 In the case of an appointment made in hard copy form, this Proxy Form must be deposited at the Share Registrar's office at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop-in boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
- By electronic means:-  
 The Proxy Form can be electronically lodge via TIIH Online website at <https://tiih.online> and the steps to submit are summarized as follows:-

Procedure	Action
<b>I. Steps for Individual Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>Select the corporate event: <b>"ZANTAT 3<sup>RD</sup> AGM - Submission of Proxy Form"</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> </ul>



## Administrative Guide for Shareholders for the 3<sup>rd</sup> Annual General Meeting (Cont'd)

Procedure	Action
	<ul style="list-style-type: none"> <li>Review and confirm your proxy(ies) appointment.</li> <li>Print the Proxy Form for your record.</li> </ul>
<b>II. Steps for Corporation or Institutional Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects <b>"Create Account by Representative of Corporate Holder"</b>.</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar, Tricor, if you need clarifications on the user registration.</i></p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Select the corporate exercise name: <b>"ZANTAT 3<sup>RD</sup> AGM - Submission of Proxy Form"</b></li> <li>Agree to the Terms &amp; Conditions and Declaration.</li> <li>Proceed to download the file format for <b>"Submission of Proxy Form"</b> in accordance with the Guidance Note set therein.</li> <li>Prepare the file for the appointment of proxies by inserting the required data.</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select "Submit" to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>

#### 4. PARKING

Vehicles may be parked at the designated location at your convenience. Please be advised that the parking fees are to be borne by the individual parking the vehicle.

#### 5. NO DOOR GIFTS OR FOOD VOUCHERS

Please be informed that no door gifts or food vouchers will be provided to members/proxies at the meeting venue. Light refreshments will be provided.

#### 6. MOBILE DEVICES

Kindly ensure that all mobile devices, including phones, iPads, tablets, and other sound-emitting devices, are either switched off or set to silent mode during the AGM to ensure smooth and uninterrupted proceedings.

#### 7. VOTING PROCEDURE

- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions as set out in the Notice of AGM will be put to vote by poll.
- The polling processes will be managed by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator, and Scrutineer Solutions Sdn Bhd as independent scrutineers appointed to verify and validate the results of the poll at the AGM.

#### 8. ENQUIRY

For enquiries relating to the AGM, please contact our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) at 03-2783 9299.



**ZANTAT HOLDINGS BERHAD**  
(Registration No. 202101040483 (1440783-X))  
(Incorporated in Malaysia)

# PROXY FORM

No. of Shares Held	
CDS Account No.	

I/We \_\_\_\_\_  
(Full Name in Block Letters and NRIC No./Passport No./Registration No.)

of \_\_\_\_\_  
(Address)

being a member of **ZANTAT HOLDINGS BERHAD**, hereby appoint:

## PROXY 1

Full name (in Block Letters)	NRIC / Passport No.*	Email Address	Contact No.
Full Address			

## PROXY 2

Full name (in Block Letters)	NRIC / Passport No.*	Email Address	Contact No.
Full Address			

**OR** failing \*him/her, the CHAIRMAN OF THE MEETING, as \*my/our \*proxy/proxies, to vote for \*me/us and on \*my/our behalf at the 3<sup>rd</sup> Annual General Meeting (“**AGM**”) of the Company to be held at Agate Room, Level G, M World Hotel PJ (formerly known as AVANTÉ Hotel), 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor on **Friday, 30 May 2025 at 10.00 a.m.**, or at any adjournment thereof \*for/against the resolutions to be proposed thereat.

Please indicate with a cross (X) in the space(s) provided below whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as \*he/she thinks fit.

		PROXY 1		PROXY 2	
		For	Against	For	Against
<b>RESOLUTION 1</b>	To approve the payment of Directors’ fees for the Company and Group totaling RM802,000 for the financial year ending 31 December 2025				
<b>RESOLUTION 2</b>	To approve the payment of Directors’ benefits up to an amount of RM50,000 for the financial year ending 31 December 2025 and up to the date of the 4 <sup>th</sup> AGM of the Company				
<b>RESOLUTION 3</b>	To re-elect Mr Chan Hup Ooi, who retires in accordance with Article 18.2 of the Company’s Constitution				
<b>RESOLUTION 4</b>	To re-elect Mr Poo Lap Tuck, who retires in accordance with Article 18.2 of the Company’s Constitution				
<b>RESOLUTION 5</b>	To re-elect Ms Aw Ee Ling, who retires in accordance with Article 18.9 of the Company’s Constitution				
<b>RESOLUTION 6</b>	To re-elect Prof Dr Teh Geok Bee, who retires in accordance with Article 18.9 of the Company’s Constitution				
<b>RESOLUTION 7</b>	To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration				
<b>RESOLUTION 8</b>	Authority to allot and issue shares by the Directors under Sections 75 and 76 of the Companies Act 2016				

\*Delete where applicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

\_\_\_\_\_  
Signature of Member(s) / Common Seal

## NOTES:

### (A) Information for Shareholders/Proxies

- For the purpose of determining a member who shall be entitled to attend and vote at the 3<sup>rd</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 15.9 of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), to issue a General Meeting Record of Depositors as at 22 May 2025. Only a depositor whose name appears on the Record of Depositors as of 22 May 2025 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member appoints more than one (1) proxy but not more than two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”) as defined under the SICDA, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
- The duly completed and executed Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the Proxy Form may be submitted electronically via TIH online website at <https://tiah.online>, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM of the Company will be conducted by poll. Poll Administrator and Independent Scrutineers will be appointed respectively to conduct the polling and to verify the results of the poll.

### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 3<sup>rd</sup> AGM dated 30 April 2025.



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“3<sup>RD</sup> ANNUAL GENERAL MEETING”



The Share Registrar  
**ZANTAT HOLDINGS BERHAD** (Registration No. 202101040483 (1440783-X))  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

1<sup>st</sup> fold here

[www.zantat.com.my](http://www.zantat.com.my)



**ZANTAT HOLDINGS BERHAD**

Registration No. 202101040483 (1440783-X)

Lot 1013-B, Jalan 2/32A, 6 ½ Miles,  
Kepong Industrial Area, Jalan Kepong,  
52100 Kuala Lumpur, Malaysia.



+603-6258 5552



[zantat@zantat.com.my](mailto:zantat@zantat.com.my)