

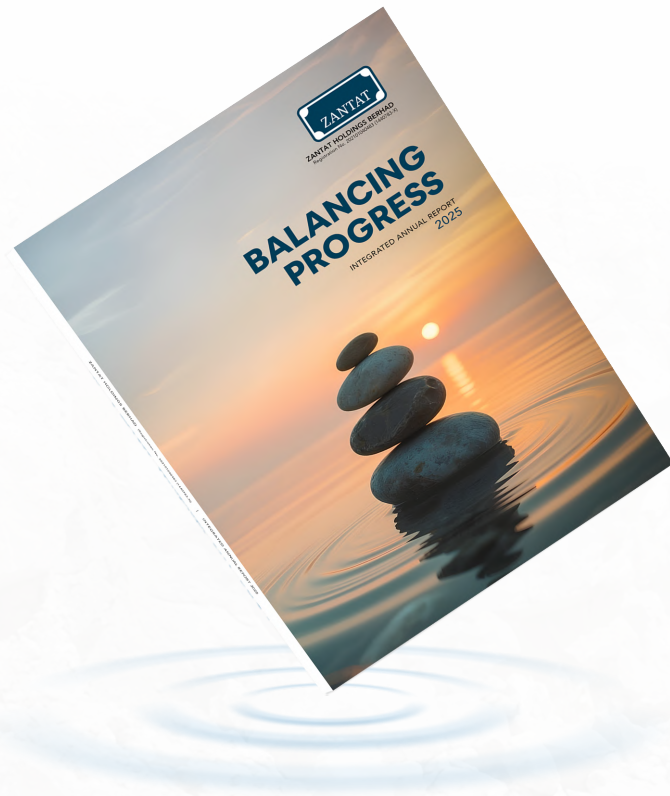


ZANTAT HOLDINGS BERHAD  
Registration No. 202101040483 (1440783-X)

# BALANCING PROGRESS

INTEGRATED ANNUAL REPORT  
2025





## Balancing Progress Cover Rationale

The 2025 Integrated Annual Report cover, featuring the tagline “Balancing Progress”, reflects Zantat Holdings Berhad’s commitment to advancing growth while maintaining stability, responsibility, and sustainability across its business operations. The visual of carefully stacked stones set against calm water symbolises balance, resilience, and precision – qualities that underpin Zantat’s approach to navigating an evolving industrial landscape. As the Group continues to strengthen its core calcium carbonate business while expanding into sustainable bioplastic solutions, the cover represents the balance between operational excellence and forward-looking innovation. Sustainability is embedded through Zantat’s focus on renewable energy adoption, circular economy practices, and the development of environmentally friendly materials that support reduced environmental impact. Together, the visuals convey a company that progresses with purpose – balancing performance, sustainability, and long-term value creation for its stakeholders.

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## 4<sup>th</sup>

### Annual General Meeting

#### Date

Thursday, 28 May 2026

#### Time

10:00 AM

#### Location

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



#### Online Integrated Annual Report

Read the online version of Zantat Holdings Berhad Integrated Annual Report 2025 here.

# About this Report

Zantat Holdings Berhad (“Zantat” or “the Group”) is pleased to present our Integrated Annual Report 2025 (“IAR2025”). 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 2025 (“FYE2025”). 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 IAR2025 reflects data and activities of the Group from 1 January 2025 to 31 December 2025. 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 Integrated Reporting Council (“IIRC”). All the six capitals cover information on a consolidated basis.

## Related Information

This IAR2025 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 announcement and corporate governance policies are available for viewing on our website: <https://www.zantat.com.my/>

## 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.

## SIX CAPITALS



**Natural Capital**



**Manufactured Capital**



**Intellectual Capital**



**Human Capital**



**Social & Relationship 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)

## 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”)
- IFRS Accounting Standards
- Malaysian Code On Corporate Governance 2021 (“MCCG 2021”)
- Bursa Malaysia Sustainability Reporting Guide – Third Edition
- Global Reporting Initiative (“GRI”) Standards
- Greenhouse Gas (“GHG”) Protocol Corporate Accounting and Reporting Standard
- United Nation Sustainable Development Goals (“UN SDGs”)
- International Financial Reporting Standards (“IFRS”) S1 General sustainability-related financial disclosures \*
- IFRS S2 Climate-related disclosures \*
- Taskforce on Climate-related Financial Disclosure (“TCFD”) ^
- International Integrated Reporting Framework of IIRC

\* Zantat is progressively aligning with the disclosure guideline.




^ Currently incorporated into IFRS S2.

## Online Version and Feedback

This IAR2025 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** via email: [elaw@zantat.com.my](mailto: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 and Effluent Management
-  Water Management
-  Air and Greenhouse Gas Emissions
-  Biodiversity and Land Remediation

#### Good Governance

-  Anti-Bribery and Corruption and Whistleblowing
-  Data Privacy and Protection
-  Corporate Governance

#### Social Responsibility

-  Occupational Health and Safety
-  Human Rights and Labour Practices
-  Diversity and Inclusion
-  Community 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 40 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

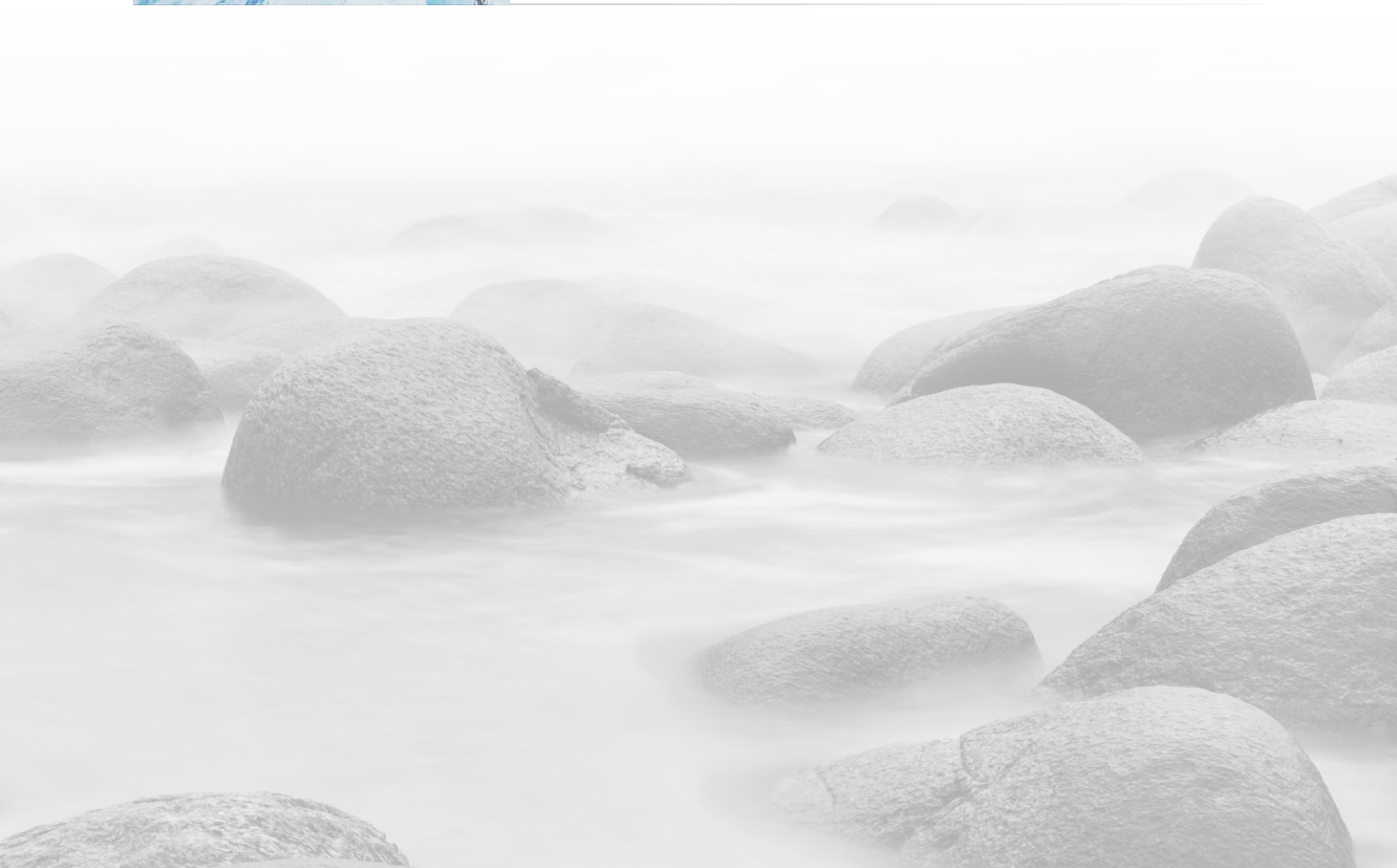


To establish our presence as a top manufacturer of Calcium Carbonate products and a reliable partner that provides optimum value to customers in diverse industries.

### 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

Backed by over four decades of experience and industry know-how, 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**

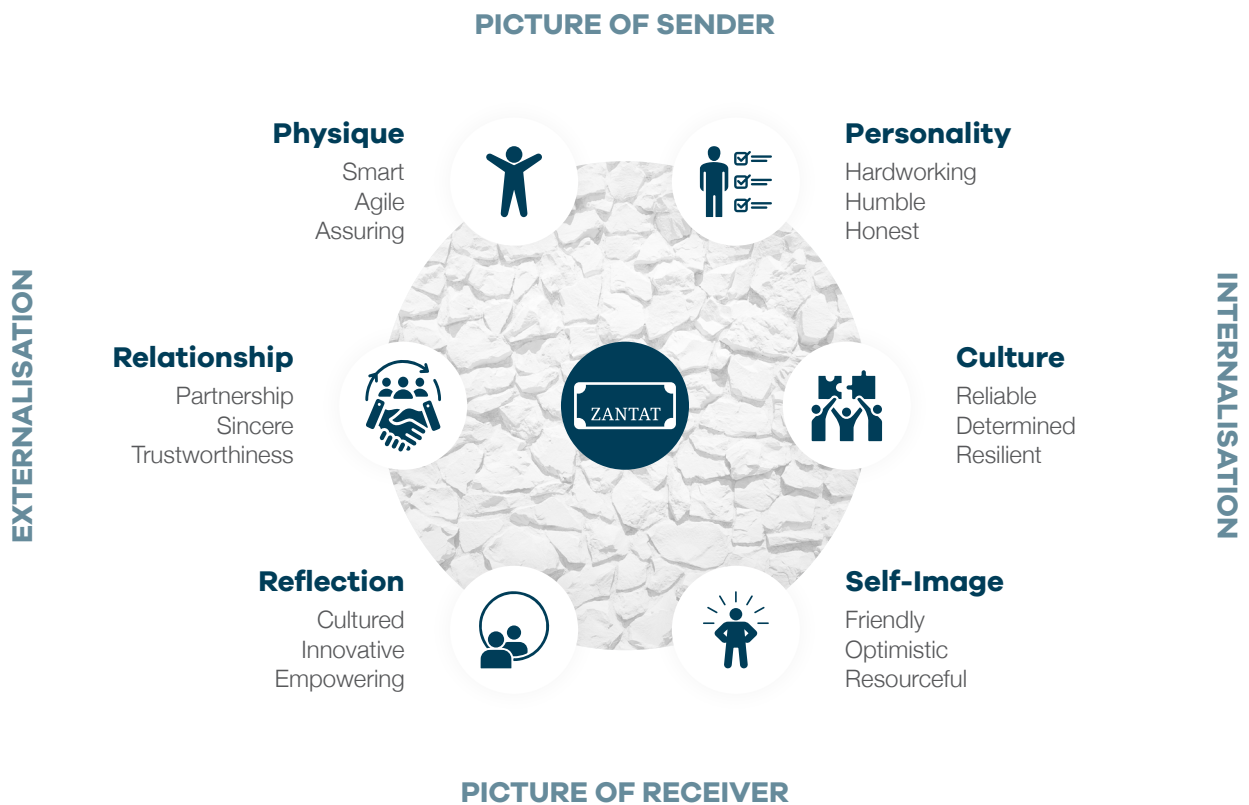
# 4

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

1980s  
– 1990s

2000s

2010s

## 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 Kepong, Kuala Lumpur (“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.

## 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.

## 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.

## 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.

## 2006

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.

## 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.

## Key Milestones (Cont'd)

### 2020s

#### 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.

#### 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.

#### 2020

We developed and commenced the kaolin dispersion at KL Plant 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.

#### 2022

Zaneco 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. Zaneco intends 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, Zaneco 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.

Later, Earthya started growing its market through product expansion into finished film goods to the consumer market.

#### 2025

We expanded our presence in the agricultural sector, driven by rising demand for high-value calcium carbonate applications and broader adoption across its product portfolio. Most notably our Agro-series granulated agricultural calcium products is gaining traction across selected applications.

Zaneco obtained SIRIM Eco Label 001:2018 Compostable certification for Earthya.

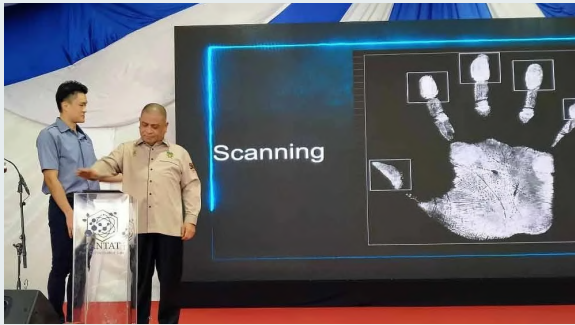
In September 2025, we incorporated Zantat Trading Sdn Bhd to undertake the business of trading of bioplastic and other related products.

In October 2025, we launched the RM8.5 million Zantat Poly+Cal Innovation Lab to advance polymer and calcium carbonate R&D and strengthen our country's sustainable materials sector.

# In the News



## PERAK SEDIA TARIK PELABUR AS DALAM SEKTOR NADIR BUMI - SAARANI



Saarani (kiri) menyempurnakan gimik Pelancaran Makmal Penyelidikan dan Pembangunan Makmal Inovasi Poly Cal Zantat di Zantat Sdn Bhd, Kawasan Industri Batu Kapur, Keramat Pulai, Kampung Kepayang pada Isnin.

IPOH – Kerajaan negeri Perak akan memanfaatkan pemeteraian perjanjian perdagangan timbal balik antara Malaysia dan Amerika Syarikat (AS), khususnya dalam sektor mineral kritikal seperti nadir bumi bukan radioaktif (NR-REE).

Menteri Besar Perak, Datuk Seri Saarani Mohamad, berkata perjanjian yang dimeterai itu akan membuka peluang dan ruang kepada lebih ramai pelabur, khususnya dari AS, untuk melabur di negeri ini.

Menurutnya, kerajaan negeri akan bekerjasama rapat dengan kerajaan Persekutuan melalui Lembaga Pembangunan Pelaburan Malaysia (MIDA) bagi meneroka potensi tersebut.

"Sudah tentu ia sangat menggembirakan negeri-negeri pengeluar NR-REE kerana ia memudahkan perdagangan antarabangsa.

"Sudah tentulah kita juga inginkan lebih ramai pelabur datang ke negeri Perak," katanya kepada pemberita.

Beliau berkata demikian selepas menyempurnakan Majlis Pelancaran Makmal Penyelidikan dan Pembangunan Makmal Inovasi Poly+Cal Zantat di Zantat Sdn. Bhd., Kawasan Industri Batu Kapur, Keramat Pulai, Kampung Kepayang di sini, pada Isnin.

Saarani berkata, sebelum ini melalui MIDA, Perak telah menjalinkan kerjasama perniagaan bersama syarikat di China, dan kini akan mengintai peluang perdagangan dengan AS.

Sementara itu, beliau mengulangi pendirian bahawa perlombongan mineral NR-REE di negeri ini dilaksanakan tanpa menjejaskan alam sekitar.

"Menerusi pelan Perak Sejahtera 2030, kita akan mengambil atau mengorek semua hasil bumi yang berkaitan dengan mineral tanpa menjejaskan alam sekitar.

"Pada masa yang sama, kita mempunyai kaedah pengeluaran NR-REE menggunakan in-situ leaching, dan satu lagi kaedah sedang dalam percubaan ketika ini dikenali sebagai kaedah nano. Jadi, apa pun, kita akan mengeluarkan hasil bumi mineral ini tanpa mengusik dan merosakkan alam sekitar," katanya lagi.

Pada Ahad, Malaysia dan AS menandatangani satu perjanjian perdagangan timbal balik yang menyeluruh bertujuan untuk memperkukuh hubungan ekonomi dua hala, memperluas akses pasaran serta mempertingkatkan ketahanan rantaian bekalan.

Perjanjian tersebut ditandatangani oleh Perdana Menteri, Datuk Seri Anwar Ibrahim dan Presiden AS, Donald Trump, semasa pertemuan dua hala di sela Sidang Kemuncak ASEAN ke-47.

Dalam kenyataannya bersama yang dikeluarkan oleh Rumah Putih, kedua-dua kerajaan menyatakan bahawa perjanjian itu akan memberikan para pengeksport kedua-dua negara akses yang belum pernah berlaku sebelum ini ke pasaran masing-masing dan akan memperkukuh hubungan ekonomi jangka panjang antara Malaysia dan AS, termasuk Perjanjian Rangka Kerja Perdagangan dan Pelaburan 2004.

Di bawah perjanjian tersebut, Malaysia bersetuju untuk memberikan akses pasaran keutamaan yang setara kepada eksport barangan perindustrian AS, termasuk bahan kimia, jentera dan peralatan elektrik, logam serta kenderaan penumpang, selain eksport pertanian seperti tenusu, ayam dan beras.

Sementara itu, AS akan mengekalkan tarif timbal balik sebanyak 19 peratus ke atas barangan Malaysia, dengan beberapa produk tertentu menerima kadar tarif sifar di bawah senarai rakan perdagangan yang diselaraskan.

Kenyataan itu turut menyebut bahawa Malaysia akan mengelakkan daripada mengenakan sekatan atau kuota terhadap eksport mineral kritikal atau unsur nadir bumi ke AS, dan akan bekerjasama dengan syarikat-syarikat AS bagi mewujudkan kepastian kepada sektor perniagaan untuk meningkatkan kapasiti pengeluaran.



## ANOTHER MEANINGFUL CSR BATIK PROJECT SPONSORED BY ZANTAT FOR CHILDREN WITH DYSLEXIA



Another Meaningful CSR Batik Project Sponsored by Zantat for Children with Dyslexia

Zantat proudly continues its commitment to community engagement by sponsoring another inspiring CSR Batik initiative, this time dedicated to empowering children with dyslexia through creativity and art.



## 征达控股斥资800万设立 POLY+CAL 创新实验室启用



Poly+Cal创新实验室坐落征达控股的霹雳克拉末波勒制造综合园区，由霹雳州务大臣拿督斯里沙拉尼（右）主持推介礼。秀为曾斌端。（公司提供）

（吉隆坡27日讯）征达控股（ZANTAT,0301,创业板工业产品服务组）正式启动投资规模达800万令吉的Poly+Cal创新实验室。

征达控股董事经理曾斌端在文中表示，上述新设施标志着公司在策略布局上的重大跃进，以将碳酸钙从传统的低成本填充材料重新定位为一种绿色环保材料，并通过创新与技术推动该公司迈向价值链更高端。

Poly+Cal创新实验室的定位是结合研究、测试与协作的创意中心，为国内碳酸钙行业第一座本土业者拥有的同类研发设施，让征达控股有能力在内部开展先进聚合物-碳酸钙的研究与概念验证测试。

## In the News (Cont'd)



### AGREEMENT ON RECIPROCAL TRADE OPENS UP OPPORTUNITIES FOR RARE EARTH INVESTMENTS IN PERAK - SAARANI



GOPENG, Oct 27 (Bernama) -- The Agreement on Reciprocal Trade (ART) signed between the United States (US) and Malaysia has the potential to pave the way for new investments into Perak, particularly in the non-radioactive rare earth elements (NR-REE) sector.

Perak Menteri Besar Datuk Seri Saarani Mohamad said the state welcomes investors from the global economic powerhouse to increase state revenue generation.

"Of course, Malaysian states, including Perak which is among the NR-REE producers, are pleased with the agreement signed between Malaysia and the US.

"If before this we were dealing (trade) with China, with this agreement, we can expand our dealings with investors from the US, especially for this sector (NR-REE)," he said at a press conference after officiating at the launch of the Zantat PolyCal Innovation Lab Research and Development (R&D) Laboratory at the Keramat Pulai Limestone Industrial Area here today.

Yesterday, Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz announced that the ART signed with the US will not affect the country's sovereignty, on the contrary, Malaysia will benefit in terms of better market access.

Apart from that, Saarani said any trade dealings with foreign investors also need to involve the Malaysian Investment Development Authority (MIDA) which acts as the coordinating agency.

Regarding today's programme, he said Zantat Holdings Bhd has allocated RM8 million for the construction of a R&D laboratory for the calcium carbonate industry, aimed at driving the transformation of the natural materials industry towards sustainable and innovative high-value products.

Saarani said the construction of the laboratory also opens up new research spaces, expands highly skilled job opportunities and encourages the participation of young people in the fields of material science, chemistry and engineering.

"This laboratory serves as an innovation centre that connects the academic world with the industrial world. This is where knowledge and expertise are translated into applications and developed into products that benefit society.

"In other words, this is the space where theory meets reality, making Perak not only a producer of natural resources but also a creator of solutions based on science and technology," he said.

## TheStar

### ZANTAT OPENS RM8MIL POLY+CAL LAB TO ADVANCE POLYMER AND CALCIUM CARBONATE R&D

KUALA LUMPUR: Zantat Holdings Bhd has launched the RM8mil Zantat Poly+Cal Innovation Lab to advance polymer and calcium carbonate R&D and strengthen the company's sustainable materials sector.

Zantat managing director Ivan Chan said the new facility marks a strategic leap in the company's plan to reposition calcium carbonate as a green material rather than a low-cost filler, enabling the company to move up the value chain through innovation and technology.

"The establishment of the Poly+Cal Innovation Lab is more than an expansion of our R&D capabilities. It is a strategic move to unlock calcium carbonate's potential as a low-carbon, value-added material.

"It strengthens our technological foundation and positions us to meet the growing demand for sustainable, high-performance materials," he said in a statement.

The country's largest homegrown calcium carbonate producer said the Poly+Cal Innovation Lab marks a key post-IPO milestone, expanding its R&D beyond quality control to advanced polymer-calcium carbonate research and in-house proof-of-concept testing.

The Poly+Cal Innovation Lab supports Zantat's bioplastic compounding business, launched in 2024, developing compostable and marine-degradable polymers that combine calcium carbonate with eco-friendly biopolymers.

As the first locally owned R&D facility of its kind in Malaysia's calcium carbonate sector, the Poly+Cal Innovation Lab reflects Zantat's commitment to adding value to Perak's mineral resources and supporting the state's Perak Sejahtera 2030 development agenda.

Chan said the initiative aligns with the federal government's New Industrial Master Plan 2030 (NIMP 2030), which aims to promote low-carbon industries and strengthen domestic value chains.

"By developing sustainable applications for calcium carbonate, we are transforming Perak's natural resource advantage into a platform for green industrial growth," he added.

## Utusan Malaysia

### PERLOMBONGAN MINERAL TIDAK JEJAS ALAM SEKITAR



SAARANI Mohamad (kanan) melawat Makmal Inovasi Poly+Cal Zantat di syarikat Zantat Sdn. Bhd., Kampung Kepayang, Simpang Pulai di Ipoh hari ini. - UTUSAN/MUHAMMAD NAZREEN SYAH MUSTHAFA

IPOH: Perak komited membangunkan perlombongan mineral mesra alam yang bukan sahaja mensejahterakan rakyat tetapi menyumbang pendapatan signifikan kepada kerajaan negeri.

Menteri Besar Perak, Datuk Seri Saarani Mohamad berkata, dalam pelan Perak Sejahtera 2030 menandakan, operasi mengambil, mengorek hasil bumi yang berkaitan dengan mineral tidak sesekali akan menjejaskan alam sekitar.

"Kita punya kaedah pengeluaran perlombongan unsur nadir bumi bukan radioaktif (NR-REE) menggunakan in-situ leaching (ISL).

"Dan ada lagi, sedang dalam percubaan sekarang dipanggil kaedah nano akan dibuat. Jadi, apa pun kira keluaran hasil bumi ini, mineral ini, tanpa mengusik dan merosakkan alam sekitar," katanya.

Bellau berkata kepada pemberita pada perasmian Makmal Inovasi Poly+Cal Zantat di Zantat Sdn. Bhd., Kampung Kepayang, Simpang Pulai di sini hari ini.

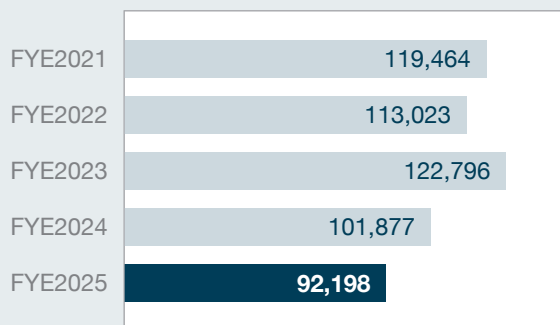
Makmal yang menelan belanja sebanyak RM8 juta itu sebagai pusat penyelidikan dan pembangunan (R&D) bagi memacu inovasi dalam bidang polimer dan kalsium karbonat di negara ini.

Perak mempunyai kawasan perlombongan NR-REE di kawasan seluas 216 ekar di Hulu Perak yang telah melepasi piawaian EIA (penaksiran kesan persekitaran). - UTUSAN

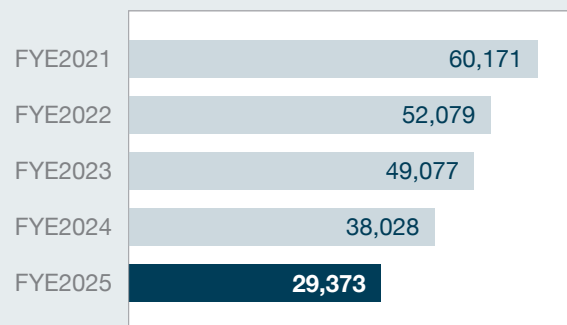
# 5-Years Financial Highlights

Operating Results	FYE2021 RM'000	FYE2022 RM'000	FYE2023 RM'000	FYE2024 RM'000	FYE2025 RM'000
Revenue	119,464	113,023	122,796	101,877	<b>92,198</b>
Gross Profit ("GP")	60,171	52,079	49,077	38,028	<b>29,373</b>
Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA")	16,386	14,664	16,755	8,824	<b>1,390</b>
Profit/(Loss) Before Taxation ("PBT/(LBT)")	9,111	7,341	9,609	2,471	<b>(5,557)</b>
Profit/(Loss) After Taxation ("PAT/(LAT)")	6,504	5,419	6,769	454	<b>(5,459)</b>

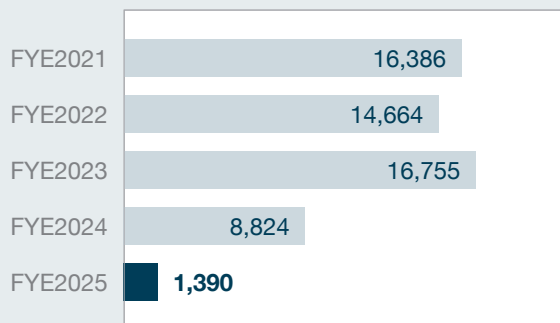
## REVENUE (RM'000)



## GP (RM'000)



## EBITDA (RM'000)



## PBT/(LBT) & PAT/(LAT) (RM'000)



FYE2021 FYE2022 FYE2023 FYE2024 FYE2025

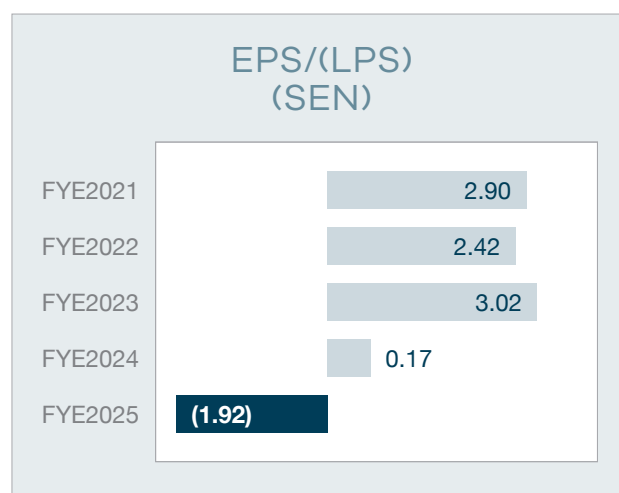
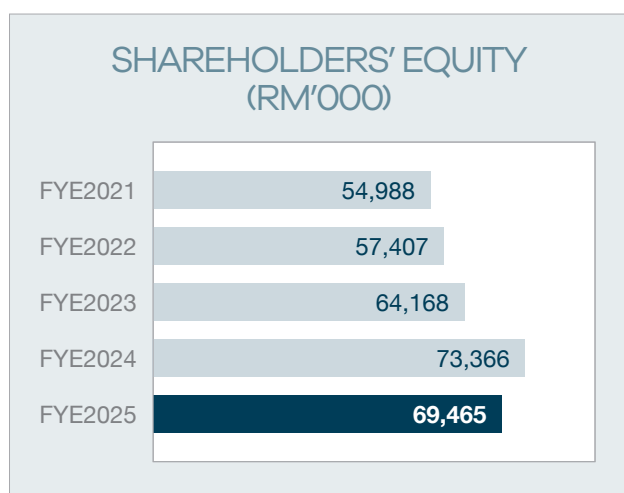
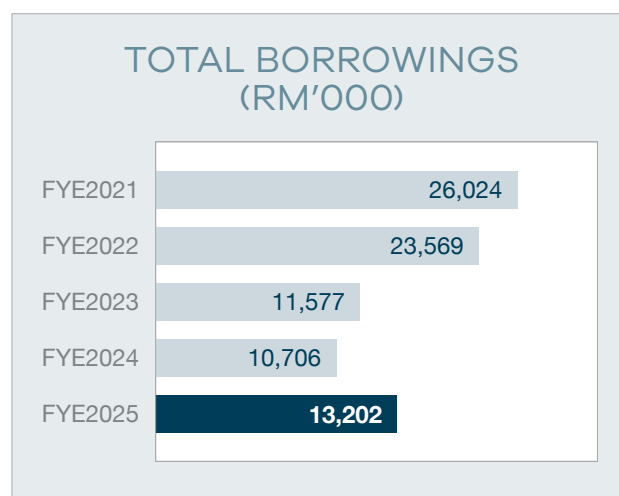
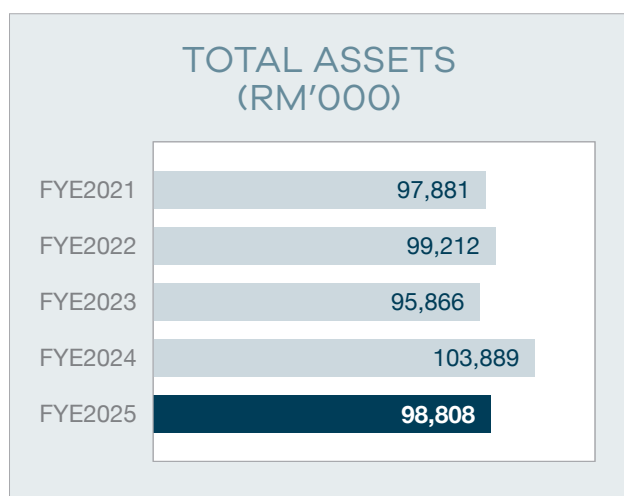
■ PBT/(LBT) ■ PAT/(LAT)

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

Key Financial Position Data	FYE2021 RM'000	FYE2022 RM'000	FYE2023 RM'000	FYE2024 RM'000	FYE2025 RM'000
Total Assets	97,881	99,212	95,866	103,889	<b>98,808</b>
Total Borrowings	26,024	23,569	11,577	10,706	<b>13,202</b>
Shareholders' Equity	54,988	57,407	64,168	73,366	<b>69,465</b>
<b>Financial Ratios</b>					
GP Margin (%)	50.4%	46.1%	40.0%	37.3%	<b>31.9%</b>
PBT/(LBT) Margin (%)	7.6%	6.5%	7.8%	2.4%	<b>(6.0%)</b>
PAT/(LAT) Margin (%)	5.4%	4.8%	5.5%	0.4%	<b>(5.9%)</b>
Basic Earnings/(Loss) Per Share ("EPS/(LPS)") (sen)	2.90*	2.42*	3.02	0.17	<b>(1.92)</b>

Note:

\* FYE2021 and FYE2022 were restated (dividing by 224,000,000 ordinary shares issued) due to reorganisation scheme.



# Chairman's Statement

## Dear Valued Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report of Zantat Holdings Berhad ("Zantat" or "the Group") for the financial year ended 31 December 2025 ("FYE2025").

It was a transitional year for the Group as we focused on strengthening our operational and technical foundations amid a challenging global operating environment. While market conditions remained uncertain, the year marked progress for the Group in capability building and application development to support its sustainable growth over the medium to long-term.

Among the key milestones achieved during the year were the continued qualification of higher-specification calcium carbonate products for local and regional customers, the establishment and operationalisation of our Poly+Cal research and development laboratory, and encouraging progress in selected agricultural calcium carbonate applications.

Collectively, these initiatives enhanced our technical capabilities, broadened our application portfolio and strengthened the Group's ability to support customers through application-driven solutions as the Group works on sustainable and disciplined growth.



## REVIEW OF OPERATING LANDSCAPE

The global business environment in FYE2025 remained challenging, characterised by uneven demand conditions, heightened currency volatility, elevated freight costs and ongoing trade disruptions. These heightened challenges on the global front also affected developments in India, an important export market for the Group. Demand softened in the year, reflecting a combination of foreign exchange movements, freight volatility and competitive pressures arising from the supply side of the value chain. The Board believes that the slowdown experienced in this market was largely cyclical in nature.

In response to these conditions, the Group maintained a disciplined approach to market participation, while strengthening its engagement with local and regional customers to maintain a balanced market portfolio while remaining responsive to external developments.

Rather than pursuing volume expansion, the Group continued putting emphasis on higher-specification products, customer-specific solutions and application-driven product development. These initiatives reinforce Zantat's strategy of building technical capabilities and strengthening long-term customer partnerships.

## FINANCIAL PERFORMANCE

During the year under review, the Group faced a more demanding operating environment which affected both revenue performance and profitability.

In FYE2025, the Group recorded a loss before tax primarily due to impairment loss on plant and equipment, lower export volume, margin compression and foreign exchange translation effects. For the year under review, Zantat recorded a revenue of RM92.2 million, a 9.5% decrease from RM101.9 million recorded in the previous financial year. As a result, the group fell into the red recording losses after tax of RM5.5 million in FYE2025, compared to profit after tax of RM0.5 million in the previous financial year.

## Chairman's Statement (Cont'd)



Fig 1 The Zantat staff demonstrate the newly opened Zantat Poly+Cal Innovation Lab to Perak Menteri Besar Datuk Seri Saarani Mohamad.

### FINANCIAL PERFORMANCE (CONT'D)

These conditions were driven largely by weaker demand in certain export markets, elevated freight costs, currency volatility and a more challenging operating cost environment across the manufacturing sector.

Despite these challenges, the Group's core calcium carbonate business remains buoyant, contributing the majority of revenue during the year. The Board also notes encouraging developments in selected application areas within local and regional markets, including early traction in higher-specification calcium carbonate products and selected agricultural calcium applications.

While FYE2025 was a challenging year operationally and financially, it also prompted adjustments to induce improvements within the organisation. Management has prudently reinforced discipline in capacity management, strengthening customer engagement and accelerating capability-building initiatives to support the Group's long-term resilience.

### GROWING STRATEGICALLY

The Group remains committed to pursuing growth in a disciplined and strategic manner that is closely aligned with its core competencies. This can be seen in the Group's selective approach to market participation, particularly in export markets, while progressively strengthening its presence in domestic and regional applications with stronger demand opportunities. In terms of products, the Group's focus is also drawn to higher-specification offerings, customer-specific solutions and application-driven development that command a higher yield for the Group.

In October 2025, the Group launched the RM8.5 million **Zantat Poly+Cal Innovation Lab**, a dedicated research and development ("R&D") facility established to advance polymer and calcium carbonate applications while strengthening the country's sustainable materials sector. The laboratory enhances the Group's internal testing, product validation and application development capabilities, enabling closer technical collaboration with customers across a wider range of materials applications. This lab further supports the Group's bioplastic compounding business established in 2024 through the development of compostable and marine-degradable calcium carbonate biopolymer compounds.

As the first locally-owned R&D facility of its kind, the lab represents the Group's commitment in moving up the value chain while creating greater value to Perak's mineral resources. This initiative also aligns with broader state-level development priorities, including the **Perak Sejahtera 2030** agenda, which aims to promote sustainable economic development and innovation within the state.

The Group's advancement of initiatives within the bioplastics value chain is a complementary extension of its existing calcium carbonate business and is part of the investment following the Group's initial public offering ("IPO"), whereby RM14.0 million was earmarked to strengthen the Group's technical capabilities, these included the establishment of the lab and growing downstream and application-related initiatives. Whereas the IPO proceeds have now been effectively deployed, the Group's investment into R&D and capacity building is being implemented in phases and prudently managed to align with the Group's long-term priorities.

The Board is hopeful that these initiatives will further enhance Zantat's innovation, strengthen collaboration with customers and spur the development of new bio-enhanced materials solutions in line with evolving sustainability trends.

## Chairman's Statement (Cont'd)

### STRONG CORPORATE GOVERNANCE

During the year, the Board took steps to strengthen its oversight of risk management and governance processes, particularly in the establishment and implementation of the Group's Enterprise Risk Management framework in November 2025. This framework provides a structured approach for identifying, monitoring and managing key risks across the organisation.

Principal risks are periodically reviewed by management and escalated to the Audit and Risk Management Committee for oversight, ensuring that material risks are monitored and managed in alignment with the Group's risk appetite and strategic objectives.

The Board is also regularly updated on ESG-related initiatives, strategic developments and operational risks through structured reporting and governance forums. These efforts reflect the Group's ongoing commitment to strengthening governance maturity and integrating sustainability considerations into its strategic and operational decision-making.

As part of the Group's succession planning, on 1 January 2026, Mr. Chan Bin luan was re-designated from Managing Director to Executive Vice Chairman replacing Mr. Chan Hup Ooi who resigned as Non-Independent Non-Executive Deputy Chairman. Meanwhile, Mr. Chan Jee Chet was also re-designated from Executive Director to Managing Director.

On behalf of the Board, I would like to express our sincere appreciation to Mr. Chan Hup Ooi for his many years of service and contributions to the Group.

### SUSTAINABILITY AND INNOVATION

The establishment of the Poly+Cal laboratory represents an important step in enhancing the Group's R&D capabilities in internal testing, product validation and closer technical collaboration particularly in polymer-related applications. It showcases the Group's emphasis in sustainability and innovation as strategic levers to the Group's long-term strategy.

In line with broader global sustainability trends, the Group's expansion into the bioplastics value chain transforms the Group's reliance on a depleting natural resource into a transformable asset that complements the Group's growth strategy. The Board endorses the bid to engage the Group's longstanding relationships with its polymer customers and share its technical expertise to impact its core materials business.

The production of supplementary and downstream products in its core calcium carbonate business via the production and trading of different aggregates is also set to contribute positively to the Group's revenue stream. Certain bioplastics products are natural extensions of the Group's existing capabilities which tackle the global plastics problem of plastics waste management, microplastics pollution and evolving regulatory developments in Malaysia and beyond.



## Chairman's Statement (Cont'd)

### GROWTH PROSPECTS

While the global operating environment is expected to remain challenging with ongoing demand volatility, competitive pressures and broader macroeconomic uncertainties, the Board is of the belief that the Group is best positioned to navigate these challenges through disciplined execution, diversification across applications and continued strengthening of its technical and governance capabilities.

Within the Board's ambit, it believes that the Group's Malaysian and regional focus with emphasis on product differentiation, reliability, technical support and long-term customer relationships will cultivate a stronger and more cohesive return on effort rather than scale alone. India remains an important market for the Group and the slowdown in FYE2025 is largely cyclical while the Group refocuses its strategy on selective market penetration and prudent operational discipline to turn challenges into opportunities.

Overall, the Board remains focused on strengthening the Group's resilience, enhancing its technical capabilities and delivering sustainable long-term value for stakeholders.

### ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my sincere appreciation to the management team and employees of the Group for their dedication, resilience and commitment throughout a challenging year. In particular, we acknowledge the many long-serving employees whose loyalty and dedication continue to form the foundation of Zantat's culture and long-term success. The Board would also like to thank our valued shareholders, customers, suppliers, business partners, advisers and relevant authorities for their continued trust and support. Finally, I wish to express my gratitude to my fellow Directors for their guidance, professionalism and commitment in steering the Group forward.


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



# Management Discussion & Analysis



The financial year ended 31 December 2025 (“FYE2025”) marks an important chapter for Zantat Holdings Berhad (“Zantat” or “the Group”), underscored by the successful launch of its state-of-the-art Zantat Poly+Cal Innovation Lab in October 2025. This milestone reflects the Group’s commitment to moving up the value chain while creating greater value from Perak’s mineral resources.

The Innovation Lab has helped to strengthen the Group’s bioplastic compounding business, which was established in 2024, through the development of compostable and marine-degradable calcium carbonate biopolymer compounds. It also serves as a platform for application-driven research, enabling closer technical collaboration with customers and supporting the commercialisation of higher-value, performance-oriented products.

Overall, FYE2025 is a year of transition and strategic repositioning for Zantat. The year unfolded against a more demanding macroeconomic backdrop, prompting the Group to prioritise operational discipline, strengthen engagement with local and regional markets, and continue investing in technical capabilities to support more resilient and sustainable growth over the medium to long-term.

# Management Discussion & Analysis (Cont'd)

## BUSINESS & MACROECONOMIC OVERVIEW

FYE2025 was a transitional year for the Group, characterised by a deliberate focus on strengthening operational discipline and enhancing technical capabilities amid a challenging operating environment.

During the year, the Group achieved several key milestones, especially in the research and development ("R&D") including the continued qualification of higher-specification calcium carbonate products for local customers, early traction in selected agricultural calcium carbonate applications and the establishment and operationalisation of the Poly+Cal Innovation Lab.

Operationally, the group has expedited the implementation of an Enterprise Risk Management ("ERM") framework to reinforce governance and risk oversight. The global operating environment during FYE2025 remained challenging, characterised by uneven industrial demand, currency volatility, elevated freight costs and ongoing trade disruptions.

These factors influenced both demand conditions and cost structures across export-oriented manufacturing sectors, including the Group's core revenue generator calcium carbonate business. Demand softness was particularly evident in certain export markets, where customers were affected by currency movements and freight volatility.

Comparing FYE2025 with FYE2024, the Malaysian ringgit ("MYR") appreciated by approximately 9.0% against the United States Dollar ("USD") contributing to a slight reduction in the cost of imported raw materials. Nevertheless, the impact of a stronger MYR during the year had mixed implications for the Group's operations. As Zantat exports are primarily denominated in USD, it has reduced the value of export revenue. Management continues to monitor currency developments closely and apply appropriate operational and financial management measures to mitigate volatility.

Looking ahead, emerging geopolitical developments and evolving global trade dynamics may continue to influence supply chains and cost structures. The Group will continue to monitor these developments closely while maintaining disciplined operational management.

## STRATEGIC RESILIENCE AND MARKET POSITIONING

In response to these headwinds, Zantat undertook measured strategic shifts during the year, centred on enhancing resilience and strengthening its market positioning. The management emphasised disciplined capacity management, particularly within our export markets, where utilisation was carefully managed in response to demand conditions and cost volatility.

At the same time, the Group progressively strengthened engagement with local and regional customers, where demand visibility is more stable. This shift supports a more balanced market portfolio while enhancing earnings defensiveness.

In terms of product strategy, Zantat accelerated its focus on higher-specification calcium carbonate products and customer-specific solutions. This includes ongoing qualification efforts with local customers and early traction in selected agricultural calcium carbonate applications, reflecting gradual diversification into new end-use segments.

These initiatives are complemented by a stronger emphasis on application-driven development and closer technical collaboration with customers, enabling the Group to enhance product differentiation, deepen customer relationships, and improve value capture across its portfolio.

## OPERATIONAL REVIEW

As the Group worked on enhancing its R&D capabilities, it also maintained an adaptive production approach. This is to ensure that utilisation rates were optimised to meet industry requirements while balancing cost efficiency.

Management maintained a disciplined approach to capacity utilisation in export markets, while progressively deepening engagement with local and regional customers, where demand visibility is relatively more stable.

## Management Discussion & Analysis (Cont'd)

### OPERATIONAL REVIEW (CONT'D)

#### R&D Capabilities

A key pillar of Zantat's strategic repositioning is the strengthening of its R&D capabilities. During the financial year under review, the Group achieved several milestones aligned with its long-term growth vision to support the development of the country's sustainable materials sector, in line with the state's Perak Sejahtera 2030 agenda.

<b>VALUE-ADDED CALCIUM CARBONATE</b>	<p>The plan to reposition calcium carbonate as a green material rather than a low-cost filler, enabling Zantat to move up the value chain through innovation and technology. The Group expanded its state-of-the-art Poly+Cal Innovation Lab to advance polymer and calcium carbonate R&amp;D. This would unlock the potential of calcium carbonate as a low-carbon, value-added material.</p>
<b>BIOPLASTIC INITIATIVES</b>	<p>With increasing demand and evolving regulations for sustainable materials, the Group expanded the Earthya product portfolio with additional SKUs designed for household and commercial applications in line with global sustainability trends and government regulations on plastic waste reduction.</p>

The Poly+Cal Lab marks a key post-IPO milestone for the Group, expanding its R&D beyond quality control to advanced polymer–calcium carbonate research and in-house proof-of-concept testing. The Poly+Cal Lab, which was first established in FYE2025, supported Zantat's bioplastic compounding business, developing compostable and marine-degradable polymers that combine calcium carbonate with eco-friendly biopolymers.

A total of RM8.5 million invested in the Poly+Cal Lab will also enable the Group to deepen technical collaboration with customers and explore adjacent opportunities aligned with sustainability trends, including growing attention on plastic waste and microplastic pollution.

The Group views bioplastics as a complementary capability rather than a standalone growth engine. This initiative builds on the Group's long-standing engagement with polymer customers within its core materials business, where it has progressively developed application-oriented technical capabilities supported by internal testing and validation processes.

In FYE2025, the Group made significant progress in advancing its bioplastics initiative under the Earthya brand, marking a transition from product development to early commercial market entry. During the year, the Group expanded the Earthya product portfolio with additional stock keeping units ("SKUs") designed for both household and commercial applications, including garbage bags in various sizes, food waste bags, mini waste bags, multipurpose singlet bags, coffee straws and produce bags, among others.

These products were progressively introduced to the market through multiple channels, including listings on selected e-commerce platforms and physical placements at pharmacy chain stores, enhancing accessibility and visibility to consumers. To support market adoption, the Group also carried out brand awareness and market activation initiatives aimed at promoting sustainable household packaging alternatives.

In parallel, the Group explored distribution partnerships for Earthya finished goods with external partners to expand market reach. Engagements were also initiated with several established Malaysian corporates with sustainability-driven procurement initiatives to explore potential collaboration opportunities and the adoption of sustainable packaging solutions within corporate and institutional settings. Collectively, these initiatives represent important steps in building market presence and validating demand across consumer, commercial and institutional segments.

## Management Discussion & Analysis (Cont'd)

### GEOGRAPHICAL MARKET REVIEW

In FYE2025, Zantat experienced varied performance across its key geographical markets, reflecting differing regional economic conditions and industry dynamics. While certain markets demonstrated relative resilience and steady demand, others were impacted by softer industrial activity, currency volatility and cost pressures.

Rather than aggressively pursuing new export territories, management prioritises markets where the Group's technical capabilities, product reliability and established customer relationships provide sustainable competitive advantages.

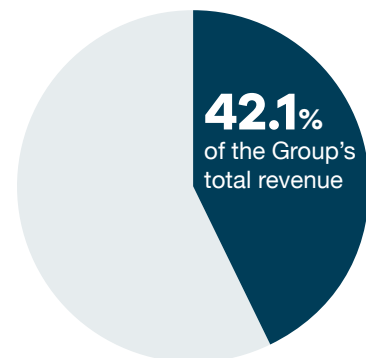
The Malaysian market remained a key area of focus, supported by more stable demand conditions and closer customer engagement. The Group continued to strengthen its domestic presence in Malaysian and regional markets while maintaining disciplined participation in export markets such as India.

#### India: Navigating Uncertainties

India remains an important export market for the Group, contributing approximately 42.1% of the Group's total revenue. In FYE2025, performance was affected by a combination of demand softness, pricing pressures and logistical challenges, including freight volatility.

Nevertheless, the slowdown experienced during the year is assessed to be largely cyclical in nature, reflecting the impact of currency movements, elevated freight costs and supply-side pressures within the value chain. Despite these challenges, Zantat maintained a solid presence in India, continuing to serve key industrial and manufacturing sectors. To mitigate these challenges, the Group's management continues to closely monitor key indicators, including freight conditions, currency movements, trade developments and demand recovery trends among downstream industries, in assessing the outlook for the Indian market. While near-term conditions remain challenging, the Group remains cautiously constructive on India's medium-term prospects.

#### INDIA REVENUE SHARE



## Management Discussion & Analysis (Cont'd)

### GEOGRAPHICAL MARKET REVIEW (CONT'D)

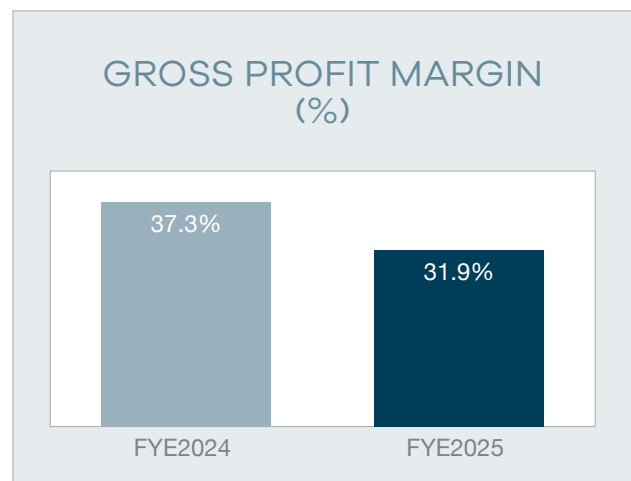
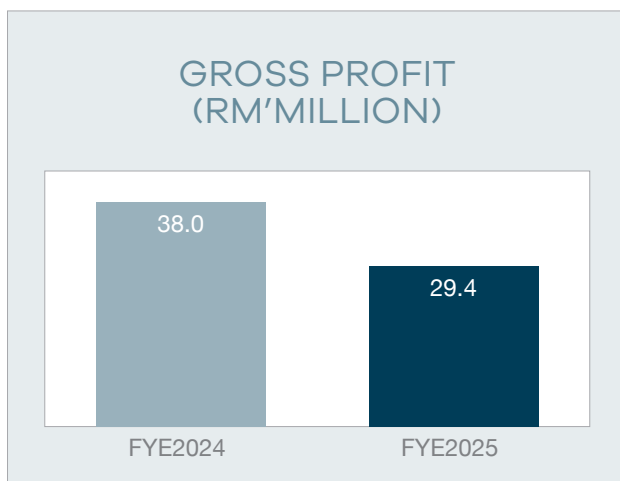
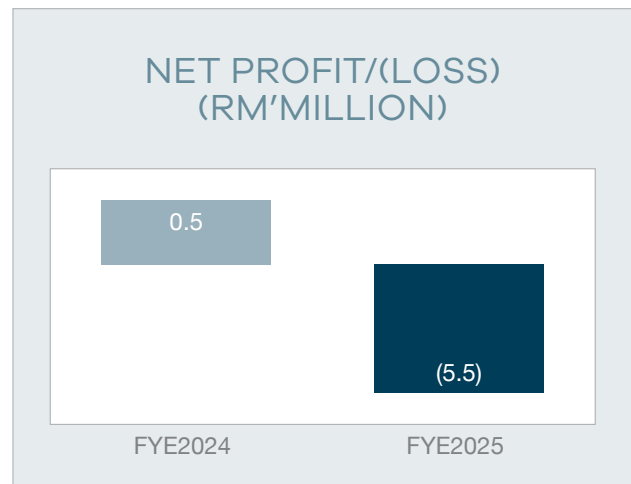
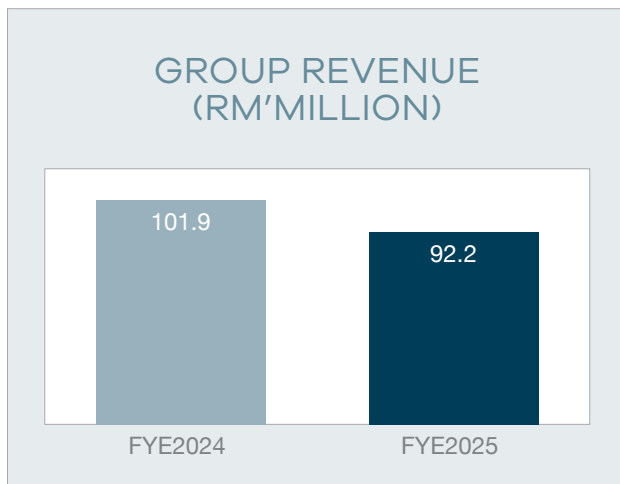
#### India: Navigating Uncertainties (Cont'd)

##### Financial Performance Analysis

Zantat's financial performance in FYE2025 was shaped by a combination of market competition, supply chain disruptions, regulatory compliance costs, technological advancements, and economic uncertainties, all of which impacted revenue generation and profitability.

The Group recorded a revenue of RM92.2 million in FYE2025, a 9.5% decline from RM101.9 million in FYE2024, due to lower sales tonnage from ground calcium carbonate. The group slipped into the red during the year recording RM5.5 million losses from RM0.5 million net profit in FYE2024 due to impairment loss on plant and equipment, foreign exchange rates fluctuation and margin compression.

Lower gross profit by 22.6% or RM8.6 million, from RM38.0 million for FYE2024 to RM29.4 million for FYE2025, mainly due to lower gross profit margin by 5.4 percentage points, from 37.3% for FYE2024 to 31.9% for FYE2025, as price competition intensified and foreign exchange rates fluctuated. Furthermore, Zantat continues to invest in R&D to remain competitive amid rapid advancements in material science and industrial automation.



## Management Discussion & Analysis (Cont'd)

### GEOGRAPHICAL MARKET REVIEW (CONT'D)

#### India: Navigating Uncertainties (Cont'd)

#### Financial Performance Analysis (Cont'd)

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

### Segmental Performance

For Financial Statements reporting purposes, the ground calcium carbonate ("GCC"), calcium carbonate dispersion ("CC dispersion"), Kaolin dispersion and granulated calcium carbonate ("Granulated CC") are collectively presented under a single reportable segment known as Production. The breakdown below is provided solely for performance analysis of the respective product lines within this segment.

#### GCC Division

The GCC product line remained the largest revenue contributor within the Production segment, accounted for 77.0% of the Group's total revenue. However, revenue from GCC fell 15.0% from RM83.6 million in FYE2024 to RM71.0 million in FYE2025, mainly due to lower sales tonnage by 7.6% as well as lower average selling price by 8.0%.

#### CC Dispersion Division

Despite the challenging market conditions, revenue from CC dispersion remained relatively stable, increasing marginally from RM12.2 million in FYE2024 to RM12.3 million in FYE2025. This was mainly due to a higher average selling price by 18.1%, despite lower sales tonnage by 14.7%.

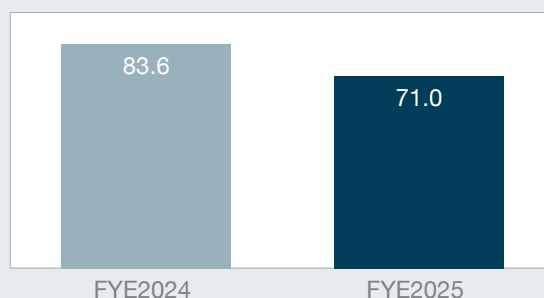
#### Kaolin Dispersion Division

The Kaolin dispersion product line recorded revenue of RM1.6 million in FYE2025, mainly due to higher sales tonnage by 14.7%, despite lower average selling price by 8.4%.

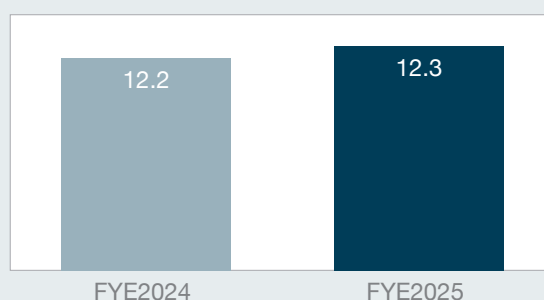
#### Granulated CC (New Product)

In FYE2025, the Group introduced Granulated CC, which contributed RM2.7 million in revenue and is reported under the Production segment.

#### GCC REVENUE (RM'MILLION)



#### CC DISPERSION REVENUE (RM'MILLION)



#### KAOLIN DISPERSION REVENUE (RM'MILLION)



## Management Discussion & Analysis (Cont'd)

### Human Capital Development

Zantat has established a comprehensive human capital development strategy aimed at enhancing employee capability, engagement and productivity, which are critical to the Group's long-term growth and operational success.

The Group remains committed to fostering a high-performance workforce through structured initiatives focused on training and development, talent management, employee well-being and workplace inclusivity.

A key pillar of this strategy is continuous learning and development. The Group provides structured training programmes, including on-the-job training, professional development courses and leadership development initiatives. These programmes are designed to strengthen technical expertise and managerial capabilities, while supporting career advancement and enabling employees to progress within the organisation.

The Group continues to promote a culture of inclusivity, safety and employee engagement across the organisation. Employee well-being is supported through fair labour practices and comprehensive benefits, complemented by health and wellness programmes, employee assistance support and periodic engagement surveys to ensure a supportive and responsive working environment. In addition, Zantat offers competitive remuneration packages, structured career pathways and succession planning to attract and retain talent.

Beyond internal workforce development, the Group continues to strengthen relationships across its value chain through fair procurement practices and timely payments, fostering mutual growth with business partners and supporting collaboration on sustainability objectives. These efforts also enhance supply chain efficiency through transparent and ethical business operations. The Group remains committed to fostering a diverse and inclusive workplace culture where employees feel respected, valued and empowered to contribute effectively.

### Sustainability Practices & ESG Initiatives

The Board of Directors ("Board") remains focused on strengthening governance maturity across risk management, sustainability oversight and operational transparency, as part of its commitment to long-term value creation for stakeholders.

Key priorities include the continued implementation of the ERM framework, ongoing monitoring of the group's Environmental, Social and Governance ("ESG") initiatives, and the integration of sustainability considerations into business and operational decision-making. The Group continues to strengthen its governance processes to ensure sustainability-related risks and opportunities are managed.

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.

Besides the Group's commitment to its own sustainable outcomes through the integration of ESG principles in its operations and strategy through the Group's products such as Earthya range of bioplastics.

## Management Discussion & Analysis (Cont'd)

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

#### Environmental Stewardship



##### Energy Management

Zantat invested in approximately 849 kWp of solar panels at its Perak Plant to increase renewable energy usage and reduce its carbon footprint.



##### 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 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 training was 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-Bribery and Corruption and Whistleblowing

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

## Management Discussion & Analysis (Cont'd)

### RISK MANAGEMENT & MITIGATION STRATEGIES

In FYE2025, Zantat's operations faced the following identified risks. However, the Group implemented proactive mitigation strategies to ensure business continuity and resilience. In this regard, sustainable order replenishment is overseen through regular Board-level reviews of customer concentration, market exposure and product mix on a business-unit basis. This ensures that commercial decisions are aligned with the Group's broader objective of maintaining a balanced and resilient market portfolio.

On the foreign exchange rates, the volatility is managed through a combination of operational and financial measures, including existing hedging practices and natural offsets, such as USD-denominated freight costs. These measures help to partially mitigate the impact of foreign exchange fluctuations on the Group's cost structure and revenue translation.

Key operational risks, along with other categories of risks, are monitored through the Group's ERM framework, which establishes a structured process for identifying, assessing and managing risks across the organisation. Principal risks are reviewed by management and escalated to the Audit and Risk Management Committee for oversight, ensuring effective governance and risk control at the Board-level.

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 and trade disputes 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 may lead to volatility of foreign currency and interest rates.	Implementing financial hedging strategies to mitigate currency and interest rate fluctuations, ensuring financial stability.

### Future Outlook and Business Prospects

Looking ahead, Zantat will continue to focus on disciplined execution, strengthening technical capabilities and building long-term customer partnerships. While external conditions remain challenging, the Group's emphasis on application-driven product development, governance discipline and operational resilience to navigate evolving market dynamics and support sustainable long-term performance.

In the near to medium term, the Group anticipates several external headwinds, including demand volatility across global markets, intensifying competition within the supply chain, foreign exchange fluctuations, freight cost volatility, and evolving geopolitical developments that continue to influence global trade flows and supply chain configurations.

In response to these challenges, the Group will continue to adopt a disciplined approach to capacity management, with a focus on aligning production with market demand conditions while preserving operational efficiency. At the same time, the Group is strengthening its emphasis on application-driven product development and deeper technical collaboration with customers to enhance product differentiation and reinforce long-term customer relationships.

## Management Discussion & Analysis (Cont'd)

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

The Group will also continue to enhance its governance framework, operational discipline and risk management processes to ensure resilience in a dynamic operating environment. These measures are intended to support sustainable performance while maintaining agility in responding to external uncertainties.

The Group views bioplastics as a complementary capability rather than a standalone growth engine. This initiative builds on the Group's long-standing engagement with polymer customers within its core materials business, where it has progressively developed application-oriented technical capabilities supported by internal testing and validation processes.

Through the Poly+Cal Innovation Lab, the Group is able to deepen technical collaboration with customers and explore adjacent opportunities aligned with sustainability trends, including the growing global focus on plastic waste reduction and microplastic pollution. This capability further supports the Group's broader strategy of moving up the value chain through innovation and technology-driven applications.

# Value Creation Strategic Review

## Overview

The financial year ended 31 December 2025 (“FYE2025”) was a steady year of continuity for Zantat Holdings Berhad (“Zantat” or “the Group”) with regards to its operations. This Value Creation Statement encapsulates the Group’s Value Creation story, beginning with its Competitive Strengths and Business Model down to its Approach to Value Creation and culminating into its Value Creation Model.

As part of integrated thinking, the Value Creation Statement dovetails with the Group’s Sustainability Statement as a strategic lever to the Group’s main business activities. Further disclosures on Material Topics and Stakeholder Engagement can be found in the Group’s Sustainability Statement laid out on pages 40 to 114 of this Integrated Annual Report.

## Our Competitive Strengths

Leveraging its position as **Malaysia’s first and largest public-listed calcium carbonate producer**, Zantat is a renowned brand in its market niche and its public listing has increased its access to strategic partnerships and funding. The Group’s commitment to sustainability has seen the development of Earthya™ bioplastics and bespoke calcium carbonate solutions as it focuses on long-term growth and innovation in the chemical industries market.

Their passion for scientific breakthrough and development can be seen through its position as **the only local calcium carbonate producer with an in-house Research & Development (“R&D”)**. The presence of researchers enables Zantat to deliver tailor-made solutions to its clientele and provide cutting-edge solutions with targeted outcomes that support sustainable goals.

Besides the Group’s commitment to its own sustainable outcomes through the **integration of Environmental, Social and Governance (“ESG”) principles in its operations and strategy**, the Group’s products and solutions enable the ESG outcomes of its clientele. A good example is the Earthya™ range of bioplastics, which is a proof point of the Group’s development of eco-friendly products. The Group’s embedding of sustainability through sustainable manufacturing practices, waste reduction initiatives and investments in renewable energy all work together to manage internal carbon footprint generation and reduction.

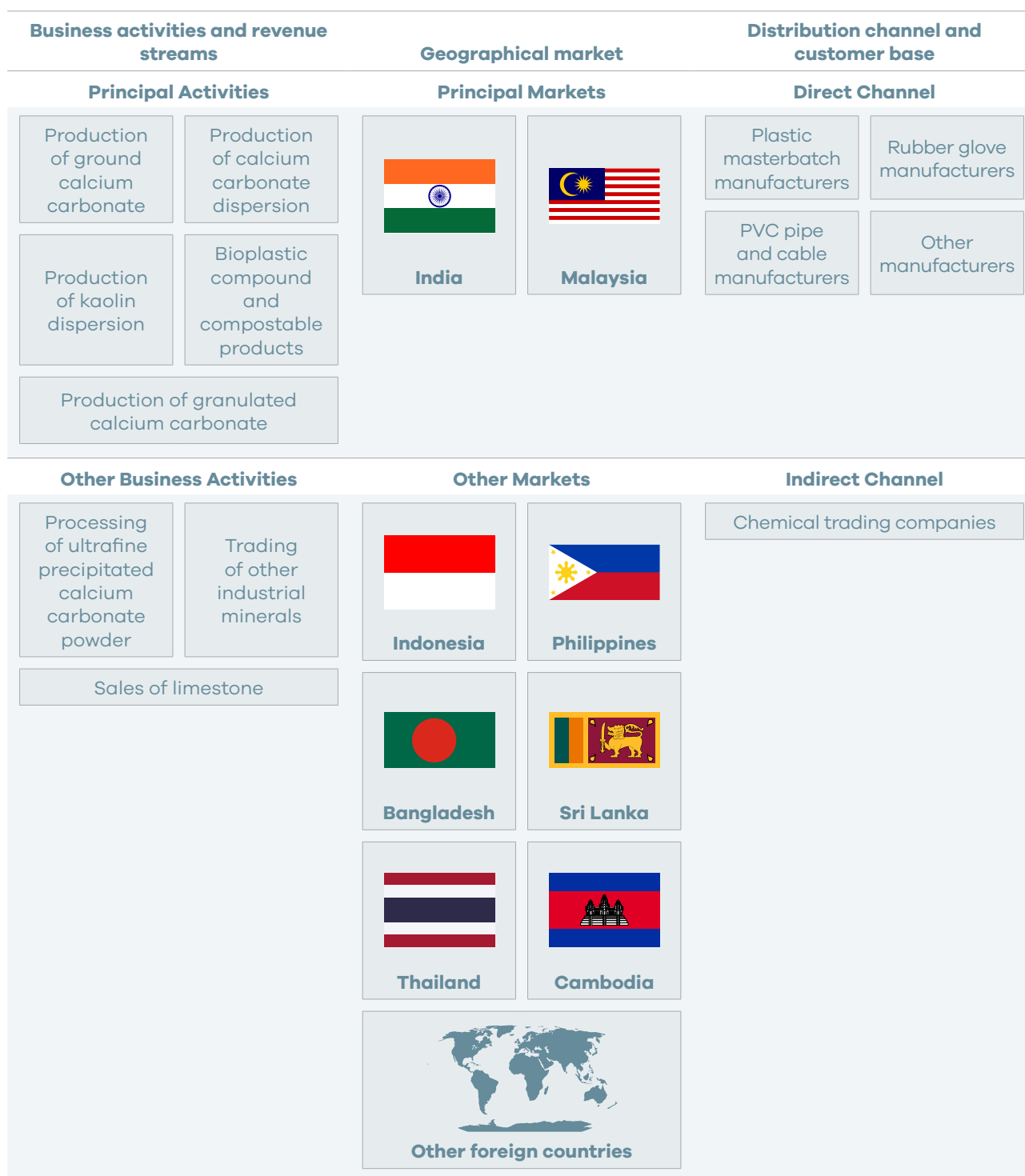
Zantat’s expertise in **leveraging calcium carbonate production for greener manufacturing processes** not only reduces carbon emissions but also offers options of a product portfolio with sustainable materials.

All of these leads to the Group’s **positioning as a trusted and forward-thinking industry leader**. Zantat is proud to be an active participant in industry discussions on sustainability initiatives, especially those that move the needle in terms of managing carbon footprint. Its commitment to a culture of innovation and R&D continues developing its credibility and influence particularly in science-based and evidence-led sustainability practices.

# Value Creation Strategic Review (Cont'd)

## Our Business Model

In FYE2025, Zantat's well-defined Business Model, shown below, was advanced through the development of its sustainable product portfolio. The Group's subsidiary, Zaneco Sdn Bhd, has introduced compostable bioplastics which improves product lifecycle performance and compostability that supports a circular economy. This range of products have radically shifted the narrative on carbon pricing and footprint for its users and is highly suitable for the evolving needs of environmentally conscious users.



## Value Creation Strategic Review (Cont'd)

### Our Business Model (Cont'd)

In terms of the Group's main business activities, there have been no changes to its focus on producing calcium carbonate products along with the environmentally-friendly bioplastics line per the Business Model above. The Group also continues producing supplementary or downstream products from their main product through both production and trading of different aggregates.

Zantat's main markets of Malaysia and India remain the same and the Group maintains its market exposure in other APAC markets since pre-IPO days. Its products remain a key ingredient in the formulations of its client's products and both its direct and indirect channels of distribution remain the same.

### Our Approach to Value Creation

In terms of strategic business planning, the Group uses a 3-step loop which enhances its Value Creation outcomes. This is characterised as the Analysis-Formulate-Implement loop where the outcomes of which enter the Value Creation model and any revenue or income realised from it is then reinvested into the business and it runs the same 3-step loop again. The Group's approach is illustrated in the following diagram:




# Value Creation Strategic Review (Cont'd)

## Our Approach to Value Creation (Cont'd)

### Analysis (Cont'd)

Under the Analysis stage, there are four main dimensions that are determined. They include the following:

 <p><b>Market Review, Outlook &amp; Trends</b></p>	 <p><b>Stakeholder Relationships</b></p>	 <p><b>Material Topics</b></p>	 <p><b>Key Risks and Opportunities</b></p>
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For the sake of continuity and coherence, a more in-depth discussion of Stakeholder Relationships, Material Matters and Key Risks and Opportunities may also include Sustainability Risks and Opportunities, which are disclosed in the Sustainability Statement of this Integrated Annual Report on pages 40 to 114.

<p><b>1. MARKET REVIEW, OUTLOOK &amp; TRENDS</b></p>	<p>The engine of strategy begins with the analysis of global, local and industry-relevant trends that identify external headwinds, tailwinds and other macro forces which have potential impact to the business' process, strategies and overall value creation ability over the short-term, medium-term and long-term.</p>
<p><b>2. STAKEHOLDER RELATIONSHIPS</b></p>	<p>Within the business operational matrix is its ability to engage each stakeholder group in a timely, accurate and suitable manner. The Stakeholder's Engagement table within the Sustainability Statement on pages 50 to 53 of this Integrated Annual Report detail the identification, type and frequency of engagement along with which relevant material matter is addressed with each stakeholder group.</p> <p>Stakeholder engagement is done at suitable time intervals to determine their perspectives and create a transparent layer between the Group's strategies and objectives. Most importantly, engagements help the Group align and set expectations with business priorities.</p>
<p><b>3. MATERIAL TOPICS</b></p>	<p>Material topics are substantively-relevant matters which play a role in creating value over different time periods, namely, short-term, medium-term and long-term. All material topics have the ability to influence outcomes, retain enterprise competitiveness and enhance reputational strength in operational markets. The full list of material topics, along with its prioritisation and relevant treatment or response is disclosed in the Sustainability Statement. However, from a Value Creation standpoint, the outcomes of these lead to the formulation of suitable strategies to manage the outcomes of these topics for maximum value creation.</p>

# Value Creation Strategic Review (Cont'd)

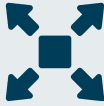





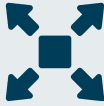





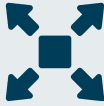





## Our Approach to Value Creation (Cont'd)

### Analysis (Cont'd)

<h3>4. KEY RISKS AND OPPORTUNITIES</h3>	<p>The Group’s comprehensive Enterprise Risk Management (“ERM”) system encapsulates the coverage of the identification and treatment of key risks which cover strategic, operational, financial and compliance risks and opportunities. These risks are not only mitigated through various risk exercises such as drills, review of Business Continuity Plans (“BCPs”) or specific Board of Directors (“Board”) Committee oversight actions but also are updated on a constant monitoring basis to safeguard against operational, reputational and revenue-generation risks.</p>
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### Formulation







Formulation involves recognising Growth Drivers and Capital Inputs which feed into the Value Creation model.

<h3>5. GROWTH DRIVERS</h3>	<p>As mentioned above, the Group has a detailed list of Competitive Strengths which lead to the identification of Growth Drivers for the Group. These Growth Drivers are key factors which embody the Group’s commitment to advancing innovation and product value through continuous enhancement of production efficiency and scaling of capacities to meet demand.</p> <p>Those the Group has identified include:</p> <table border="1"> <tr> <td data-bbox="676 1317 916 1581">  <p>Expansion of Sustainable Product Lines</p> </td> <td data-bbox="928 1317 1177 1581">  <p>Market Diversification</p> </td> <td data-bbox="1190 1317 1430 1581">  <p>Investment in R&amp;D</p> </td> </tr> <tr> <td data-bbox="676 1599 916 1863">  <p>Strengthening ESG Leadership</p> </td> <td data-bbox="928 1599 1177 1863">  <p>Operational Efficiency Optimisation</p> </td> <td data-bbox="1190 1599 1430 1863">  <p>Strategic Partnerships and Collaborations</p> </td> </tr> </table>	 <p>Expansion of Sustainable Product Lines</p>	 <p>Market Diversification</p>	 <p>Investment in R&amp;D</p>	 <p>Strengthening ESG Leadership</p>	 <p>Operational Efficiency Optimisation</p>	 <p>Strategic Partnerships and Collaborations</p>
 <p>Expansion of Sustainable Product Lines</p>	 <p>Market Diversification</p>	 <p>Investment in R&amp;D</p>					
 <p>Strengthening ESG Leadership</p>	 <p>Operational Efficiency Optimisation</p>	 <p>Strategic Partnerships and Collaborations</p>					

# Value Creation Strategic Review (Cont'd)

## Our Approach to Value Creation (Cont'd)

### Formulation (Cont'd)

<p>6. CAPITAL INPUTS</p>	<p>In an Integrated Thinking framework, there are six (6) different types of capitals which are input into the Group's business model and generates increased value from it. These capitals include:</p> <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 10px; margin: 5px; text-align: center;">               Financial Capital         </div> <div style="border: 1px solid #ccc; padding: 10px; margin: 5px; text-align: center;">               Manufactured Capital         </div> <div style="border: 1px solid #ccc; padding: 10px; margin: 5px; text-align: center;">               Intellectual Capital         </div> <div style="border: 1px solid #ccc; padding: 10px; margin: 5px; text-align: center;">               Human Capital         </div> <div style="border: 1px solid #ccc; padding: 10px; margin: 5px; text-align: center;">               Social and Relationship Capital         </div> <div style="border: 1px solid #ccc; padding: 10px; margin: 5px; text-align: center;">               Natural Capital         </div> </div> <p>As the Group puts formulation into implementation, the business operations for both production and trading streams are engaged and the Group creates value through its Value Creation process.</p>
<p>7. VALUE CREATION</p>	<p>Throughout the Group's years in operation, its business activities create value that is derived from sustainable results stemming from strategic reinvestment of the six capitals which form the core pillars of its growth. The key to value creation is in efficient allocation of resources, alignment with fundamentals and long term vision of the Group.</p>
<p>8. ESG</p>	<p>Enveloping the Group's value creation process, from strategy to implementation and reinvestment of capitals, sustainability is at the core of every facet of value creation and operations. This drives shared value for people, planet and profits.</p>

# 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 15 foreign markets.

#### Intellectual Capital

Proprietary research, industry expertise of 40 years, focus on R&D and innovation, and knowledge of sustainability practices.

#### Human Capital

Skilled workforce of 223 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 terms expiring in years 2068 and 2070, & 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.

#### Growth Drivers

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

#### Production Business Processes

Quarrying ► Processing ► Product

#### Trading Business Processes

Receive Purchase Order ► Sell

#### Material Topics

##### Talent Retention

Challenges in attracting and retaining specialised talent in R&D and operations includes **training & development**; a **safe and healthy workplace** and a **diverse and inclusive** workforce with opportunities for career progression.

##### Product Quality

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

##### Supply Chain Management (Social & Environmental)

Supply chain management on environmental performance secures reliable inputs, resource efficiency and aligns better with market expectations. Fair labour practices and safe workplaces ensure supplier stability, ethical sourcing and overall trust in operational excellence.

##### Regulatory and ESG Compliance

Addressing ESG impacts to adhere to industry standards and environmental regulations especially in areas involving **air and greenhouse gas ("GHG") emissions, waste management, water and energy usage** as well as **biodiversity** in the ecosystem.

##### Cost Management

Mitigating rising raw material and logistics costs.

##### Innovation

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

##### Strong Governance

Robust governance and clear accountability improve strategic oversight, decision-making and long-term organisational integrity. Areas including **anti-bribery and corruption and whistleblowing** mechanisms build trust; fair **labour practices and human rights** standards uphold organisational integrity and clear **data privacy and protection** safeguards customer trust.

##### Community Contribution

Community investment and engagement strengthen local partnerships and brand loyalty.

#### Risks

##### Talent Attrition

Attrition rates in specialised talent for R&D and operations to competitors may impact operational efficiency, untoward legal impact and reduced competitiveness in a globally diverse market.

##### Geopolitical Risks

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

##### Supply Chain Management (Social & Environmental)

Supply chain weakness may result in inconsistent product quality, operational delays and additional compliance burdens that affect business continuity. Socially, weak procurement processes expose operations to labour violations, reputational crises and business disruptions.

##### Regulatory Changes

Evolving environmental and industry-specific regulations may increase operational complexity and failure to comply may lead to financial penalties.

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

Volatile prices for raw materials and transportation.

##### Market Competition

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

##### Inconsistent Governance

Weak governance increases operational misalignment, inconsistent controls and ethical concerns that erode trust. Areas such as **anti-bribery and corruption and whistleblowing, labour practices and human rights and data privacy and protection** when absent or inconsistently applied give rise to legal and reputational hazards.

##### Community Contribution

Lack of corporate social responsibility initiatives damage corporate reputation.

A detailed disclosure of the Material Topics (in the Processes column) can be found in the Sustainability Statement on pages 45 to 49. Similarly, more information on the Stakeholder Engagement (in the Outcomes column) can be found on pages 50 to 53 of this Integrated Annual Report.

## Value Creation Strategic Review (Cont'd)

### Our Value Creation Model (Cont'd)

#### OUTPUT

Financial Capital	
Revenue	RM92.2 million
Net loss	RM5.5 million
Net cash for operation	RM3.2 million
Loss per share	1.92 sen
Dividend payout	None

Manufactured Capital	
Output: 182,348 MT of calcium carbonate	1 new technology or machine

Intellectual Capital	
Innovative products	Certifications
Earthya™ bioplastics and niche calcium carbonate solutions	ISO 9001:2015, ISO 45001:2018, ISO 14001:2015, HACCP, Halal Certification GMP, TÜV Austria OK Compost: Industrial and HOME, SIRIM Eco Label 001:2018 Compostable, BPI Industrial Compostable Standard, Australian Compostability Standards: AS 5810 and AS 4736, MyHIJAU

Human Capital	
High employee retention rate of 93.3%	Zero work-related fatalities.
3,229 total training hours in FYE2025 with an investment of RM165,254 for internal & external training and development programmes.	RM17.4 million in Board and employee remuneration and benefits.

Social and Relationship Capital	
92.7% of spending on local suppliers, RM0.7 million, contributed to income tax.	Continued awareness programmes and initiatives of environmental sustainability and practices.

Natural Capital	
6.5% reduced Scope 2 carbon emission in FYE2025 compared to FYE2024.	Zero wastewater discharge (all water used in production is treated).
Waste diversion rate of 16.0%, reduction of non-scheduled waste by 13.2%.	

#### 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 Vision & Growth Drivers

As part of the Group's vigilance in managing its capitals, the identified growth drivers along with significant milestones achieved during FYE2025 are mentioned in the table below.

	Growth Drivers	Milestones Achieved in FYE2025
EXPANSION OF SUSTAINABLE PRODUCT LINES	Addressing growing market needs for sustainable products, the compostable bioplastics line and enhancement of calcium carbonate applications through greener production process make a difference in total carbon footprint.	Successfully advanced the Earthya™ compostable bioplastics range, validating its soil-enhancing performance through controlled growth trials and completing a Product Carbon Footprint study confirming emissions comparable to traditional LDPE plastics, with the added benefits of being fully compostable, leaving zero traces of microplastics.
MARKET DIVERSIFICATION	Managing key market risk includes reducing dependency on the Group's key markets through diversification of product lines for emerging market segments. This is done through innovation and targeted marketing strategies to reach new audiences.	Identified emerging markets which benefit from newly developed products and growing the Group's revenue streams with prolonged growth of these new markets.
INVESTMENT IN R&D	Innovation in product performance, eco-friendliness and cost-efficiency are all premised on advanced R&D activity.	Continued launching certified high-performance products customised to clients' needs. Enhanced customer satisfaction and extended competitive advantage in the process.
STRENGTHENING ESG LEADERSHIP <sup>1</sup>	Senior leadership aligns business operations with global sustainability goals such as United Nation Sustainable Development Goals ("UN SDGs") and enhance reputational strength through proactive ESG action.	Demonstrable ESG leadership through strengthening of the ERM framework to include IFRS S2's climate-related financial risks resulting in clearer prioritisation for the Sustainability Committee and Board.  The adoption of IFRS S2 standards come a full two years before mandatory disclosure and is in line with the Group's proactive stance on Sustainability Governance. The Group extends its ESG leadership by keeping abreast of the latest developments in international and Malaysian ESG trends.
OPERATIONAL EFFICIENCY OPTIMISATION	Improving 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	Forming alliances with industry stakeholders, policymakers, and non-government organisations ("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.

<sup>1</sup> For detailed disclosures, please refer to the Aligning Focus Areas to Global Goals in the Sustainability Statement on pages 45 to 49 of this Integrated Annual Report.



# Sustainability Report

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## Sustainability Report (Cont'd)

### Embedding Sustainability Across the Value Chain

Zantat Holdings Berhad (“Zantat” or “the Group”) is pleased to present its Sustainability Statement (“Statement”), reflecting its commitment to integrating sustainable practices across its operations as a manufacturer of calcium carbonate solutions serving a broad range of downstream applications. The Group recognises that its role extends beyond production, as its solutions contribute to improved performance, enhanced product durability and greater resource efficiency across customers’ manufacturing ecosystems. Accordingly, sustainability remains an operational priority embedded across product stewardship, process optimisation and business resilience, in support of responsible growth and long-term value creation.

This Statement outlines the Group’s performance in key sustainability-related and climate-related (“S&C”) topics, risks and opportunities (“SRROs” and “CRROs” respectively) for financial year ended 31 December 2023 (“FYE2023”), FYE2024, and FYE2025. The reporting scope covers the Group and its subsidiaries, including Zantat Sdn Bhd’s Perak plants (“Zantat Perak”), Zantat Sdn Bhd’s Kuala Lumpur plant (“Zantat KL”), Calrock Sdn Bhd (“Calrock”), Zantat Light C.C. Sdn Bhd (“ZLCC”), Zaneco Sdn Bhd (“Zaneco”) and Zantat Trading Sdn Bhd. Zantat and Zantat Trading Sdn Bhd do not have direct operational activities and are therefore not considered to materially influence the Group’s overall sustainability performance, and accordingly are not separately reflected in this Statement.

During the year, the Group further enhanced its disclosures by presenting subsidiary-level Environment, Social, and Governance (“ESG”) metrics where feasible. There were no significant changes to the Group’s structure, ownership or supply chain during the reporting period. Looking ahead, the Group remains committed to strengthening its positioning as a leading manufacturer of calcium carbonate products while generating long-term value for stakeholders through responsible operations, innovation and sustainable growth.

### Zantat’s Sustainability Journey

While responsible operational practices have long been embedded in the Group’s business, the Group formalised and enhanced its sustainability governance and reporting framework in FYE2022. Since then, Zantat continued to strengthen its S&C framework and practices, in line with industry peers and best practices while meeting stakeholder expectations to drive positive impact and create meaningful value.

Table 0.2: Zantat’s sustainability journey and achievements since FYE2023.

FYE 2023	<ul style="list-style-type: none"> <li>Transitioned into a public listed company</li> <li>Established a three-tiered Sustainability Governance structure</li> <li>Conducted the Group’s first materiality assessment, identifying sustainability issues and prioritising 13 ESG topics</li> <li>Developed a Sustainability Framework for Zantat</li> <li>Adopted the United Nation Sustainable Development Goals (“UN SDGs”), supporting Goals 8, 12, 13 and 16</li> <li>Initiated the calculation and disclosure of greenhouse gas (“GHG”) emissions, including Scope 1, Scope 2 and selected Scope 3 categories that are material to Zantat’s operations</li> <li>Published the inaugural Integrated Annual Report and Sustainability Statement in line with frameworks and guidelines, including the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad, Bursa Malaysia Sustainability Reporting Guide-Third Edition, Global Reporting Initiative (“GRI”) Standards and the International Integrated Reporting Framework issued by the International Integrated Reporting Council (“IIRC”)</li> <li>Renewed and maintained ISO 9001:2015 (Quality Management System (“QMS”)), ISO 14001:2015 (Environmental Management System (“EMS”)) certifications, Halal certification, Hazard Analysis and Critical Control Points (“HACCP”) certification and Good Manufacturing Practice (“GMP”) certification</li> </ul>
FYE 2024	<ul style="list-style-type: none"> <li>Achieved ISO 45001:2018 (Occupational Health and Safety Management Systems (“OHSMS”))</li> <li>Established and implemented key policies, including the Sustainability Policy, Anti-Bribery and Corruption (“ABC”) Policy, Whistleblowing Policy and Code of Conduct and Ethics (“CoCE”), and updated internal occupational safety and health documentation in line with ISO requirements</li> <li>Revised and enhanced the materiality assessment, identifying 15 ESG topics significant to Zantat’s operations and stakeholders</li> <li>Conducted the Group’s first biodiversity assessment in alignment with the International Union for Conservation of Nature (“IUCN”) Red List (mammals)</li> <li>Launched Earthya™, a 100% compostable food waste bag that provides a sustainable alternative to conventional plastics and leaves no microplastic residue. The product is certified by TÜV Austria OK Compost, Biodegradable Products Institute (“BPI”), the Australasian Bioplastics Association (“ABA”) and carries the MyHIJAU Mark</li> <li>Enhanced the Group’s commitment to climate change and emission accounting by disclosing an additional Scope 3 category: Category 4 - Upstream Transportation and Distribution</li> <li>Renewed and maintained ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) certifications, Halal certification, HACCP certification and GMP certification</li> </ul>

## Sustainability Report (Cont'd)

### Zantat's Sustainability Journey (Cont'd)

#### FYE 2025

- Formed the Enterprise Risk Management ("ERM") Policy and reviewed the Sustainability Policy, ABC Policies, Whistleblowing Policy and CoCE
- Transitioned from ESG topics to S&C material topics ("material topics"), marking an initial step towards alignment with the National Sustainability Reporting Framework ("NSRF")
- Revised and refined the data collection system and consolidation approach for emission accounting and management
- Continued its initiative in biodiversity identification through a citizen science software and identified 17 species, supported by the IUCN Red List of mammals identified at ZLCC
- Initiated alignment with International Financial Reporting Standards ("IFRS") S2 Climate-related disclosures by conducting the Group's first CRROs scenario analysis, covering the shared socio-economic pathway ("SSP") 2 – Middle of the Road
- Renewed and maintained ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) certifications, Halal certification, HACCP certification and GMP certification

### Approach to Sustainability


Zantat's approach to sustainability is centred on integrating responsible practices into its business strategy, operations and stakeholder engagements. As a manufacturer of calcium carbonate and industrial mineral solutions, the Group recognises that effective environmental stewardship, workforce well-being and strong governance generates value across its operations and supply chain.

In FYE2025, guided by its vision and mission, Zantat established a sustainability framework that translates strategic priorities into goals encompassing resource efficiency, climate action and biodiversity, among others. This alignment enables the Group to prioritise resources, strengthen risk management and integrate S&C considerations into business strategies and decision-making.

This Statement has been prepared in accordance with the AMLR. Following Malaysia's introduction of the NSRF, and in line with its recommended adoption pathway, the Group plans to adopt IFRS S2 Climate-related Disclosures ("IFRS S2") first, followed by IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1") in future reporting cycles. This year marks Zantat's initial exploration of these standards as part of its transition towards more decision-useful, investor-focused sustainability reporting in preparation for future mandatory requirements.







As part of this transition, the Group continues to reference the Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations, which are now incorporated within IFRS S2, to guide its climate-related governance, risk management, metrics and targets. To further strengthen ESG disclosures, FTSE Russell's ESG metrics have been included into the reporting approach, while the Global Reporting Initiative ("GRI") Standards remain a reference point for topic-specific disclosures and additional indicators. Zantat will continue to advance its sustainability journey through progressive enhancements in governance, data quality and disclosure maturity.

*Table 0.3 S&C frameworks adopted by Zantat. Key: Active means the framework is currently in effect in this report; In-progress means Zantat is in the process of adopting the framework.*

Framework	Definition	Why it Matters	Status
 <p><b>BURSA MALAYSIA</b> Bursa Malaysia Sustainability Reporting Guide (3rd Edition)</p>	<p>Bursa Malaysia's guide for listed issuers to prepare sustainability disclosures that meet Listing Requirements, using a consistent set of Common Sustainability Matters and indicators.</p>	<p>Supports Zantat's regulatory compliance and supports consistent, comparable disclosures expected by Bursa Malaysia and investors.</p>	<p>Active</p>

## Sustainability Report (Cont'd)

### Approach to Sustainability (Cont'd)

Framework	Definition	Why it Matters	Status
 <p><b>IFRS S2 Climate-related Disclosures</b></p>	<p>A climate disclosure standard that requires decision-useful information on CRROs that could reasonably affect enterprise value, covering governance, strategy, risk management, and metrics and targets.</p>	<p>Enhances the Group's climate risk oversight and resilience planning, strengthens investor confidence, and prepares the Group for future mandatory climate disclosure requirements in Malaysia.</p>	In-progress
 <p><b>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information</b></p>	<p>A general sustainability disclosure standard that requires decision-useful information on SRROs that could reasonably affect enterprise value, linking sustainability information with financial reporting.</p>	<p>Strengthens Zantat's consistency and comparability across sustainability disclosures, improves how sustainability factors are connected to strategy and financial outcomes, and prepares the Group for future mandatory reporting requirements in Malaysia.</p>	In-progress
 <p><b>Greenhouse Gas ("GHG") Protocol</b></p>	<p>The most prevalent methodology for measuring and managing GHG emissions, covering direct emissions from operations (Scope 1), indirect emissions from purchased energy (Scope 2), and other value chain emissions (Scope 3).</p>	<p>Strengthens the Group's credibility and consistency of emissions reporting, emissions reduction planning and target setting, and improves readiness for assurance, customer requirements, and investor scrutiny.</p>	Active
 <p><b>Global Reporting Initiative ("GRI") Standards</b></p>	<p>Global standards for reporting an organisation's significant economic, environmental, and social impacts, with topic-specific disclosures and indicators.</p>	<p>Enhances Zantat's transparency and stakeholder trust through structured reporting on material impacts and performance trends.</p>	Active
 <p><b>United Nation Sustainable Development Goals ("UN SDGs")</b></p>	<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.</p>	<p>Aligns the Group's S&amp;C initiatives with global priorities and supports clearer articulation of societal value creation created by Zantat.</p>	Active
 <p><b>Taskforce on Climate-related Financial Disclosure ("TCFD")</b></p>	<p>A climate disclosure framework built around governance, strategy, risk management, and metrics and targets, now incorporated within IFRS S2.</p>	<p>Supports structured climate-related governance and risk management, at Zantat and strengthens disclosure readiness through an established climate reporting lens aligned with IFRS S2.</p>	In-progress and being incorporated into IFRS S2

## Sustainability Report (Cont'd)

### Sustainability Governance

At Zantat, the Board of Directors (“Board”) holds ultimate responsibility for overseeing S&C matters. Supported by the Sustainability Steering Committee (“SSC”) and Sustainability Working Groups (“SWGs”), each tier has defined roles and responsibilities to ensure effective oversight, coordination and implementation across the Group.

The Board provides overall direction on sustainability, including reviewing and approving priorities, key policies and targets, as well as monitoring progress against established commitments. It also ensures that S&C considerations, SRROs and CRROs emerging are progressively incorporated into the Group’s risk management process. The Board receives biannual updates on risk management and internal control matters, including both S&C risks.

Supporting the Board is the SSC, led by the Chief Strategy Officer, which drives the implementation of S&C initiatives across the Group and oversees the management of SRROs and CRROs at Zantat. The SSC formulates S&C strategies, policies and targets, and oversees the execution of ESG initiatives and provides regular updates to the Board.

At the operational level, the SWGs comprise representatives from key departments across all subsidiaries at Zantat. They implement initiatives, collect and validate performance data, support monitoring and reporting processes and identify improvement opportunities. Key SRROs and CRROs are escalated to facilitate the adoption of sustainability practices across all sites.

Through this governance approach, Zantat embeds strategic oversight to operational execution, enabling consistent performance management and supporting the Group’s long-term resilience. For more information on governance, please refer to the Corporate Governance Overview Statement on pages 127 to 133 and Key Messages on pages 16 to 39 of this Integrated Annual Report.

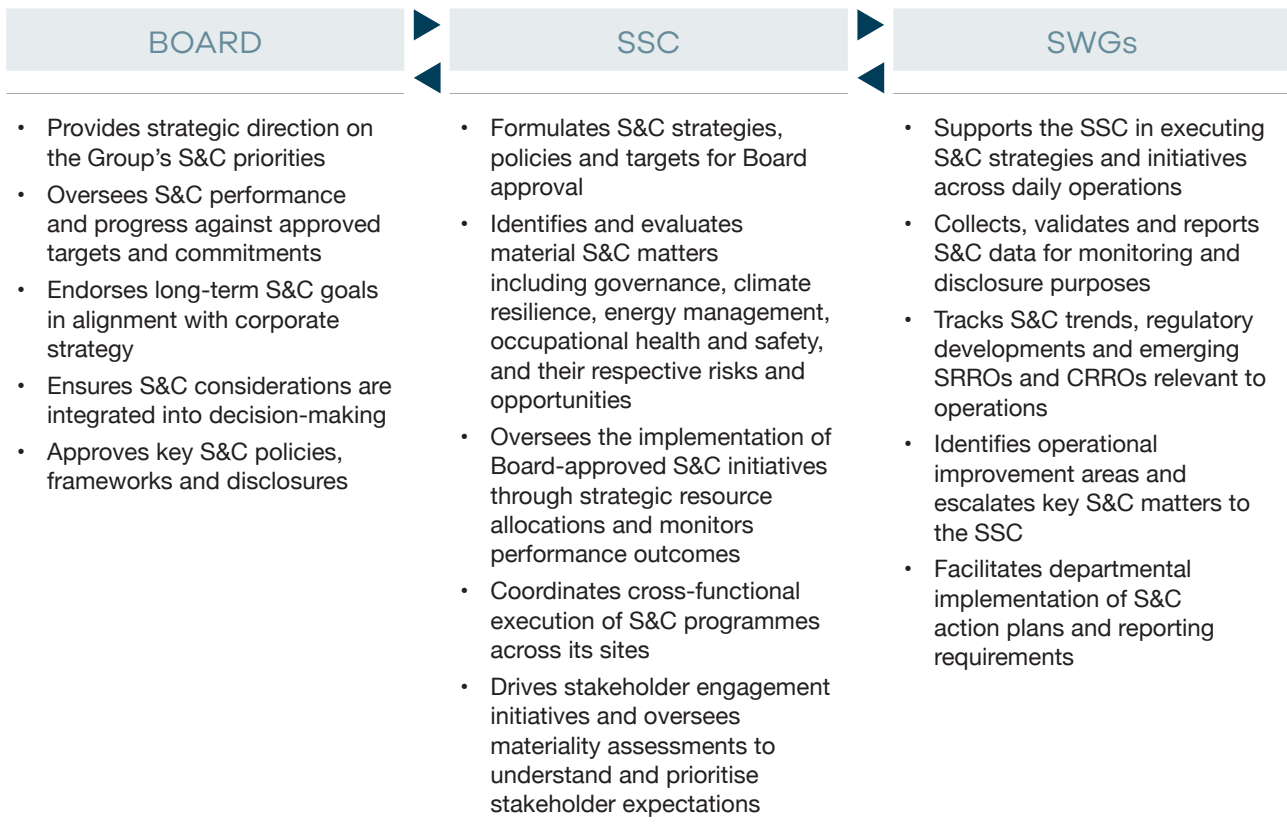




Fig 0.4 Sustainability governance structure at Zantat, incorporating a top-down and bottom-up approach to S&C integration and management across the entire operation.

# Sustainability Report (Cont'd)

## Aligning Focus Areas to Global Goals

The table below outlines Zantat's key material topics aligned with UN SDGs targets and performance achievements during FYE2025. These disclosures demonstrate how the Group integrates sustainability into its business operations to create long-term value for People, Planet and Profits.

Material Topics	Definition and FYE2025 Contributions
<p><b>Community Contribution</b></p>	<p>Building strong relationships with local communities through initiatives and programmes that support social development and address community needs.</p>
<p><b>1 NO POVERTY</b></p> 	<p><b>Target 1.2</b> Reduce at least by half the proportion of men, women, and children living in poverty.</p>
<p><b>4 QUALITY EDUCATION</b></p> 	<p><b>Target 4.1</b> Ensure that everyone complete free, equitable and quality primary and secondary education.</p>
<p>Zantat supported access to education by providing essential school supplies to selected underprivileged students. The Group contributed RM5,458 through its Back-to-School Programme and collaborated with Abaro Company to support 35 students at Sekolah Kebangsaan 1, Taman Selayang. The Group also organised a batik painting programme for orphanage children to create a meaningful developmental and learning experience.</p>	



## Sustainability Report (Cont'd)

### Aligning Focus Areas to Global Goals (Cont'd)

#### Material Topics Definition and FYE2025 Contributions

##### Community Contribution (Cont'd)

17 PARTNERSHIP FOR THE GOALS



##### Target 17.17

Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Zantat strengthened its community engagement approach in FYE2025 by establishing a structured Corporate Social Responsibility ("CSR") volunteering hour programme as part of its Key Performance Indicator ("KPI") framework, supported by a CSR actual contribution of RM34,808. Through this initiative, 77.7% of local staff achieved the KPI target, contributing a total of 818 volunteering hours during the year. This also supported the Group's collaborations with Hospital Raja Permaisuri Bainun, AEON Mall Kinta City, Abaro Company and other local partners to deliver blood donation drives, education support and welfare programmes for orphaned children.

##### Supply Chain Management (Environment)

Evaluating suppliers based on their environmental practices and ensuring alignment with S&C goals to promote responsible sourcing.

##### Supply Chain Management (Social)

Reviewing and collaborating with suppliers to ensure their operations positively contribute to societal well-being and adhere to ethical practices.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



##### Target 12.6

Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Zantat strengthened responsible procurement by requiring all suppliers to comply with its External Party CoCE, conducting periodic supplier and contractor assessments, and embedding a 38-question ESG assessment into supplier onboarding and evaluation in FYE2025. The Group also prioritised local sourcing and directed 92.7% of its procurement spending to local suppliers, while continuing to engage suppliers to improve ESG performance and address non-compliance.

##### Occupational Health and Safety

Ensuring the safety and well-being of employees by adhering to stringent health and safety protocols and fostering a culture of care and prevention.

3 GOOD HEALTH AND WELL-BEING



##### Target 3.9

Reduce illnesses and deaths caused by hazardous chemicals and air, water, and soil pollution.

Zantat continued to reinforce workplace safety through practices aligned with ISO 45001:2018, quarterly meetings conducted by the Environment, Safety and Health ("ESH") Committee, cross-site safety audits, Gemba Walks, refresher training on chemical handling and mandatory online safety and health awareness training, which achieved a 100% completion rate for staff and Board members. The Group also maintained occupational health services including Foreign Workers Medical Examination Monitoring Agency ("FOMEMA") health screenings, audiometric testing, noise risk assessments and panel clinic access.

8 DECENT WORK AND ECONOMIC GROWTH



##### Target 8.8

Protect labour rights and promote safe working environments.

## Sustainability Report (Cont'd)

### Aligning Focus Areas to Global Goals (Cont'd)

Material Topics	Definition and FYE2025 Contributions
<p><b>Talent Management</b></p> <p>Providing fair and equal opportunities for professional growth through structured training and development programmes to enhance skills and career progression.</p>	<p><b>4 QUALITY EDUCATION</b></p> <p><b>Target 4.4</b> Increase the number of youth and adults with relevant skills for employment and entrepreneurship.</p> <p>Zantat strengthened workforce capability through orientation programmes for new hires, internship placements for students and fresh graduates, continuous technical and functional training, career development plans, internal promotion opportunities, and formal performance appraisals for all employees.</p>
<p><b>Diversity and Inclusion</b></p> <p>Encouraging and fostering a workplace environment that values varied backgrounds, perspectives, and skills to build a more inclusive environment at the Group.</p>	<p><b>10 REDUCED INEQUALITIES</b></p> <p><b>Target 10.2</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p>Zantat strengthened inclusion by establishing formal mechanisms to prevent discrimination, enabling employees to raise concerns anonymously or directly to Human Resources. Additionally, Zantat also applied merit-based hiring and promotion practices, reviewing employee feedback to improve workplace practices, and reinforcing awareness through training and internal communications. The Group also recorded no discrimination incidents or corrective actions during the year.</p>
<p><b>Water Management</b></p> <p>The efficient and sustainable use of water resources, focusing on conservation, reuse, and reducing water wastage across processes.</p>	<p><b>6 CLEAN WATER AND SANITATION</b></p> <p><b>Target 6.4</b> Increase water-use efficiency to ensure sustainable withdrawals.</p> <p>Zantat improved water-use efficiency through regular inspections and preventive maintenance on pipelines, valves, hoses, and storage tanks. Additionally, the Group continued to install water meters to monitor and control usage. These efforts supported lower total water consumption and improved water intensity per Malaysian Ringgit ("ringgit") of revenue and per operating hour in FYE2025.</p>
<p><b>Energy Management</b></p> <p>The strategic approach to optimising energy consumption, improving efficiency, and exploring renewable energy sources to reduce reliance on conventional energy.</p>	<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <p><b>Target: 7.3</b> Double the global rate of improvement in energy efficiency.</p> <p>In FYE2025, Zantat advanced energy efficiency by installing an additional 849 kWp solar PV system at Perak Plant 2, evaluating a battery energy storage system, piloting an electric forklift, and continuing the use of its high-efficiency electric motors. These measures supported lower total energy consumption, higher solar generation, and improved energy intensity per ringgit of revenue and per operating hour.</p>

## Sustainability Report (Cont'd)

### Aligning Focus Areas to Global Goals (Cont'd)

Material Topics	Definition and FYE2025 Contributions
<b>Waste and Effluent 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>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p> 	<p><b>Target 11.6</b> Reduce the adverse per capita environmental impact of cities, including air quality and waste management.</p> <p>Zantat contributed to local environmental stewardship through a <i>gotong royong</i> programme around its plants, a tree planting and gardening programme, and the promotion of environmental awareness during community events such as Pantai Marathon 2025 and the PPBA Badminton Tournament 2025. These initiatives supported environmental cleanliness, waste awareness and broader sustainability engagement within the surrounding community.</p>
<p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> 	<p><b>Target 12.5:</b> Substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p> <p>Zantat maintained designated scheduled waste storage areas, continued waste segregation, reuse and recycling practices, and managed scheduled waste through licensed contractors and Department of Environment (“DOE”) approved facilities. The Group also reduced total scheduled and non-scheduled waste generation, achieved a waste diversion rate of 16.0%, and fully treated effluent from Zantat KL prior to discharge.</p>
<b>Human Rights and Labour Practices</b>	<p>Encompass dignity, equality, fair treatment, safe working conditions, fair wages, and prevention of exploitation, promoting ethical and inclusive standards.</p>
<p><b>10 REDUCED INEQUALITIES</b></p> 	<p><b>Target 10.2</b> Empower and promote social, economic, and political inclusion.</p> <p>Zantat supported inclusive labour practices by maintaining anonymous suggestion boxes, dedicated reporting emails, and direct communication to supervisors or Human Resources Department for grievances, while also providing certified hostel accommodation for foreign employees with basic amenities, safety measures, and ongoing certificate monitoring. The Group recorded no substantiated human rights violations during the year.</p>
<b>Air and Greenhouse Gas Emissions</b>	<p>The management of emissions resulting from operations, including air pollutants and GHGs, to minimise environmental impact and comply with regulatory standards.</p>
<p><b>13 CLIMATE ACTION</b></p> 	<p><b>Target 13.2:</b> Integrate climate change measures into policies, strategies, and planning.</p> <p>Zantat strengthened climate and emissions management by applying the GHG Protocol under a financial control boundary, conducting its first CRROs scenario analysis under Shared Socioeconomic Pathway 2, commissioning an 849 kWp solar photovoltaic (“PV”) system. Additionally, Zantat has strengthened its environmental management approach by incorporating more air pollution-related matters into its ISO 14001:2015 (EMS) documentation. The Group also maintained all monitored air pollutants within applicable Malaysian ambient air quality limits while reducing Scope 1 and Scope 2 emissions.</p>

# Sustainability Report (Cont'd)



## Aligning Focus Areas to Global Goals (Cont'd)

Material Topics	Definition and FYE2025 Contributions
<p><b>Biodiversity and Land Remediation</b></p>	<p>Efforts to protect and enhance ecosystems, focusing on preserving biodiversity and mitigating negative impacts on flora and fauna.</p>
<p><b>15 LIFE ON LAND</b></p> 	<p><b>Target 15.5</b> Take urgent action to reduce the degradation of natural habitats and biodiversity loss.</p> <p>Zantat elevated biodiversity and land remediation to a standalone sustainability goal. Zantat continued using the IUCN Red List to understand biodiversity sensitivities, continued to implement slope stabilisation, soil reinstatement and revegetation, conducted a six-hour biodiversity awareness training, and used iNaturalist to record 17 species at ZLCC. The Group also participated in tree planting initiatives to support local greening efforts.</p>
<p><b>Anti-Bribery and Corruption and Whistleblowing</b></p>	<p>Implementing policies to prevent corruption and fraud, with mechanisms for secure and anonymous reporting of unethical behaviour.</p>
<p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p> 	<p><b>Target 16.5</b> Substantially reduce corruption and bribery in all forms.</p> <p>Zantat maintained its zero-tolerance approach to corruption through its ABC Policy, CoCE, employee awareness and training programmes and accessible whistleblowing channels managed by Human Resources Department and dedicated email reporting. For the third consecutive year, all employees completed ABC training, and no corruption incidents were reported or substantiated.</p>
<p><b>Data Privacy and Protection</b></p>	<p>Safeguarding sensitive data through robust systems and practices that ensure confidentiality and compliance with privacy regulations.</p>
<p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p> 	<p><b>Target 16.10</b> Ensure public access to information and protect fundamental freedoms.</p> <p>Zantat reinforced data protection by enforcing non-disclosure agreements for employees handling sensitive information and invested RM103,260 in SOPHOS firewall and cloud security solutions over three years, including endpoint protection, email security, and network perimeter security across its IT environment. The Group also maintained zero substantiated complaints concerning breaches of customer privacy or incidents of data loss.</p>
<p><b>Corporate Governance</b></p>	<p>Adhering to frameworks that ensure transparency, accountability and ethical practices in all business operations and decision-making processes.</p>
<p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p> 	<p><b>Target 16.6</b> Develop effective, accountable and transparent institutions at all levels.</p> <p>Zantat strengthened governance through Board oversight, the SSC and SWGs, the adoption of the ERM Policy, periodic review of key governance policies, and continued Board participation in governance and S&amp;C training. The Group also improved Board gender diversity, with female representation increasing to 30.0% during the year.</p>

## Sustainability Report (Cont'd)



### Engaging with Stakeholders

Zantat engages with stakeholders to understand their perspectives and concerns relevant to its operations. These insights inform the consideration of S&C matters in strategic planning and decision-making.

Stakeholder Group	Importance to Zantat
<b>EMPLOYEES</b> 	Employees contribute the expertise and commitment that underpin innovation, operational excellence and sustainable growth. Their efforts support the Group in maintaining industry standards, strengthening stakeholder relationships, and delivering long-term value to customers, shareholders and communities.
<b>Key Interests</b> <ul style="list-style-type: none"> <li>Employee welfare and benefits</li> <li>Training and career development</li> <li>Occupational health and safety</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>Employee engagement activities</li> <li>Internal communications</li> <li>Promoting workplace safety</li> </ul>
	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>Ongoing</li> <li>As required</li> <li>Ongoing</li> </ul>
<b>Goals</b>	
<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>	
<b>Actions</b>	
<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 programmes to celebrate milestones and contributions of long-serving employees</li> </ul>	
Stakeholder Group	Importance to Zantat
<b>SHAREHOLDERS AND INVESTORS</b> 	Play a vital role in Zantat's growth, providing the capital that supports innovation and market expansion. Their trust underscores the Group's commitment to strong governance, transparency and responsible business practices, enabling long-term value creation and sustainable returns.
<b>Key Interests</b> <ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Group financial performance</li> <li>Ethics, integrity and governance</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>Quarterly and annual reports</li> <li>Annual General Meeting/ Extraordinary General Meeting</li> <li>Updated policies and compliance training sessions</li> </ul>
	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>Quarterly or annually</li> <li>Annually or as required</li> <li>As required</li> </ul>
<b>Goals</b>	
<ul style="list-style-type: none"> <li>Maintain strong financial performance and sustainable long-term growth</li> <li>Ensure transparency and accountability in ESG and governance practices</li> <li>Strengthen investor confidence through responsible business strategies and risk management</li> </ul>	
<b>Actions</b>	
<ul style="list-style-type: none"> <li>Evaluating and incorporating shareholder inputs into strategic decision-making where viable</li> <li>Strengthening the Group's Investor Relations function to improve accessibility to the Group's overall strategy and key financial data</li> </ul>	



# Sustainability Report (Cont'd)

## Engaging with Stakeholders (Cont'd)

Stakeholder Group	Importance to Zantat
<b>CUSTOMERS</b> 	Customers are important to Zantat’s business and a key driver of sustainable growth. The Group prioritises their evolving needs and market expectations, delivering high-quality products and solutions that create value and build long-term relationships.
<b>Key Interests</b> <ul style="list-style-type: none"> <li>Quality products and services</li> <li>Customer satisfaction</li> <li>Timely delivery</li> <li>Pricing and supplies</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>Customer feedback and meetings</li> <li>Ad hoc participation in industry networking events</li> </ul>
	<b>Engagement Frequency</b> <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>Deliver high-quality, sustainable, and innovative products</li> <li>Ensure reliable supply chains and prompt delivery</li> <li>Continuously improve customer service and engagement</li> </ul>	
<b>Actions</b>	
<ul style="list-style-type: none"> <li>Continuously investing in research and development (i.e. testing lab expansion and new equipment) to enhance in-house testing of customer products, optimise performance and deliver customised solutions</li> <li>Committing to responsible sourcing, sustainable manufacturing and ensuring compliance with environmental and safety standards to align with customer values</li> </ul>	
Stakeholder Group	Importance to Zantat
<b>GOVERNMENT AND REGULATORY AUTHORITIES</b> 	This stakeholder group helps maintain a structured and compliant operating environment. Their oversight upholds legal and industry standards, fostering transparency, fair competition and responsible business conduct.
<b>Key Interests</b> <ul style="list-style-type: none"> <li>Compliance to regulations</li> <li>Workplace safety</li> <li>Environmental impact</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>Meetings and discussions</li> <li>Onsite inspections</li> <li>Workshops and training</li> </ul>
	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> </ul>
<b>Goals</b>	
<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>	
<b>Actions</b>	
<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, SSC and SWGs) and collaborating with external consultants to ensure full compliance with regulatory standards</li> </ul>	



## Sustainability Report (Cont'd)

### Engaging with Stakeholders (Cont'd)

Stakeholder Group	Importance to Zantat	
<b>LOCAL COMMUNITY</b> 	The local community forms the social and economic environment in which Zantat operates, providing essential workforce, infrastructure and market support. Their well-being and development underpin a stable operating landscape, strengthening business resilience and stakeholder relationships.	
<b>Key Interests</b> <ul style="list-style-type: none"> <li>• Employment opportunities</li> <li>• Supporting community development and enrichment</li> <li>• Environmental impact and compliance with regulations</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>• Talent recruitment</li> <li>• Community initiatives</li> </ul>	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>• Ongoing</li> <li>• As required</li> </ul>
<b>Goals</b>		
<ul style="list-style-type: none"> <li>• Create job opportunities and support local economic growth</li> <li>• Engage in community development programmes 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 through in philanthropic donations, community health and well-being initiatives and environmental and community engagement initiatives</li> </ul>		
Stakeholder Group	Importance to Zantat	
<b>SUPPLIERS</b> 	Suppliers are integral to Zantat's supply chain, providing the raw materials, equipment and services that support operational efficiency. Their reliability and quality directly impact production performance, cost management and customer satisfaction.	
<b>Key Interests</b> <ul style="list-style-type: none"> <li>• Timely payment</li> <li>• Business continuity</li> <li>• Procurement ethics</li> <li>• Ensuring product and service quality</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>• Negotiations with suppliers/ partners</li> <li>• Meetings/discussions</li> </ul>	<b>Engagement Frequency</b> <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) to reduce disruption risks</li> <li>• Conducting annual supplier performance surveys to assess product and/or service quality and ensure ESG compliance</li> </ul>		

## Sustainability Report (Cont'd)

### Engaging with Stakeholders (Cont'd)

Stakeholder Group	Importance to Zantat	
<b>FINANCIAL INSTITUTIONS</b> 	They support Zantat's growth by providing capital, banking services and financial solutions. Their role facilitates funding, manages financial risks and maintains liquidity, enabling the Group to pursue investments, enhance operational efficiency and navigate market volatility with confidence.	
<b>Key Interests</b>	<b>Engagement Platforms</b>	<b>Engagement Frequency</b>
<ul style="list-style-type: none"> <li>Financial risk management</li> </ul>	<ul style="list-style-type: none"> <li>Business and operational updates</li> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Annually</li> </ul>
<b>Goals</b>		
<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>		
<b>Actions</b>		
<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. Human Resources Development Fund training grants)</li> </ul>		
Stakeholder Group	Importance to Zantat	
<b>MEDIA</b> 	The media serves as an important channel for communicating Zantat's business developments, S&C initiatives and corporate values to stakeholders. This supports brand visibility, transparency and corporate reputation, strengthening trust and engagement with stakeholders.	
<b>Key Interests</b>	<b>Engagement Platforms</b>	<b>Engagement Frequency</b>
<ul style="list-style-type: none"> <li>Transparent communication on business performance, S&amp;C initiatives and community development programmes</li> </ul>	<ul style="list-style-type: none"> <li>Media events such as press conferences and product launches</li> <li>Press releases</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>Increase brand visibility and credibility through strategic media engagement</li> <li>Strengthen stakeholder trust by communicating S&amp;C initiatives transparently</li> <li>Position Zantat as an industry leader in responsible manufacturing and innovation</li> </ul>		
<b>Actions</b>		
<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, S&amp;C initiatives and corporate achievements</li> </ul>		

## Sustainability Report (Cont'd)

### Prioritising Material Issues

The Group prioritises S&C initiatives by strategically allocating resources to areas most relevant to its business and stakeholders. In FYE2023, Zantat conducted its first materiality assessment, identifying 13 material topics. In FYE2024, these topics were refined and expanded to 15 material topics, reflecting evolving stakeholder concerns and business priorities.

During the reporting year, material topics identified from the prior materiality assessment were retained as they remained relevant to the Group's stakeholders and business operations. Material topics positioned in the top right region of the materiality matrix were considered critically important to the Group, and topics in the bottom left region were regarded as important to the Group. Zantat's top five material topics remained at 1) Occupational health and safety, 2) Anti-bribery and corruption and whistleblowing, 3) Human rights and labour practices, 4) Waste and effluent management and 5) Community contribution. The Group plans to conduct and renew its materiality assessment every three years to ensure S&C priorities remain aligned with evolving business needs and stakeholders' expectations.

Biodiversity and land remediation remain a strategic priority for the Group, despite its relative positioning in the materiality matrix. As a company operating within the calcium carbonate industry, Zantat recognises that its activities are closely linked to land use and natural ecosystems. The Group therefore considers biodiversity protection and responsible land management to be fundamental to maintaining sustainable operations and securing long-term licence to operate. Hence, in FYE2025, Zantat elevated biodiversity and land remediation to a standalone sustainability goal to strengthen oversight and explore more structured initiatives in this area in future reporting cycles.

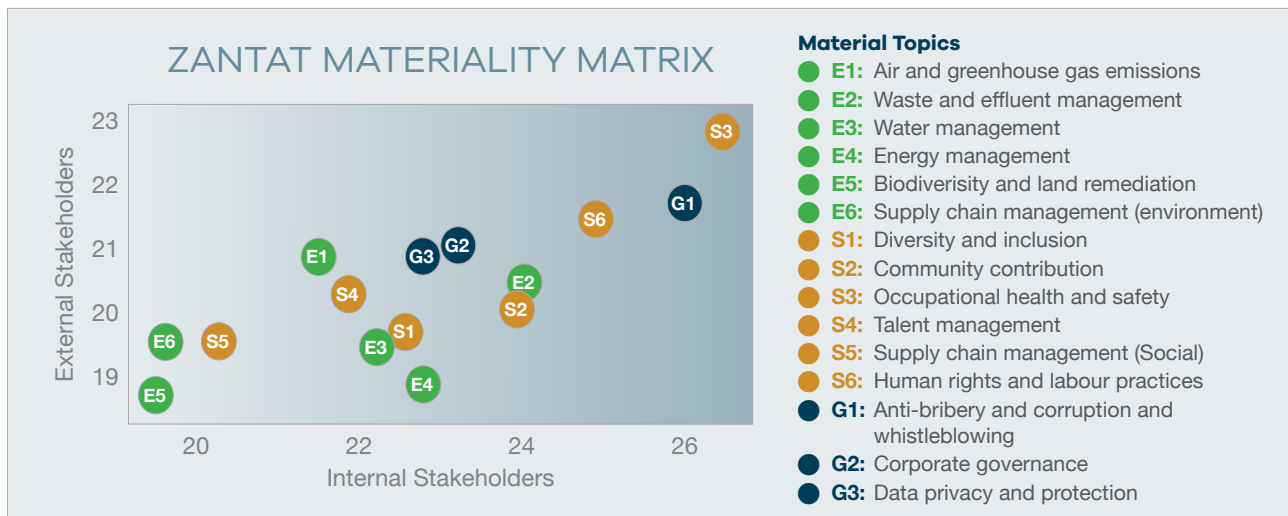


Fig 0.7 The 15 material topics identified from Zantat's materiality survey are presented in the materiality matrix.

Further to that, Zantat strengthened its materiality approach by establishing five S&C goals (shown below) and aligning these material topics to the relevant goals, ensuring a more structured, focused and result-driven S&C strategy.

# Sustainability Report (Cont'd)

## Prioritising Material Issues (Cont'd)

UN SDG	Goals	Material Topics
	<p>Goal 1: Optimising Resource Efficiency and Circular Practices</p>	<ul style="list-style-type: none"> <li>Energy management</li> <li>Water management</li> <li>Waste and effluent management</li> </ul>
	<p>Goal 2: Advancing Climate Action and Air Emission Reduction</p>	<ul style="list-style-type: none"> <li>Air and greenhouse gas emissions</li> </ul>
	<p>Goal 3: Safeguarding Ecosystems Through Biodiversity Stewardship</p>	<ul style="list-style-type: none"> <li>Biodiversity and land remediation</li> </ul>
	<p>Goal 4: Empowering Workforce and Community Connections and Shared Values</p>	<ul style="list-style-type: none"> <li>Diversity and inclusion</li> <li>Occupational health and safety</li> <li>Talent management</li> <li>Community contribution</li> <li>Human rights and labour practices</li> </ul>
	<p>Goal 5: Upholding Ethical Conduct and Supply Chain Integrity</p>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Anti-bribery and corruption and whistleblowing</li> <li>Data privacy and protection</li> <li>Supply chain management</li> </ul>
<p><b>Stakeholders</b></p>	<div style="display: flex; justify-content: space-around; text-align: center;"> <div style="border: 1px solid #ccc; padding: 5px;">Shareholders and Investors</div> <div style="border: 1px solid #ccc; padding: 5px;">Employees</div> <div style="border: 1px solid #ccc; padding: 5px;">Customers</div> <div style="border: 1px solid #ccc; padding: 5px;">Government and Regulatory Authorities</div> <div style="border: 1px solid #ccc; padding: 5px;">Suppliers</div> <div style="border: 1px solid #ccc; padding: 5px;">Financial Institutions</div> <div style="border: 1px solid #ccc; padding: 5px;">Media</div> </div>	

For more information on how the Group’s approach aligns with value creation, refer to the Value Creation Model on pages 36 to 37 of this Integrated Annual Report.

## Sustainability Report (Cont'd)

### Integration of Material Topics into Risk Management

In FYE2025, the Group formalised its risk governance through the implementation of its ERM Policy, formalising Board oversight and management accountability for enterprise-wide risk management. The framework encompasses strategic, financial, regulatory, environmental and climate-related risks, including emerging climate-related risks associated with the transition to a low-carbon economy. Oversight is provided by the Board and the Audit and Risk Management Committee ("ARMC"), supported by management-level implementation and coordination functions.

The ERM framework establishes a structured and standardised process to identify, assess, manage and monitor risks across the Group. Risks are identified through an ongoing process embedded within business operations, such as process reviews, incident reporting, internal audits and assessment of internal and external factors, including regulatory and market developments. Each risk is assessed based on likelihood and impact to determine severity and prioritisation.

Risk registers are maintained at departmental level and consolidated into a centralised Group Risk Register for validation, monitoring and escalation to management, the ARMC and the Board, where appropriate. Risks are reviewed periodically, or more frequently where material changes arise. Mitigation actions are assigned to designated risk owners and tracked through defined timelines and Key Risk Indicators, with established thresholds to prompt escalation where necessary.

Through this integrated approach, material S&C risks are systematically evaluated alongside corporate and operational risks, embedding risk management into decision-making and supporting the Group's operational resilience, regulatory compliance and sustainable growth.

For more information on the Group's ERM framework and policy, please refer to <https://ir2.chartnexus.com/zantat/corporategovernance.php> and Zantat's Statement of Risk Management and Internal Control on pages 137 to 142. Further details on climate-related risks are presented under Goal 2: Advancing Climate Action and Air Emission Reduction on pages 68 to 81 and Sustainability Governance section on page 44 of this Integrated Annual Report.

Table 0.8 The outline of how material topics are categorised within Zantat's ERM framework.

ERM Risk Category	Related Material Topics	Definitions
STRATEGIC	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Supply Chain Management</li> </ul>	Risks that adversely affects the stability and/or integrity of the Group as well as its ability to achieve strategic goals and objectives.
FINANCIAL	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Community Contribution</li> </ul>	Risks associated with adverse impacts on the Group's financial performance and stability including incurring additional/increased liabilities.
OPERATIONS	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Waste and Effluent Management</li> <li>Air and GHG Emissions</li> </ul>	Risks associated with inadequacy or failure of internal processes, people and systems or from external events, causing losses, delays or disruptions to production processes or operations of the business and/or key assets.
HEALTH AND SAFETY	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>	Risks associated with the potential harm or danger to the physical well-being and safety of individuals due to hazards, conditions or activities, both on-site and in any company-related activities.
PEOPLE AND TALENT	<ul style="list-style-type: none"> <li>Talent Management</li> <li>Diversity and Inclusion</li> </ul>	Risks related to workforce capability, succession planning and employee well-being.

## Sustainability Report (Cont'd)

### Integration of Material Topics into Risk Management (Cont'd)

ERM Risk Category	Related Material Topics	Definitions
REPUTATION	<ul style="list-style-type: none"> <li>Community Contribution</li> <li>Customer Satisfaction</li> <li>Human Rights and Labour Practices</li> <li>Anti-Bribery and Corruption and Whistleblowing</li> </ul>	Risks associated with adverse impact to the Group's image, public perception and credibility among its stakeholders, including clients, investors, regulatory bodies and the public.
REGULATORY AND COMPLIANCE	<ul style="list-style-type: none"> <li>Human Rights and Labour Practices</li> <li>Anti-Bribery and Corruption and Whistleblowing</li> </ul>	Risks arising from non-adherence to laws, relevant regulatory requirements, contractual obligations and industry standards (e.g. environmental regulations, labour laws, specific industry compliance requirements, etc).
ENVIRONMENTAL	<ul style="list-style-type: none"> <li>Waste and Effluent Management</li> <li>Water Management</li> <li>Biodiversity and Land Remediation</li> <li>Air and GHG Emissions</li> </ul>	Risks related to environmental performance, pollution and resource management.
CLIMATE-RELATED	<ul style="list-style-type: none"> <li>Air and GHG Emissions</li> <li>Energy Management</li> <li>Biodiversity and Land Remediation (physical risk exposure)</li> <li>Supply Chain Management (transition risk exposure)</li> </ul>	Climate-related risks including physical risks (acute and chronic) arising from climate impacts, and transition risks arising from regulatory, technological and market changes during the shift to a low-carbon economy.

### FYE2025 Initiative Highlights

Zantat identified 23 S&C initiatives, of which 12 were prioritised and implemented in FYE2025. These initiatives align with the Group's material topics and have been strategically prioritised and implemented. The remaining initiatives have been scheduled for future implementation, with several carried into FYE2026 to support more focused planning and effective execution. This phased approach enables Zantat to progressively advance initiatives across its remaining material topics in a more holistic and balanced manner.

Initiatives	Input	Outcome
Establish governance for annual cross-site safety audits	A total of 10 man-days were recorded, involving eight internal safety team members who conducted cross-site safety audits	A consolidated internal audit report was issued, with 12 opportunities for improvement identified and closed
Launch mandatory online training modules on safety and health awareness	Development of in-house safety and health awareness training content and assessment modules	100% of Zantat's Board and staff completed the training; 100% of staff passed the assessment on the first attempt
Launch mandatory online training modules on labour practices and anti-bribery and corruption ("ABC") awareness	Development of in-house ABC training content and assessment modules	100% of Zantat's Board and staff completed the training; 98.0% of staff passed the assessment on the first attempt; with 100% passing after the second attempt

## Sustainability Report (Cont'd)

### FYE2025 Initiative Highlights (Cont'd)

Initiatives	Input	Outcome
Establish a structured CSR volunteering hour programme as part of the KPI for local staff	CSR actual contribution of RM34,808 to support employee volunteering initiatives	77.7% of local staff achieved the KPI target, contributing a total of 818 volunteering hours
Conduct cradle-to-grave carbon footprint study for Zaneco compostable food waste bag	Product carbon footprint study conducted jointly with an external consultancy firm	A cradle-to-grave product carbon footprint report completed for Zaneco's compostable food waste bag
Incorporate air pollution management into ISO 14001:2015 (EMS) documentation	Updates made to ISO 14001:2015 (EMS) documentation	Strengthened management of air pollution matters within ISO 14001:2015 (EMS) documentation
Install solar PV system at Zantat Perak Plant 2 (Phase 1)	Capital expenditure of RM1.4 million for Phase 1 solar panel installation at Zantat Perak Plant 2	Solar PV system installed, with the exact energy generation output pending assessment
Catalogue natural species at ZLCC site	Eight man-days allocated for quarry site biodiversity observation and documentation	18 flora and fauna observations recorded, including 17 identified species
Implement cybersecurity measures via installation of SOPHOS	Investment of RM103,260 to procure SOPHOS firewall and cloud security solutions for a three-year period	Comprehensive endpoint protection installed across all Zantat devices, including desktops and laptops

## GOAL 1: OPTIMISING RESOURCE EFFICIENCY AND CIRCULAR PRACTICES

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

Due to the energy-intensive nature of mineral processing and production activities, energy management is significant to Zantat's operations. The Group focuses on optimising energy use to lower operating costs, reduce GHG emissions, strengthen regulatory compliance and enhance operational resilience. These efforts also ensure that the Group is able to meet customer expectations and the transition towards a low-carbon future.

Zantat remains guided by the ESG commitments outlined in its Sustainability Policy and continues to promote responsible electricity usage across its operations through employee engagement and workforce initiatives. Additionally, 100% of the Group are covered under ISO 14001:2015 (EMS) supporting a more systematic approach to managing energy use and improving environmental performance across the Group. The certification is renewed annually and communicated internally through memorandum, emails, briefings, training sessions, meetings, procedure manuals and work instructions.

#### Initiatives

In FYE2025, Zantat Perak invested RM1.4 million to install an additional 849 kWp of solar PV capacity, with the system operating since April 2025. Annually, this additional capacity is estimated to generate approximately 1,141 MWh of renewable electricity per year.\* Installation works for the remaining scope are ongoing as part of the Group's long-term plan to scale up solar capacity to 2 MWp, subject to completion progress and operational readiness. To further enhance energy reliability and optimise on-site solar utilisation, the Group is also evaluating a battery energy storage system ("BESS") of up to 1 MWh at the Perak Plant.

#### Note:

\* Estimation is based on average solar PV output assumptions for Malaysia from Global Solar Atlas. Actual generation may vary depending on solar irradiation, weather conditions, system efficiency and operational activity.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Energy Management (Cont'd)

##### Initiatives (Cont'd)

In parallel, the Group continued to advance initiatives aimed at improving energy efficiency and reducing diesel consumption. This includes the pilot deployment of an electric vehicle (“EV”) forklift valued at RM97,800 as a practical step towards cleaner equipment solutions. The electric motors installed in the previous year remained operational throughout FYE2025 and continued to support improved energy performance through sustained efficiency gains.

##### FYE2025 Performance

In FYE2025, Zantat recorded an 11.0% reduction in total energy consumption compared with the previous year, primarily driven by lower electricity and diesel usage. Concurrently, solar energy generation increased by 16.5% to 1,505 MWh in FYE2025 from 1,292 MWh in FYE2024, following the expansion of installed solar PV capacity during the year. This reflects the Group’s continued efforts to strengthen energy management and progressively increase the contribution of renewable energy within its operational profile. In addition, the Group enhanced data tracking for liquid petroleum gas (“LPG”), enhancing the completeness of its energy monitoring and disclosure practices.

In addition, the Group monitors energy consumption per thousand operating hour to reflect operational energy performance. In FYE2025, this intensity metric recorded a 0.6% decrease from FYE2024. Similarly, total energy consumption per million ringgit of revenue decreased by 2.6% compared to FYE2024, reflecting the impact of ongoing energy efficiency measures and operational optimisation initiatives.

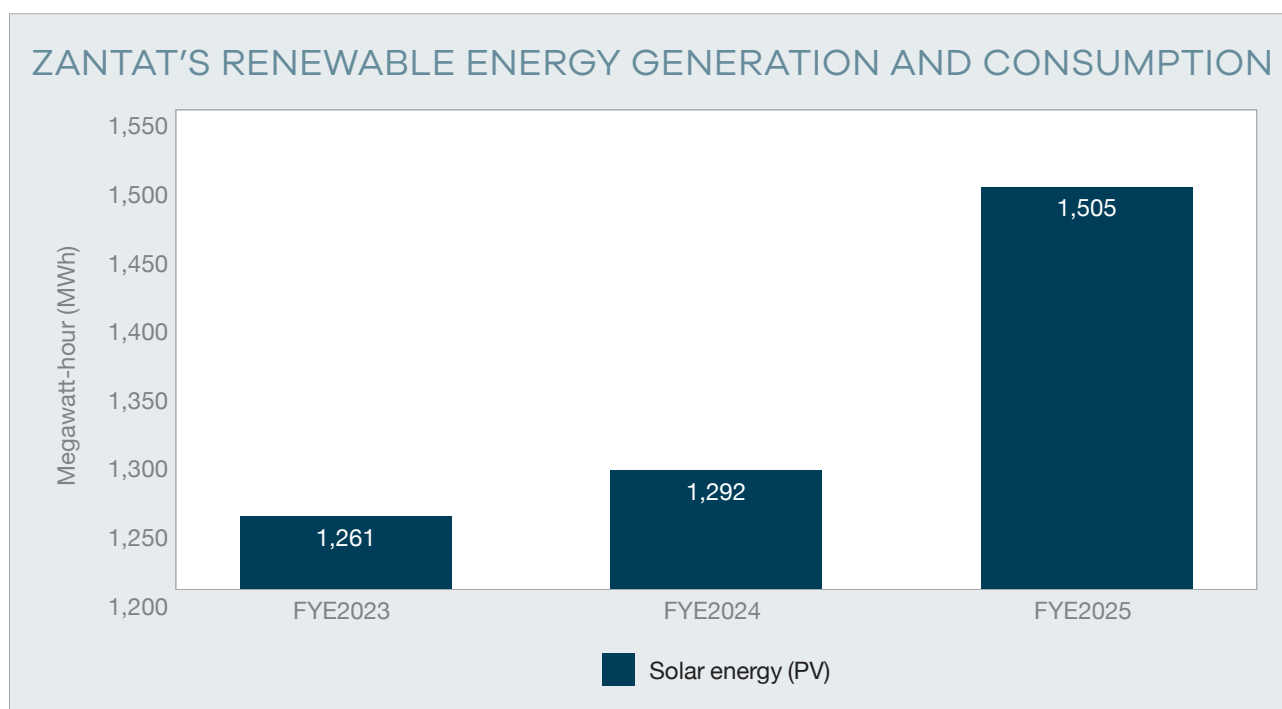


Fig 1.1 Zantat's renewable energy generation (solar energy photovoltaic system) for the past three financial years.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Energy Management (Cont'd)

#### FYE2025 Performance (Cont'd)

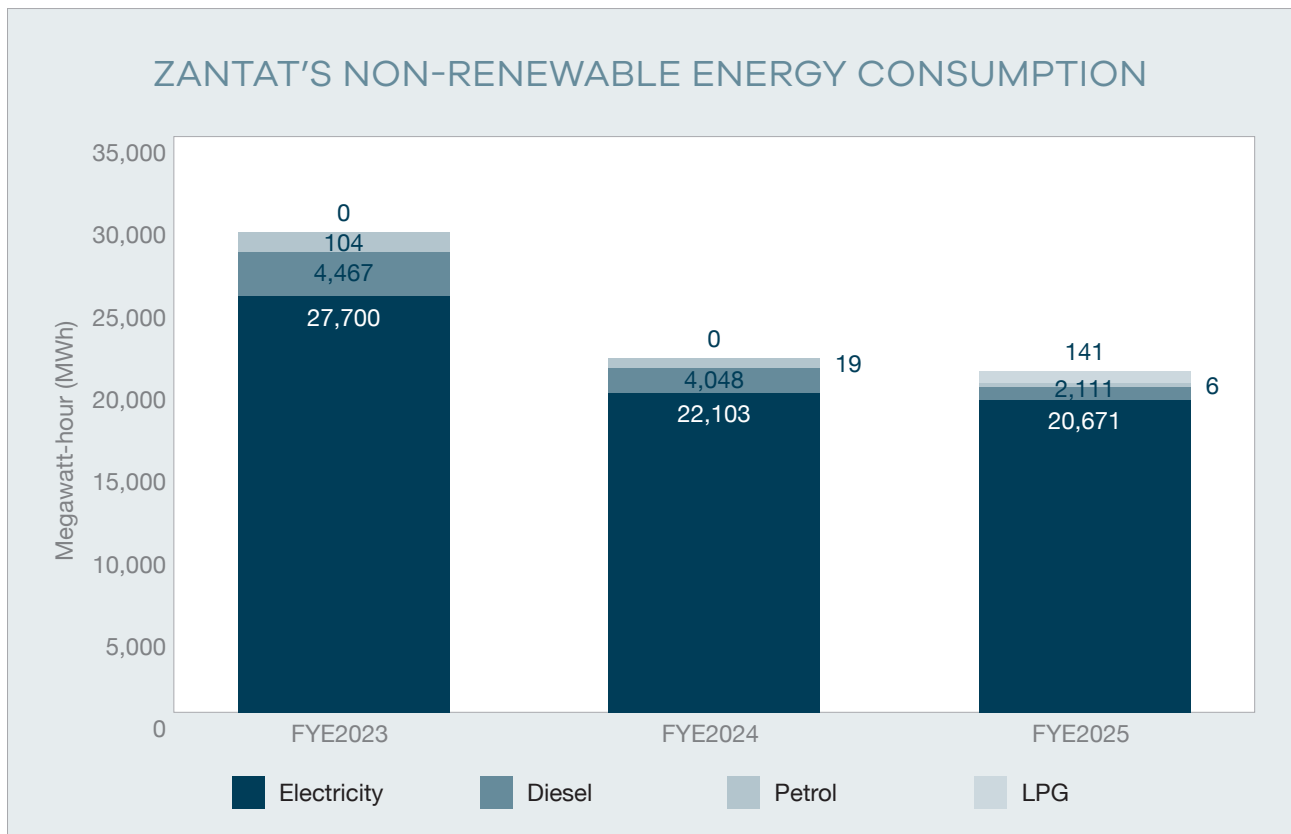


Fig 1.1 Zantat's renewable energy generation (solar PV) and non-renewable energy consumption (purchased electricity, diesel, petrol, and LPG) for the past three financial years.

Table 1.1 Energy consumption details of Zantat for the past three financial years, presented by indicator type, non-renewable energy, renewable energy, and total energy consumption. NA denotes not applicable.

Indicator Type	Measurement	Unit	FYE2023	FYE2024	FYE2025
ABSOLUTE	<b>Renewable energy generation and consumption</b>				
	Solar photovoltaic (PV) generation	MWh	1,261	1,292	1,505
	<b>Non-renewable Energy Consumption</b>				
	<b>Electricity</b>	<b>MWh</b>	<b>27,700</b>	<b>22,103</b>	<b>20,671</b>
	<b>Total Petrol consumption<sup>2,3*</sup></b>	<b>MWh</b>	<b>104</b>	<b>19</b>	<b>6</b>
	Total Petrol consumption	L	11,261	2,094	622

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Energy Management (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 1.1 Energy consumption details of Zantat for the past three financial years, presented by indicator type, non-renewable energy, renewable energy, and total energy consumption. NA denotes not applicable.

Indicator Type	Measurement	Unit	FYE2023	FYE2024	FYE2025	
<b>Non-renewable Energy Consumption (Cont'd)</b>						
ABSOLUTE	<b>Total Diesel consumption<sup>2,3*</sup></b>	<b>MWh</b>	<b>4,467</b>	<b>4,048</b>	<b>2,111</b>	
	Total Diesel consumption	L	453,576	410,827	214,205	
	• Company-owned Cars*	L	9,462	10,401	10,382	
	• Company-owned Lorries*	L	41,923	52,477	37,814	
	• Forklifts and Wheel Loaders*	L	402,191	347,949	166,010	
	<b>LPG consumption*</b>	<b>MWh</b>	<b>0</b>	<b>0</b>	<b>141</b>	
	LPG consumption*	L	0	0	20,900	
	<b>Total non-renewable energy consumption</b>	<b>MWh</b>	<b>32,271</b>	<b>26,171</b>	<b>22,928</b>	
	<b>Total renewable and non-renewable energy consumption</b>					
	<b>Total energy consumption*</b>	<b>MWh</b>	<b>33,533</b>	<b>27,463</b>	<b>24,434</b>	
Revenue	RM'million	122.8	101.9	92.2		
Operation hours <sup>1</sup>	Hours'000	597.7	565.2*	498.2		
Production output	Tonnes	NA	262,626	197,502		
INTENSITY	Total energy consumed per thousand operating hours	MWh/hour'000	54.0	46.3	46.0	
	Total energy consumed per million ringgit of revenue	MWh/RM' million	273.1	269.6	262.7	
	Total energy consumed per thousand operating outputs	MWh/tonnes	NA	0.10	0.12	
	Percentage of renewable energy	%	3.8	4.7	6.2	

#### Notes:

1. Operation hour is limited to labour hours.

2. Petrol energy consumption is calculated using the net caloric value ("NCV") conversion factor for petrol (100% mineral petrol) of 9.22, 9.25 and 9.20 kWh/litre for FYE2023, FYE2024 and FYE2025, respectively. Diesel energy consumption with 10% biofuel blend ("B10") is 9.85, 9.85, and 9.85 kWh/litre, for FYE2023, FYE2024 and FYE2025.

\* Data has been restated due to changes in the boundary, where the Group included ZLCC as part of Zantat's energy management.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Water Management (GRI 303-3, 303-5)

Water is a critical resource, given its role in Zantat's mineral processing and equipment performance. To this end, Zantat strives to manage its water consumption to reduce the Group's environmental footprint and ensure the sustainability of its water resources. The Group's strategy involves tracking water consumption, enhancing water-use efficiency across its activities and promoting water recycling and reuse through various initiatives.

The Group's approach to water management is guided by the Sustainability Policy as well as the Aqueduct 4 (World Resources Institute, 2025), a globally recognised water risk assessment framework. Based on this assessment, Zantat's operational sites in Perak and Kuala Lumpur are classified as low water risk sites, with less than 10% of available renewable water resources being withdrawn. Aqueduct turns complex hydrological data into practical risk indicators, including baseline water stress, which measures the ratio of total water demand against available surface and groundwater supply. These findings indicate that water scarcity is not an immediate operational risk to the Group.

Zantat remains committed to strengthening water efficiency and conservation practices to ensure responsible resource management and operational resilience.

#### Initiatives

In FYE2025, Zantat Perak conducted regular inspections and preventive maintenance on water pipelines, valves, hoses and storage tanks to identify and rectify leaks, reducing water wastage. Zantat Perak also monitored water consumption by installing water meters to control usage and improve overall water efficiency.

Going forward, Zantat Perak plans to install rainwater harvesting systems at Plants 1 and 2 to supply water for toilet facilities, reducing reliance on groundwater sources. Calrock also intends to install a rainwater harvesting system at its new office premises.

#### FYE2025 Performance

Zantat's water management performance in FYE2025 reflects improved operational efficiency despite fluctuations in absolute consumption. While total water consumption decreased by approximately 22.9% compared with FYE2024, absolute figures alone do not fully reflect the Group's water performance as they may be influenced by operational scale and production levels. A more meaningful indicator is water intensity. In FYE2025, water consumption per thousand ringgit of revenue decreased by approximately 15.9%, while water consumption per operating hour declined by around 9.1%, indicating improved water use efficiency across the Group.

These improvements were primarily supported by Zantat's efforts to strengthen operational controls, including regular inspections and preventive maintenance on water pipelines, valves, hoses and storage tanks to identify and rectify leaks, thereby reducing water wastage. In addition, the Group recorded lower water consumption in FYE2025 due to ZLCC's decreased operational activity, contributing to the overall decline in water consumption.

Table 1.2 Zantat's water consumption over time, categorised into different sources of water withdrawal.

Indicator Type	Measurement	Unit	FYE2023	FYE2024	FYE2025
ABSOLUTE	<b>Total water consumption</b>	<b>m<sup>3</sup></b>	<b>71,093</b>	<b>63,754</b>	<b>49,169</b>
	• Third-party water	m <sup>3</sup>	15,661	20,985	20,113
	• Surface water	m <sup>3</sup>	10,000	9,602	159
	• Groundwater	m <sup>3</sup>	45,432	33,167	28,897
	• Sea water	m <sup>3</sup>	0	0	0
	• Produced water	m <sup>3</sup>	0	0	0

# Sustainability Report (Cont'd)

## Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

### Water Management (Cont'd)

#### FYE2025 Performance (Cont'd)

Indicator Type	Measurement	Unit	FYE2022	FYE2023	FYE2024
INTENSITY	Water consumption per thousand ringgit of revenue	m <sup>3</sup> /RM'000	0.58	0.63	0.53
	Water consumption per operating hour	m <sup>3</sup> /operating hour	0.12	0.11	0.10

**Notes:**

Third-party water refers to water supplied by municipal water providers, wastewater treatment providers, public or private utilities, and other external organisations involved in water and effluent services.

Surface water refers to naturally occurring water on the Earth's surface, such as rivers, streams, lakes, ponds, bogs, glaciers, ice caps, ice sheets, and icebergs.

Seawater refers to water sourced from the sea or ocean.

Produced water refers to water generated as a result of extraction, processing, or the use of raw materials, which must then be managed by the Group.

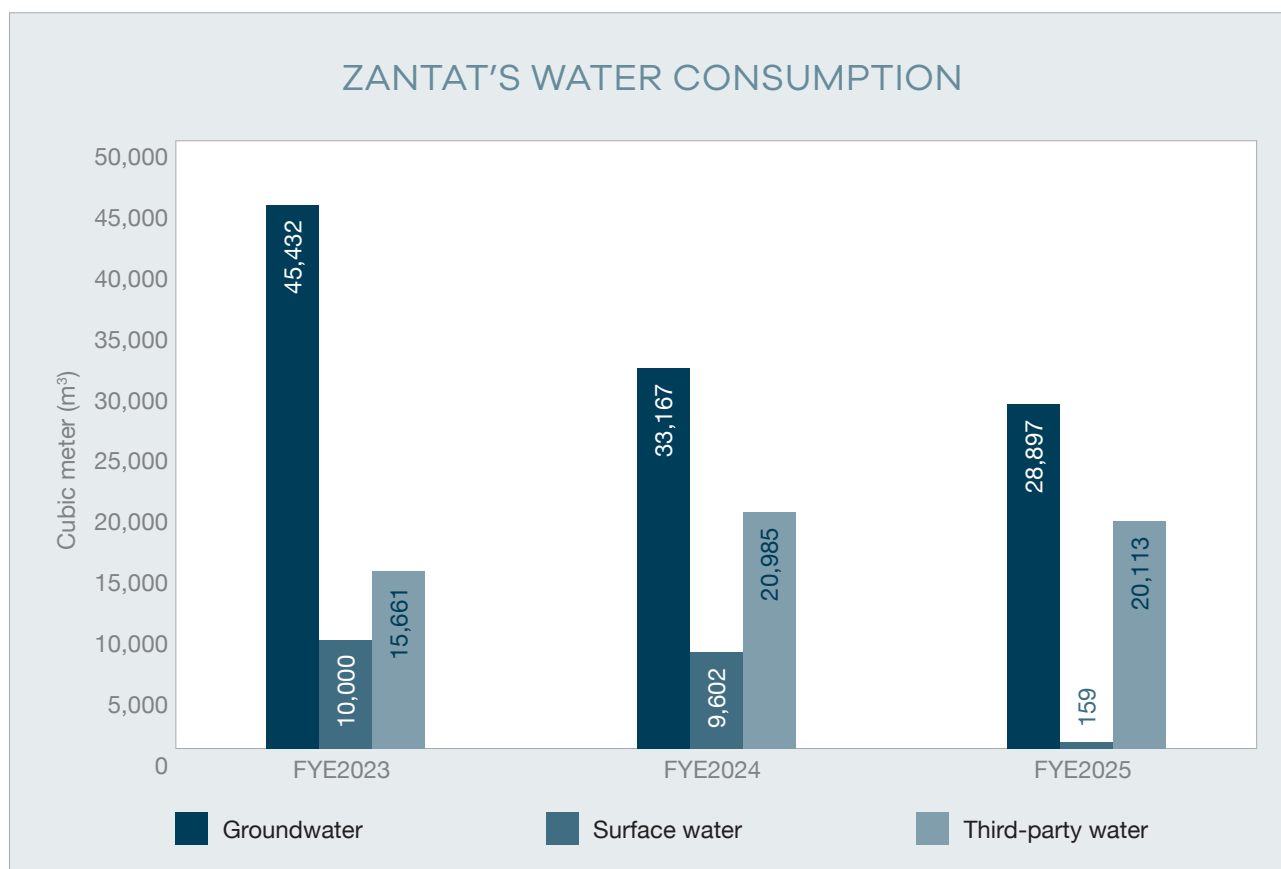


Fig 1.2 Zantat's water consumption by withdrawal source (third-party, surface water, and groundwater) for the past three financial years.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Waste and Effluent Management (GRI 306-1, 306-2, 306-3, 306-4, 306-5)

As the Group's mineral processing activities generate various waste streams, proper waste and effluent management are crucial to prevent effluent discharge and contamination to the environment. To this end, Zantat complies with environmental and waste regulations to protect surrounding ecosystems and mitigate operational and reputational risks. The Group also implements measures to segregate waste, adopt recycling practices and promote a circular economy across its operations to reduce its environmental footprint.

Guided by the Environmental Quality (Scheduled Wastes) Regulations 2005 and the Group's Sustainability Policy, Zantat's waste management approach includes efforts to repurpose by-products, optimise raw material consumption, and collaborate with licensed waste management operators to support the responsible handling and disposal of waste across Zantat Perak, Zantat KL, and Calrock. As part of its ongoing effort to strengthen waste governance across the Group, Zantat is also in the process of expanding its waste management coverage to ZLCC, alongside the refinement and implementation of its data collection systems. The Group considers ZLCC to be an integral part of its operations and remains committed to progressively extending its waste management practices and reporting boundaries to enhance consistency and oversight across all key operating entities.

Zantat's waste is classified into non-scheduled waste and scheduled waste. Non-scheduled waste consists of industrial and packaging waste, while scheduled waste are listed below:

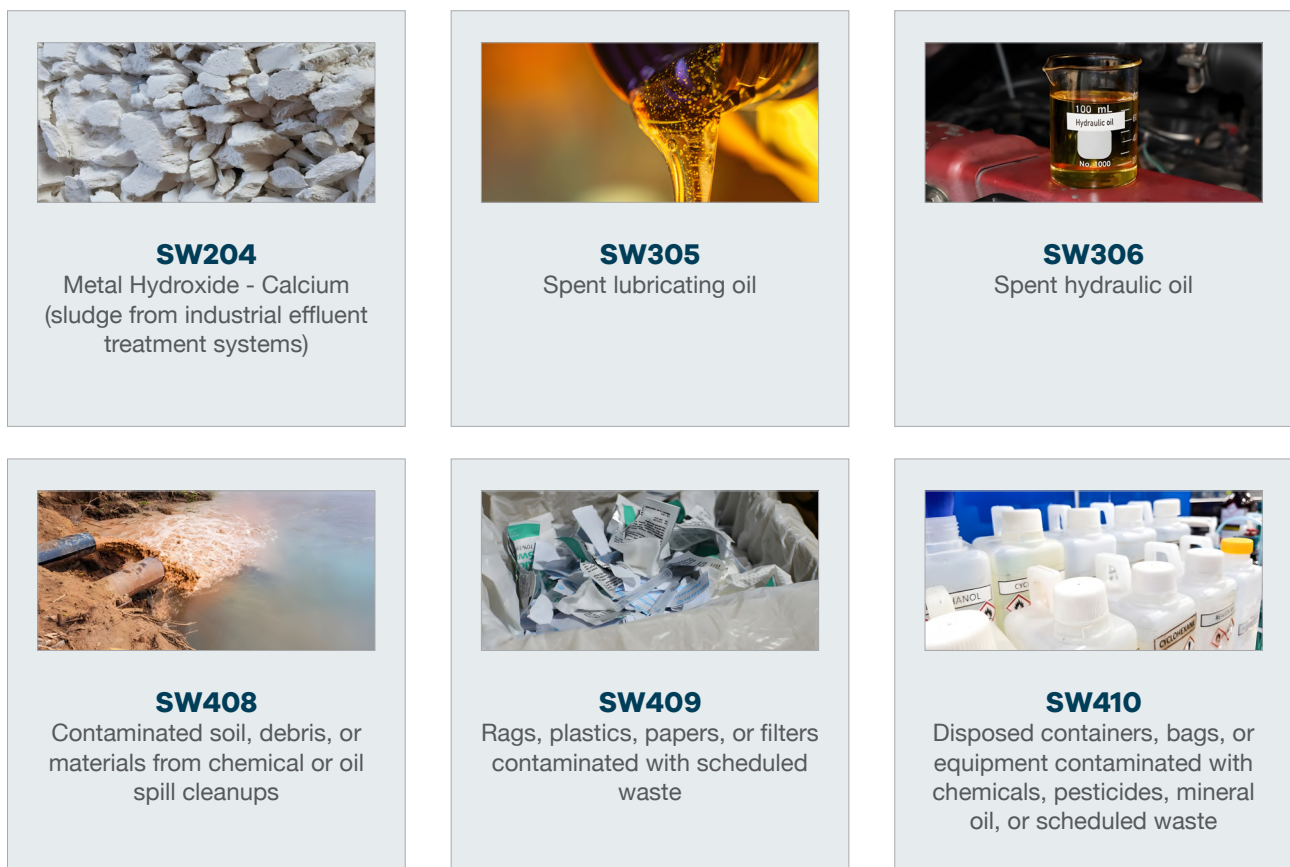


Fig 1.3 Types of scheduled waste generated by Zantat, including Metal Hydroxide, spent lubricating and hydraulic oils, contaminated soil, and disposed containers.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Waste and Effluent Management (Cont'd)

Zantat manages non-scheduled waste through segregation at source, reuse and recycling initiatives, and disposal via licensed contractors. Recyclable materials are recovered where feasible, while residual waste is directed to disposal facilities. Meanwhile, scheduled waste is managed in accordance with regulatory requirements that include storage, handling and transportation by licensed contractors and treatment or disposal at DOE approved facilities.

#### Initiatives

In FYE2025, the Group maintained designated scheduled waste storage areas to support the proper management, segregation, and control of scheduled wastes in line with environmental and safety requirements. Looking ahead, Zantat intends to further strengthen its waste management practices through the exploration of targeted waste reduction, recycling, and process optimisation initiatives. Additionally, the Group intends to further enhance its waste management practices by exploring targeted waste reduction, recycling and process optimisation initiatives.

#### FYE2025 Performance

In FYE2025, the Group recorded a 12.0% reduction in total scheduled and non-scheduled waste generation, decreasing from 540 tonnes in FYE2024 to 475 tonnes. This improvement was mainly driven by a 13.2% reduction in non-scheduled waste, which continued to comprise the majority of total waste at 448 tonnes in FYE2025. Scheduled waste increased by 8.3% to 26 tonnes, and continued to be managed through diversion channels, with zero scheduled waste directed to disposal.

In terms of intensity, total waste generated per million ringgit of revenue improved by 3.8% to 5.1 tonnes, while waste per thousand operating hour remained stable, improving marginally by 1.0% to 0.95 tonnes in FYE2025. The Group recorded a waste diversion rate of 16.0% in FYE2025, based on waste diverted over total waste generated, reflecting Zantat's continued focus on recycling and responsible waste handling. Effluent is primarily generated from Zantat KL's operations and was fully treated prior to discharge in FYE2025, in line with applicable DOE requirements.

Table 1.3.1 Zantat's waste generation, waste disposal, waste diversion, effluent and waste intensity performance for the past three financial years.

Indicator Type	Measurement	Unit	FYE2023	FYE2024	FYE2025
ABSOLUTE	<b>Total scheduled and non-scheduled waste</b>	<b>Tonne</b>	<b>549</b>	<b>540</b>	<b>475</b>
	• Directed to disposal	Tonne	NA	425*	399
	• Diverted from disposal	Tonne	NA	116*	76
	<b>Total Non-Scheduled Waste:</b>	<b>Tonne</b>	<b>526</b>	<b>516</b>	<b>448</b>
	• Directed to disposal	Tonne	NA	425	399
	• Diverted from disposal	Tonne	NA	92	50
	<b>Total Scheduled Waste:</b>	<b>Tonne</b>	<b>23</b>	<b>24</b>	<b>26</b>
	• Directed to disposal	Tonne	0	0	0
	• Diverted from disposal	Tonne	23*	24*	26
	Total effluent generated	m <sup>3</sup>	NA	NA	1,806
Total effluent treated	m <sup>3</sup>	NA	NA	1,806	

Note: Totals presented may differ slightly from the sum of individual figures due to rounding adjustments.

\* Data has been restated due to revised assignment of scheduled waste disposal method.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Waste and Effluent Management (Cont'd)

##### FYE2025 Performance (Cont'd)

Indicator Type	Measurement	Unit	FYE2022	FYE2023	FYE2024
INTENSITY	Total waste per million ringgit of revenue	Tonne/ RM'million	4.5	5.3	5.1
	Total waste per thousand operating hours	Tonne/ hour'000	0.92	0.96	0.95

### MATERIAL SOURCING AND COMPOSTABLE SOLUTIONS

To strengthen waste and materials management, Zantat implemented an effort in FYE2024 to track and monitor its material consumption and identify opportunities for the adoption of renewable alternatives. In FYE2025, the data indicates a gradual increase in the proportion of renewable materials sourced, rising from 1.5% in FYE2024 to 1.9% in FYE2025.

Table 1.3.2 Breakdown of the total weight of materials used to produce and package Zantat's products.

	Unit	FYE2023	FYE2024	FYE2025
Raw materials	Kilogram	NA	259,958,518	195,115,127
Associated process materials	Kilogram	NA	0	0
Semi-manufactured goods or parts	Kilogram	NA	0	0
Materials for packaging purposes	Kilogram	NA	2,667,897	2,387,087
<b>Grand total</b>	<b>Kilogram</b>	<b>NA</b>	<b>262,626,415</b>	<b>197,502,214</b>
Renewable materials sourced	Kilogram	NA	4,023,358	3,651,669
Non-renewable materials sourced	Kilogram	NA	258,497,291	194,034,117
Percentage of renewable materials	Percentage	NA	1.5%	1.9%

Apart from renewable material sourcing, Zantat also integrates S&C considerations into its product development strategy, recognising that responsible material solutions support long-term environmental stewardship and business resilience. Through ongoing research and development and collaboration, the Group has embedded environmental considerations into the design and life cycle of its products, ensuring that innovation balances performance requirements with reduced environmental impact.

#### Earthya™ Compostable Material

A key innovation within the Group's sustainable material portfolio is Earthya™, a compostable material developed by Zantat's subsidiary, Zaneco, as an alternative to conventional plastic packaging applications. Unlike traditional Low-Density Polyethylene ("LDPE") plastics, Earthya™ is designed to biodegrade under composting conditions into non-toxic components without leaving persistent microplastics. This enables organic waste and packaging materials to be processed together through composting systems, supporting responsible waste recovery and reducing landfill dependency.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Waste and Effluent Management (Cont'd)

##### FYE2025 Performance (Cont'd)

#### MATERIAL SOURCING AND COMPOSTABLE SOLUTIONS (CONT'D)



Fig 1.4 Zantat's green and innovative product, Earthya™, a fully compostable food waste bag, globally certified by TÜV Austria OK Compost: Industrial and HOME, SIRIM Eco Label 001:2018 Compostable, BPI Industrial Compostable Standard, Australian Compostability Standards: AS 5810 and AS 4736 and MyHIJAU.

#### Earthy™ Compostable Material (Cont'd)

Earthy™ has obtained multiple internationally recognised certifications verifying its compostability, environmental safety and compliance with global standards. These include industrial and home compostability certifications issued by organisations such as TÜV Austria (Austria), the Australasian Bioplastics Association (Australia) and the Biodegradable Products Institute (United States) under recognised standards including DIN EN 13432:2000, ASTM D6400, ASTM D6868, AS 4736 and AS 5810. In Malaysia, Earthya™ is also recognised under the national MyHIJAU Mark programme by Malaysia Green Technology and Climate Change Corporation and certified under SIRIM ECO 001:2018 for biodegradable and compostable plastics.

#### Advancing Circular Material Solutions

Beyond compostable packaging, the Group continues to explore innovative circular economy solutions by integrating alternative resources into material development. During the year, Zantat initiated a new product development programme to upcycle spent coffee grounds ("SCGs"), an abundant organic by-product from the food and beverage industry, into functional material applications. By incorporating processed SCGs into material formulations, the Group is able to transform organic waste into value-added products such as packaging bags, paper bag substitutes, drinking straws and thermoformed items. This initiative reduces reliance on virgin raw materials while promoting more efficient resource utilisation. The development supports circular economy principles by converting waste streams into functional materials that can safely return to the environment through composting, contributing to more sustainable packaging solutions and responsible waste management practices.

The Group also developed compostable agricultural mulch films designed to replace conventional polyethylene mulch films widely used in farming. These biodegradable films eliminate the need for post-harvest plastic collection and reduce the risk of microplastic accumulation in agricultural soil, supporting more sustainable farming practices.

#### Material Efficiency and Carbon Reduction

The Group continues to advance functionalised calcium carbonate technologies aimed at reducing polymer usage, improving material efficiency and lowering product carbon footprints. These initiatives embed sustainability into product design, supporting ESG objectives and positioning the Group as a contributor to low-carbon, circular material innovation.

To further strengthen the environmental value proposition of Earthya™, the Group commissioned an independent cradle-to-grave product carbon footprint assessment in FYE2025. The lifecycle analysis evaluated GHG emissions from raw material sourcing, production and distribution through to various end-of-life scenarios. The assessment indicated that Earthya™ can achieve comparable or lower carbon emissions relative to conventional LDPE plastics, while offering the additional benefit of certified compostability.

Through these initiatives, the Group continues to embed sustainability into product innovation and material design, supporting the development of environmentally responsible solutions that align with evolving regulatory expectations and global sustainability goals.

## Sustainability Report (Cont'd)

### GOAL 2: ADVANCING CLIMATE ACTION AND AIR EMISSION REDUCTION



#### Managing Climate Risks and Building Operational Resilience (GRI 305-1, 305-2, 305-3, 305-4, 305-5)

Zantat operates within a value chain where climate considerations directly impact operational continuity, cost competitiveness and market expectations. As such, the Group views climate change not only as an environmental obligation but as a business consideration that influences resource security, energy consumption, regulatory compliance and customer demand.

In managing CRROs, Zantat commits to strengthen its operational resilience across its production processes, particularly in relation to energy intensity, emissions exposure and evolving environmental regulations affecting mineral processing activities. Concurrently, the Group continues to advance the development and supply of calcium carbonate solutions that support customers in reducing environmental footprints, improving product efficiency and transitioning towards more sustainable applications.

To strengthen transparency and climate disclosures, the Group is aligning its climate-related governance, risk management and performance monitoring practices with the NSRF, while progressively incorporating relevant elements of IFRS S2. With this approach, Zantat reinforces operational resilience, regulatory readiness and long-term value creation within a transitioning low-carbon economy.

In FYE2025, Zantat undertook a three-day climate consultation programme to strengthen the Group's understanding of CRROs. This programme ensured that emerging climate considerations were integrated into business and strategic planning. The programme involved the SSC, SWGs and the Board, enabling top-down oversight and bottom-up operational alignment on climate-related matters that may impact the Group.

#### Governance

The Board recognises that sustainable business practices, including the management of CRROs are important to long-term value creation and business resilience. Oversight of S&C matters (including strategic priorities, targets and performance), rests with the Board, while the SSC and SWGs are responsible for implementing initiatives and managing day-to-day execution across the Group.

Climate considerations are integrated into the Group's governance and risk management structures, enabling the Board to monitor regulatory developments, operational exposures and impacts. Additionally, regular reporting supports informed decision-making and strengthens accountability for environmental performance and climate resilience. For more information on governance, please refer to the Corporate Governance Overview Statement on pages 127 to 133, Sustainability Governance on page 44 and Key Messages on pages 16 to 39 of this Integrated Annual Report.

#### Strategy

Zantat recognises that climate change presents both physical and transition risks that may affect the Group's operations, cost structure and long-term competitiveness. In reference to IFRS S2, Zantat identifies climate-related risks into the following two broad categories to support its climate-related disclosures and risk management.


# Sustainability Report (Cont'd)

## Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

### Managing Climate Risks and Building Operational Resilience (Cont'd)

#### Strategy (Cont'd)

These risks are broadly categorised as follows:



**Physical Risks**  
Climate-related risks arising from event-driven or long-term climatic changes. Climate-related physical risks are classified into two types: Acute and Chronic. Acute risks include extreme weather events (such as flash floods and heatwaves) that may disrupt Zantat's Plant operations. Chronic risks relate to prolonged climate patterns, including extended droughts or sustained high temperatures, which may place stress on facilities, water availability, utilities and overall operational reliability.



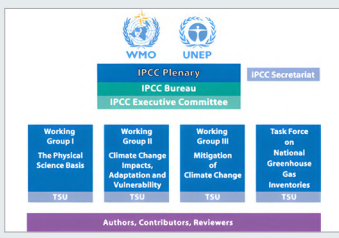
**Transition Risks**  
Climate-related risks arising from the global shift towards a lower-carbon economy. These include market-driven pressures such as fluctuating input costs and changing customer sustainability requirements; reputational considerations linked to stakeholder expectations and the credibility of climate disclosures; technology-related risks associated with the adoption of new low-carbon systems and potential cyber or operational vulnerabilities; as well as policy and regulatory developments, including carbon-related regulation, taxation, assurance requirements and evolving lender and investor expectations.

To strengthen business resilience, Zantat has assessed CRROs across its value chain. These risks are categorised into physical risks arising from acute and chronic climate hazards, and transition risks driven by policy, legal, technology and market shifts associated with the transition to a low-carbon economy.

The assessment enables the Group to evaluate potential operational and financial impacts while identifying appropriate adaptation and mitigation measures. This approach supports informed decision-making, enhances risk preparedness and positions the Group to capture opportunities arising from evolving customer preferences and regulatory landscapes.

#### Climate Scenario Analysis

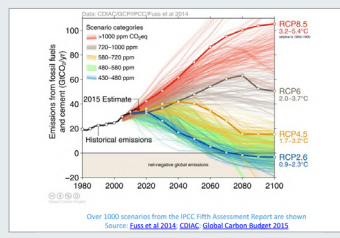
To navigate future uncertainties, Zantat assessed potential climate scenarios to better anticipate risks and shape the Group's strategy. This process involves utilising three recognised projection frameworks:



**IPCC Working Group III ("WGIII") Categories**



**Shared Socioeconomic Pathways ("SSPs")**



**Representative Concentration Pathways ("RCPs")**

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

When considered together, WGIII, SSPs and RCPs provide Zantat with a broader perspective on potential climate-related futures, supporting the Group in planning ahead and developing strategies that are more resilient and adaptable to future uncertainties (see Table 2.1 below for how the scenario frameworks complement each other).

For ease of understanding and communication, Zantat used the SSPs as the primary scenario lens in this report, as they provide a more accessible and business-relevant way to describe potential climate futures. By integrating insights from the broader scenario frameworks, the Group assessed three relevant climate scenarios, namely SSP1 (sustainable development), SSP2 (middle of the road) and SSP5 (high fossil-fuel development), to prepare for potential future climate-related impacts. These scenarios were selected to provide a balanced representation of possible transition and physical risk pathways most relevant to Zantat's operating context. For the purposes of this report, Zantat focused on SSP2 as the scenario most closely aligned with its current business environment and industry trajectory.

*Table 2.1 The most commonly adopted future climate scenario projection frameworks and their environmental impacts in Southeast Asia. Zantat focused on SSP1-2.6, SSP2-4.5, and SSP5-8.5 to prepare for the best-, mid-, and worst-case future climate scenarios (IPCC, 2022; O'Neill, 2017).*

Shared Socioeconomic Pathway (SSP)	WGIII Category	Representative Concentration Pathway (RCP)	Description		
SSP1-1.9	C1	RCP1.9	Limit warming to 1.5 °C with no or limited overshoot (1.6 °C)		
	C2		Return warming to 1.5 °C after a high overshoot (1.6~1.8 °C)		
<b>SSP1-2.6</b>	<b>C3 and C4</b>	<b>RCP2.6</b>	<b>Limit warming to 2 °C</b>		
	C5		Limit warming to 2.5 °C		
<b>SSP2-4.5</b>	<b>C6</b>	<b>RCP4.5</b>	<b>Limit warming to 3 °C</b>		
SSP3-7	C7	RCP7.0	Limit warming to 4 °C		
<b>SSP5-8.5</b>	<b>C8</b>	<b>RCP8.5</b>	<b>Exceed warming of 4 °C</b>		
IPCC Time Horizon	Scenario	Mean Temperature (°C)	Total Precipitation (%)	Sea level rise (m)	
2021-2040	SSP1-2.6 (C3 & C4)	1.2 <i>(likely range 1.0 to 1.6)*</i>	0.1 <i>(likely range -3.8 to 3.6)*</i>	0.1 <i>(likely range 0.0 to 0.2)*</i>	
	SSP2-4.5 (C6)	1.2 <i>(likely range 1.0 to 1.7)*</i>	-0.3 <i>(likely range -4.8 to 3.1)*</i>	0.1 <i>(likely range 0.0 to 0.2)*</i>	
	SSP5-8.5 (C5)	1.3 <i>(likely range 1.1 to 1.8)*</i>	-0.1 <i>(likely range -4.4 to 4.3)*</i>	0.1 <i>(likely range 0.0 to 0.2)*</i>	
2041-2060	SSP1-2.6 (C3 & C4)	1.5 <i>(likely range 1.1 to 2.0)*</i>	0.3 <i>(likely range -3.7 to 3.9)*</i>	0.2 <i>(likely range 0.1 to 0.3)*</i>	
	SSP2-4.5 (C6)	1.7 <i>(likely range 1.3 to 2.3)*</i>	0.1 <i>(likely range -4.1 to 4.4)*</i>	0.2 <i>(likely range 0.1 to 0.4)*</i>	
	SSP5-8.5 (C5)	2.1 <i>(likely range 1.7 to 2.7)*</i>	0.1 <i>(likely range -3.1 to 5.9)*</i>	0.3 <i>(likely range 0.1 to 0.4)*</i>	
2081-2100	SSP1-2.6 (C3 & C4)	1.5 <i>(likely range 1.1 to 2.2)*</i>	1.2 <i>(likely range -3.0 to 4.9)*</i>	0.4 <i>(likely range 0.2 to 0.8)*</i>	
	SSP2-4.5 (C6)	2.4 <i>(likely range 1.8 to 2.3)*</i>	1.8 <i>(likely range -4.2 to 7.0)*</i>	0.5 <i>(likely range 0.2 to 0.9)*</i>	
	SSP5-8.5 (C5)	3.9 <i>(likely range 2.9 to 5.2)*</i>	1.1 <i>(likely range -5.7 to 10.1)*</i>	0.7 <i>(likely range 0.4 to 1.1)*</i>	

##### Note:

\* For each scenario and time horizon, the single value presented represents the median projection, which serves as the central estimate. The bracketed values represent the P5 to P95 range, indicating the lower and upper bounds of the projected range.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

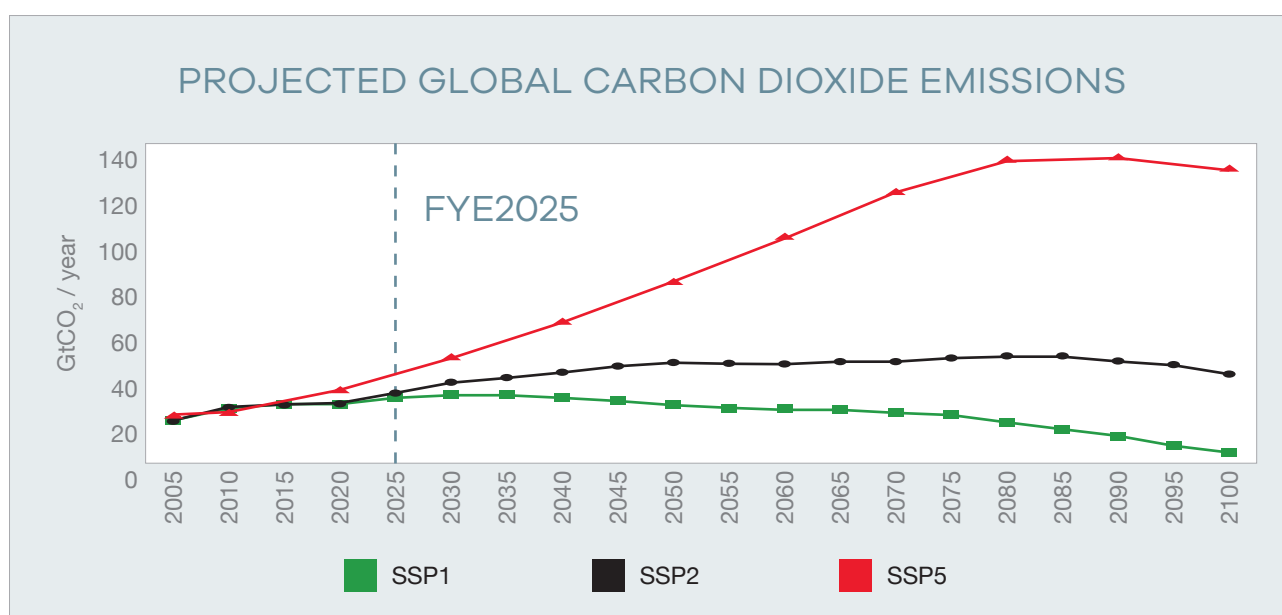


Fig 2.1 Projected amount of carbon dioxide released every year under the three scenarios focused by Zantat. The graph is plotted from IPCC (2023b), using the models: IMAGE 3.2 (for SSP1), IMAGE 3.2 (SSP2), and REMIND-MAGPIE 1.5 (SSP5) (Byers et al., 2022).

As this represents Zantat's first year in conducting a formal climate scenario analysis, the Group intends to progressively expand its assessment in future reporting cycles to incorporate current and anticipated financial impacts across its value chain, assets and business model. The analysis supports forward planning for climate-related uncertainties and is guided by defined time horizons, namely short term (2025–2030), medium term (2030–2040) and long term (2040–2050), aligning with Malaysia's nationally determined contribution ("NDC") time horizons.

#### **Climate-related Chronic and Acute Physical Risks and Opportunities**

Zantat's climate risk assessment identified several major physical risk exposures that may impact operational continuity and cost performance over time. The most significant findings relate to the increasing likelihood and impact of extreme weather events, particularly flash floods which pose the highest disruption risk to Zantat's Plant operations, logistics and workforce accessibility in the medium to long term. Chronic climate patterns, including shifts in rainfall intensity, prolonged droughts and sustained heat stress, were also assessed as escalating risks. These conditions may constrain water availability and increase reliance on externally sourced raw materials, exerting upward pressure on operating costs and margins. The Group has also identified current and anticipated financial impacts arising from the climate-related risks assessed, which may affect its operations over time.

As this reporting cycle represents Zantat's first step in identifying CRROs, the Group is progressively strengthening its approach to financial quantification. Where impacts are sufficiently distinguishable and supported by available data, internal resources and technical capability, Zantat intends to further estimate and quantify the financial implications of selected climate-related risks in future reporting cycles. In addition to the risks identified, the Group also noted several climate-related opportunities that may support longer-term operational resilience. These include strengthening site resilience through improved drainage and flood mitigation measures, enhancing production and inventory planning, and exploring water efficiency, recycling and broader water management practices. While these opportunities remain at an exploratory stage, they represent practical areas for Zantat to evaluate as part of its ongoing climate-related response.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

##### Climate-related Chronic and Acute Physical Risks and Opportunities (Cont'd)

Table 2.2 Climate-related acute and chronic physical risks identified by Zantat, including an assessment of each risk's likelihood, impact, opportunities and current and anticipated financial impacts over the short, medium and long term. For further details on the likelihood and impact assessment criteria, please refer to the Group's ERM Policy.

ACUTE PHYSICAL RISKS				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Increased frequency and severity of flooding, which may disrupt operations at facilities in Kuala Lumpur and Perak	<b>Likelihood</b>	4.3	4.7	5.0
	<b>Impact</b>	2.7	3.0	3.5
	<b>Opportunity</b>	Strengthening site resilience through improved drainage, flood mitigation measures (e.g. planting bamboo along riverbanks to mitigate soil erosion) and climate-resilient infrastructure planning		
	<b>Financial Impact (Current and anticipated)</b>	Flash floods may disrupt raw material deliveries and employee attendance, while impeding inbound and outbound logistics due to road closures and infrastructure repairs		
ACUTE PHYSICAL RISKS				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Geotechnical risks, such as landslides or rockfalls	<b>Likelihood</b>	2.0	2.4	2.7
	<b>Impact</b>	2.9	3.0	3.4
	<b>Opportunity</b>	-		
	<b>Financial Impact (Current and anticipated)</b>	Depending on the severity, landslides may halt Zantat's operations and render work areas unsafe, disrupting in-house raw material supply and necessitating higher-cost procurement from third parties		
CHRONIC PHYSICAL RISKS				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Changes in rainfall patterns, which may affect Zantat's operations and raw material supply	<b>Likelihood</b>	2.9	3.7	4.3
	<b>Impact</b>	2.6	3.4	4.1
	<b>Opportunity</b>	Improved production planning, inventory buffering and longer-term operational scheduling resilience		
	<b>Financial Impact (Current and anticipated)</b>	Erratic rainfall may reduce limestone output and operational reliability at ZLCC, resulting in supply shortages and inconsistent material quality		

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

##### Climate-related Chronic and Acute Physical Risks and Opportunities (Cont'd)

CHRONIC PHYSICAL RISKS				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Longer-term water stress, including potential impacts on underground water availability for selected operation sites	<b>Likelihood</b>	2.3	3.3	4.1
	<b>Impact</b>	2.8	3.4	3.6
	<b>Opportunity</b>	Investment in water efficiency measures, recycling systems, and improved water management/consumption practices		
	<b>Financial Impact (Current and anticipated)</b>	Prolonged drought conditions may deplete Zantat Perak's underground water reserves, necessitating a transition to other water sources		

##### Climate-related Transition Risks and Opportunities

On the transition front, the assessment highlighted rising energy and material costs, regulatory compliance obligations and evolving market expectations as the most material risk drivers. Policy developments, particularly regulations affecting plastics and sustainable materials are expected to influence product demand and operating costs, while delayed technology adoption may weaken cost competitiveness and require higher capital expenditure. Heightened stakeholder climate-related disclosure expectations were also identified as notable reputational considerations.

Overall, the results underscore the need for continued investment in energy efficiency, technology upgrades, product innovation and climate governance to manage long-term financial and operational exposure.

Similarly, the Group has also recognised current and anticipated financial impacts arising from transition-related risks that may influence its operations, cost structure and market position over time. The Group plans to enhance its internal approach to financial evaluation for transition risks in future reporting cycles. Apart from risks and financial impacts, the Group also identified several transition-related opportunities that may enhance competitiveness and business resilience. These include improving energy efficiency, adopting renewable energy and process optimisation measures, strengthening climate-related disclosure and stakeholder engagement practices, pursuing phased technology upgrades, and positioning the Group to respond more effectively as climate-related policies and market expectations continue to evolve. These represent potential areas for Zantat to consider as part of its ongoing transition planning.

*Table 2.3 Climate-related transition risks identified by Zantat, with an assessment of each risk's likelihood, impact, opportunities, and current and anticipated financial impacts over the short, medium, and long term. For further details on the likelihood and impact assessment criteria, please refer to the Group's ERM Policy.*

TRANSITION RISKS – MARKET				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Rising costs of energy, raw materials and compliance associated with climate transition	<b>Likelihood</b>	2.9	3.8	4.1
	<b>Impact</b>	2.6	3.1	3.4
	<b>Opportunity</b>	Identify energy efficiency initiatives, renewable energy adoption and process optimisation to manage costs		
	<b>Financial Impact (Current and anticipated)</b>	Increases in raw material prices driven by market demand may result in immediate escalation of production costs, exerting pressure on margins and cash flow		

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

##### Climate-related Transition Risks and Opportunities (Cont'd)

#### TRANSITION RISKS – REPUTATION

Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Increased expectations on corporate sustainability positioning, requiring sustained efforts to strengthen the Group's environmental credentials across its business segments	<b>Likelihood</b>	3.0	3.5	3.9
	<b>Impact</b>	2.1	2.4	2.6
	<b>Opportunity</b>	Stronger disclosure practices, stakeholder engagement and improved sustainability governance		
	<b>Financial Impact (Current and anticipated)</b>	Negative online narratives may undermine brand reputation and customer loyalty, while deterring ESG-focused investors. The Group may incur additional expenditure on communications and public relations efforts to address misinformation and enhance stakeholder awareness. Talent acquisition may also become more challenging and costly. Access to ESG-focused customers may narrow, potentially constraining growth and increasing customer acquisition costs		

#### TRANSITION RISKS – TECHNOLOGY

Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Adoption of newer, greener technologies may require enhanced workforce capabilities, including additional training, upskilling and adaptation over time	<b>Likelihood</b>	2.6	3.4	3.8
	<b>Impact</b>	2.5	3.3	3.6
	<b>Opportunity</b>	Phased technology upgrades, selective CAPEX and productivity improvements over time		
	<b>Financial Impact (Current and anticipated)</b>	If competitors achieve superior operational efficiency, they may adopt more aggressive pricing strategies and capture market share, eroding the Group's competitiveness. In response, the Group may be required to undertake higher capital expenditure for operational upgrades, supported by additional borrowings, while also facing transitional reputational risks. Evolving customer expectations may become more cost-intensive, diverting orders to competitors and creating short-term revenue pressure until new technologies are fully implemented		

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

##### Climate-related Transition Risks and Opportunities (Cont'd)

TRANSITION RISKS – POLICY				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Regulatory uncertainty and evolving implementation of single-use plastics policies, which may affect market adoption timelines for sustainable packaging solutions under Zaneco	<b>Likelihood</b>	2.0	2.8	3.2
	<b>Impact</b>	2.8	3.4	3.8
	<b>Opportunity</b>	First-mover advantage as policies stabilise; positioning Zaneco to capture demand as regulatory clarity improves		
	<b>Financial Impact (Current and anticipated)</b>	Specific regulations (such as single-use plastic ban) may lift operating and raw material costs and may temporarily suppress customer demand while markets adjust. The market may also be misled by non-compliant or misleading “biodegradable” products, intensifying commercial risk		

#### Climate-related Risk Management

Climate-related risks are managed through the Group's ERM framework, which is aligned with the principles of ISO 31000:2018 (Risk Management) and embedded across sites and functional departments. Within the ERM process, the Group identifies, assesses, manages and monitors climate-related risks that may affect the achievement of its objectives. These include acute and chronic physical risks, as well as transition risks. For each climate-related risk category, the Group assesses the likelihood of occurrence and the potential impact on its objectives, enabling timely mitigation and more informed decision-making.

Where a climate-related risk is assessed to have an increasing likelihood or impact on the Group's objectives, the matter is escalated through the Group's risk governance structure. The escalation process begins with the Risk Department, followed by the Risk Management Steering Committee (“RMSC”), then the ARMC, and ultimately the Board where necessary. This structured escalation process strengthens oversight and supports a timely response to material climate-related risks.

#### Metrics and Targets

Zantat tracks key climate-related and environmental performance metrics to manage operational impacts and support sustainable business resilience. This includes the monitoring and disclosure of Scope 1 GHG emissions and location-based Scope 2 GHG emissions, reflecting fuel consumption and purchased electricity across Zantat's quarrying, mineral processing and production operations. The Group did not have market-based Scope 2 GHG emissions in FYE2025, as it did not procure contractual instruments during the reporting period. The Group also monitors selected Scope 3 GHG emissions considered material to its operations, namely Category 4 (Upstream transportation and distribution), Category 6 (Business travel) and Category 7 (Employee commuting).

Beyond emissions, Zantat monitors resource and environmental indicators including energy consumption, waste generation and water usage (see page 52). Where data is available, historical performance trends are disclosed to support impact assessment, performance tracking and informed operational decision-making.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Air and Greenhouse Gas Emissions

Climate change is an increasingly critical issue across the industrial sectors in Malaysia. The rising frequency of extreme weather events such as heatwaves and floods alongside environmental degradation, has the potential to disrupt operations, affect resource availability and impact supply chains.

As a responsible corporate entity, Zantat is committed to integrating environmentally sustainable practices across its mineral processing and manufacturing activities. The Group acknowledges that its operations generate GHG emissions, mainly from energy consumption and fuel use. In addition, operational activities such as material handling, fuel combustion and processing processes give rise to air emissions.

During the year, Zantat strengthened its emissions accounting practices by enhancing data tracking processes, refining calculation methodologies and expanding the scope of the Group's carbon disclosures. These improvements enhance the accuracy, consistency and transparency of the Group's GHG reporting.

#### GHG Emissions Calculation Methodology

In line with Malaysia's national climate commitments and the broader transition towards a low-carbon economy, the Group continued to refine its carbon management approach. Under Malaysia's NDC, the country has committed to reducing its GHG emissions intensity of GDP by 45.0% by 2030 relative to 2005 levels and achieving net zero emissions by 2050. More recently, in October 2025, Malaysia's third NDC outlined a further target of reducing absolute emissions by 15–30 million metric tonnes of carbon dioxide equivalent ("CO<sub>2</sub>e") by 2035. To this end, Zantat is working towards aligning its emissions management strategy with these national commitments.

The Group adopts the GHG Protocol Corporate Accounting and Reporting Standard as the basis for its emissions accounting and reporting. During the year, Zantat formally adopted the Financial Control consolidation approach, under which the reporting boundary covers entities, assets and operations over which the Group exercises financial control. Based on this approach, the Group's emissions inventory includes Zantat Perak, Zantat KL, Zaneco, Calrock and ZLCC.

To support consistency and comparability in emissions quantification, the Group applies the Department for Energy Security and Net Zero ("DESNZ") emission factors. These factors provide the basis for converting activity data into GHG emissions and support a more standardised approach to reporting across the Group.

In maintaining its emissions inventory, Zantat considers three GHGs in its disclosure, namely carbon dioxide ("CO<sub>2</sub>"), methane ("CH<sub>4</sub>") and nitrous oxide ("N<sub>2</sub>O"). These gases are included because each carries a different Global Warming Potential over 100 years ("GWP100"), which enables emissions to be expressed on a CO<sub>2</sub>e basis for more meaningful comparison and reporting.

#### Initiatives

As part of its emissions reduction initiatives, Zantat Perak commissioned an 849 kWp solar PV system at Perak Plant 2, which commenced operations in April 2025. On an annualised basis, the installation is projected to generate approximately 1,141 MWh of renewable electricity and avoid an estimated 883 tCO<sub>2</sub>e\* annually through reduced reliance on grid-supplied electricity. This initiative supports the Group's transition towards cleaner energy sources while enhancing operational energy resilience.

Looking ahead, the Group intends to evaluate the expansion of product carbon footprint assessments across its product portfolio to provide greater transparency on embedded emissions to its customers.

#### Note:

\* Estimation is based on Malaysia solar resource assumptions and the latest Peninsular Malaysia 2024 grid emission factor of 0.74 GgCO<sub>2</sub>e/GWh.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Air and Greenhouse Gas Emissions (Cont'd)

##### GHG Emissions Calculation Methodology (Cont'd)

##### **FYE2025 Performance**

Zantat's total Scope 1 GHG emissions decreased by 44.9% in FYE2025 compared to FYE2024, largely due to reduced operational hours. However, the Group also recorded an improvement in emissions intensity, as Scope 1 emissions per million ringgit of revenue decreased by 39.8%, reflecting Zantat's shift away from fuel reliance.

For Scope 2, total GHG emissions decreased by 6.5% in FYE2025, driven by the expanded use of solar PV systems. While emissions per thousand ringgit of revenue marginally increased, emissions per unit of energy from electricity and solar PV generation fell by 1.3%, alongside a significant improvement in solar generation efficiency. This reflects the Group's ongoing efforts to optimise renewable energy utilisation and reduce reliance on grid electricity.

Scope 3 emissions increased by 9.1% in FYE2025 compared to FYE2024, driven by higher emissions from upstream transportation and distribution under Category 4. During the year, Zantat enhanced its emission accounting methodology by categorising lorry transport by weight classes, instead of applying a standard assumption, resulting in more accurate emissions reporting. The Group plans to further expand Scope 3 Category (Upstream Transportation and Distribution) coverage to include sea freight in future reporting cycles. Consequently, Scope 3 emissions intensity per million ringgit of revenue increased to 4.8, reflecting improved emissions measurement rather than underlying operational changes.

*Table 2.4 Zantat's Scope 1, Scope 2 and Scope 3 GHG emissions and emissions intensity performance for the past three financial years.*

Indicator type	Measurement	Unit	FYE2023	FYE2024	FYE2025
Absolute	<b>Total Scope 1 emissions<sup>1*</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>1,120</b>	<b>995</b>	<b>548</b>
	• Petrol*	tCO <sub>2</sub> e	26	5	1
	• Diesel*	tCO <sub>2</sub> e	1,093	990	514
	• Liquid petroleum gas	tCO <sub>2</sub> e	0	0	33
Intensity	Total Scope 1 emissions per million ringgit of revenue <sup>2</sup>	tCO <sub>2</sub> e/ RM'000	9.1	9.8	5.9
	Total scope 1 emissions per energy from fuel consumption	tCO <sub>2</sub> e/ MWh	0.25	0.24	0.24
Absolute	<b>Total Scope 2 Emissions<sup>2*</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>21,052</b>	<b>16,356</b>	<b>15,296</b>
	• Electricity*	tCO <sub>2</sub> e	21,052	16,356	15,296
Intensity	Total scope 2 emissions* per thousand ringgit of revenue <sup>2</sup>	tCO <sub>2</sub> e/ RM'000	0.17 <sup>^</sup>	0.16 <sup>^</sup>	0.16
	Total scope 2 emissions per MWh solar panel generation <sup>2*</sup>	tCO <sub>2</sub> e/ MWh	16.7 <sup>^</sup>	12.7 <sup>^</sup>	10.2
	Total scope 2 emissions per energy from electricity and solar PV	tCO <sub>2</sub> e/ MWh	0.73	0.70	0.69

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Air and Greenhouse Gas Emissions (Cont'd)

##### GHG Emissions Calculation Methodology (Cont'd)

##### FYE2025 Performance (Cont'd)

Indicator type	Measurement	Unit	FYE2023	FYE2024	FYE2025
<b>Absolute</b>	<b>Total Scope 3 Emissions<sup>3</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>148</b>	<b>406</b>	<b>443</b>
	Category 4: Upstream Transportation and Distribution (Local sourcing by lorries) <sup>4</sup>	tCO <sub>2</sub> e	NA	234	288
	Category 6: Business Travel	tCO <sub>2</sub> e	54	75	56
	• Category 6: Business Travel (Air)	tCO <sub>2</sub> e	19	50	15
	• Category 6: Business Travel (Ground)	tCO <sub>2</sub> e	35	24	41
	Category 7: Employee Commuting	tCO <sub>2</sub> e	93	98	99
<b>Intensity</b>	<b>Total Scope 3 Emissions per million ringgit of revenue</b>	<b>tCO<sub>2</sub>e/RM'million</b>	<b>1.2</b>	<b>4.0*</b>	<b>4.8</b>

##### Notes:

- Zantat's diesel and petrol consumption primarily comes from Euro5 B10 (90% petroleum-based, 10% biofuel). To ensure accurate accounting, petroleum-based fossil emissions are calculated using DESNZ (2023, 2024, 2025) factors for "Diesel (100% mineral diesel)" and "Petrol (100% mineral diesel)". For biogenic emissions, Zantat applies DESNZ's "Biodiesel ME" factors, where zero GHG emissions are generated due to full absorption during biofuel growth.
- Zantat adopts the location-based Scope 2 method, as its operations rely solely on the local power grid in Peninsular Malaysia. The grid emission factor used for calculations is 0.74 GgCO<sub>2</sub>e/GWh, based on the latest data from Suruhanjaya Tenaga (2025).
- 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.
- For Scope 3 Category 4: Upstream Transportation and Distribution, Zantat currently accounts for emissions from locally sourced raw materials transported by lorries. The Group applies the DESNZ (2025) emission factors for 'Heavy Goods Vehicles (HGV, all diesel) – Articulated (>33 tonnes)' and 'Heavy Goods Vehicles (HGV, all diesel) – Articulated (>3.5 to 33 tonnes)', depending on the transport weight of the raw materials. Zantat is in the process of expanding this coverage to include sea freight in future reporting cycles, to strengthen the completeness of emissions accounting across its logistics and supply chain activities.

\* Data has been restated as the boundary has been adjusted in alignment with the Financial Control consolidation approach.

^ Data has been restated due to the removal of solar panels and update of emission factors from the Energy Commission.

## Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

### Air and Greenhouse Gas Emissions (Cont'd)

#### GHG Emissions Calculation Methodology (Cont'd)

#### FYE2025 Performance (Cont'd)

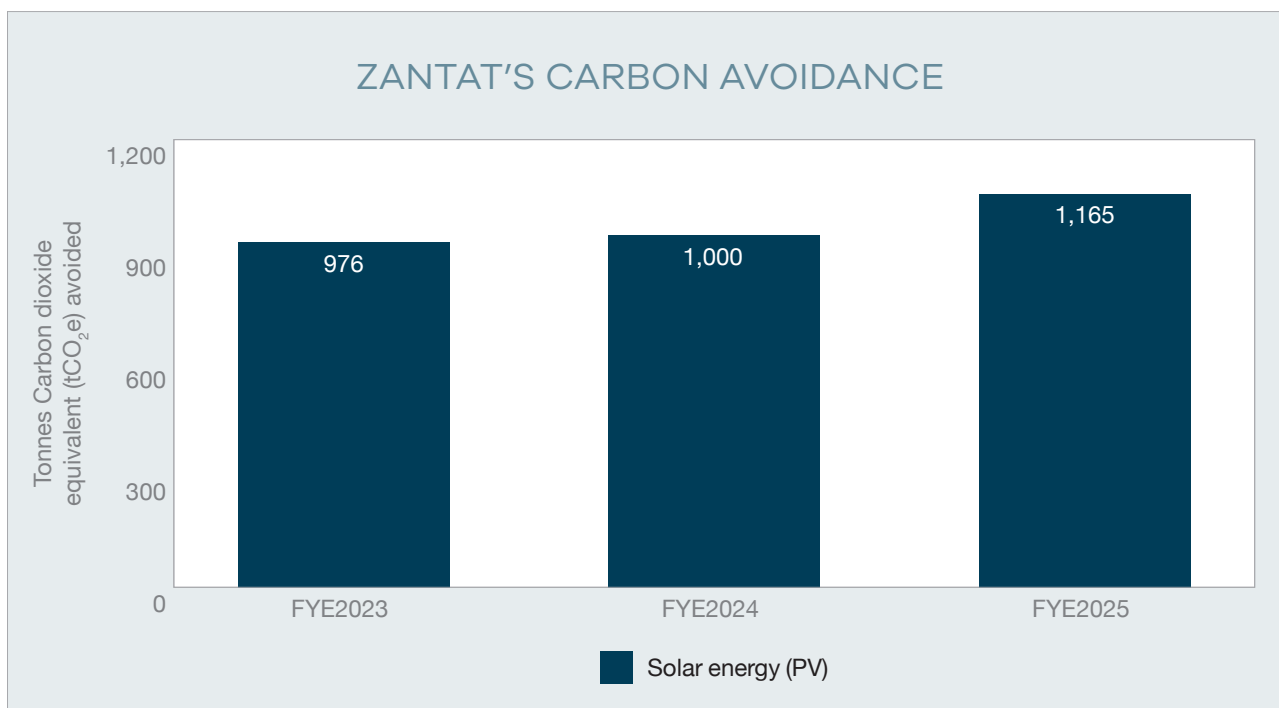


Fig 2.2 Zantat's tonnes of CO<sub>2</sub>e avoided through solar energy PV for the past three financial years.

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

As Zantat's operations involve mineral processing activities that require the management of fine particles and dust, the prevention and control of air pollution remain a critical focus area for the Group. These activities generate particulate matter and airborne pollutants, which may pose health risks to workers and communities in areas where it operates. This poses a material risk to the Group as violation will result in penalties and operational disruption. As such, the Group continues to reduce air quality impacts by implementing dust suppression systems, filtration technologies, conducting annual emissions monitoring and performing preventive equipment maintenance.

Zantat complies with applicable air quality regulations set by the DOE and the New Malaysia Ambient Air Quality Standard (2020). The Group monitors key air pollutants across its operations, including nitrogen oxides ("NO<sub>x</sub>"), sulphur oxides ("SO<sub>x</sub>"), coarse particulate matter ("PM<sub>10</sub>") and fine particulate matter ("PM<sub>2.5</sub>"), to ensure emissions remain within permitted limits.

To support regulatory compliance and monitoring accuracy, the Group continues to appoint an independent Health, Safety and Environmental ("HSE") consultancy firm to carry out annual Ambient Air and Boundary Noise Monitoring assessments at Zantat Perak, Zantat KL and Calrock. Under this practice, each of these sites undergoes one assessment annually. For each site assessment, monitoring is carried out at four designated sampling points within that site to assess air pollution and boundary noise levels. This annual practice supports the Group's ongoing efforts to maintain oversight of site level environmental conditions and strengthen its environmental management practices.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

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

All collected samples are analysed by accredited laboratories in accordance with recognised international methodologies, including those established by the United States Environmental Protection Agency (“USEPA”), the Intersociety Committee and the American Society for Testing and Materials (“ASTM”). This approach ensures the reliability, accuracy and integrity of the Group’s air emissions data while supporting transparent regulatory compliance.

#### Initiatives

Air pollution has long been one of the matters addressed through the Group’s ISO audit processes. In FYE2025, Zantat strengthened this approach by incorporating the management of air pollution matters into its ISO 14001:2015 (EMS) documentation, further reinforcing their integration within the Group’s environmental management framework. Going forward, air pollution will continue to be addressed through the Group’s annual in-house ISO audit and workshop processes, supporting ongoing awareness and internal alignment on the matter.

Meanwhile, Zantat Perak Plant 1 and Plant 2 and Calrock implemented a range of air emission control and monitoring measures to manage dust and maintain air quality within its operations. Bag filter dust collector systems were installed along the production lines to capture and control dust emissions generated during manufacturing processes. To further minimise dust accumulation within the factory compound, a Tennant S30 industrial sweeper was deployed for routine housekeeping activities. Air purifiers were also installed in office areas to improve indoor air quality.

Zantat continued to monitor its control measures regularly to ensure compliance with regulatory standards. Annual stack emission monitoring was conducted for all chimneys at both Zantat’s Plants, recording results that remained well below permissible regulatory limits. In addition, annual Local Exhaust Ventilation (“LEV”) performance assessments were carried out to evaluate the efficiency of the bag filter dust collector systems. Ambient air quality monitoring was also performed at both Zantat Perak Plant 1 and Plant 2, achieving results that aligned with applicable air quality thresholds.

#### FYE2025 Performance

In FYE2025, Zantat’s operations produced negligible nitrogen oxides (NO<sub>x</sub>) and sulphur oxides (SO<sub>x</sub>) emissions. All monitored air pollutant emissions remained within the limits prescribed under the New Malaysia Ambient Air Quality Standard (2020). The Group will continue to monitor its air emissions to ensure ongoing compliance with regulatory requirements and to maintain responsible environmental performance.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

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

#### FYE2025 Performance (Cont'd)

#### Air Pollution

Table 2.5 Major air pollutant emissions generated by and detected in operations for the past three financial years. "ND" means Not Detected, "ppm" means part per million, and "µg/m<sup>3</sup>" means microgram per cubic meter.

Entity	Measurement	Unit	FYE2023	FYE2024	FYE2025	Guideline*
<b>Zantat</b>			<b>ND</b>	<b>ND</b>	<b>ND</b>	
• Zantat Perak	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	SO <sub>x</sub>	ppm	ND	ND	ND	80
• Zantat KL			ND	ND	ND	
• Calrock			ND	ND	ND	
<b>Zantat</b>			<b>53</b>	<b>48</b>	<b>50</b>	
• Zantat Perak	PM <sub>10</sub>	µg/m <sup>3</sup>	47	49	50	100
• Zantat KL			NA	46	48	
• Calrock			60	51	51	
<b>Zantat</b>			<b>24</b>	<b>23</b>	<b>19</b>	
• Zantat Perak	PM <sub>2.5</sub>	µg/m <sup>3</sup>	25	26	18	35
• Zantat KL			NA	24	19	
• Calrock			24	18	21	

#### Note:

\* The safety guideline is based on the New Malaysia Ambient Air Quality Standard (2020), under which Zantat's air pollutant concentrations are within the prescribed limits.

## Sustainability Report (Cont'd)

### GOAL 3: SAFEGUARDING ECOSYSTEMS THROUGH BIODIVERSITY STEWARDSHIP



#### **Biodiversity and Land Remediation (GRI 304-4)**

Biodiversity conservation and land remediation are important considerations for the Group. Despite its relative positioning in the materiality matrix, Zantat elevated this topic to a standalone goal in FYE2025, in recognition of its potential to create broader value for the Group and its stakeholders, while supporting the Group's longer term strategic positioning.

Awareness on biodiversity is still maturing in Malaysia. It was highlighted in the Malaysia's Sixth National Report to the Convention on Biological Diversity that 91.0% of Malaysians have a limited understanding of biodiversity and its importance. This indicated a significant awareness gap and an opportunity for the Group to promote awareness and contribute to biodiversity conservation. Furthermore, Malaysia's National Policy on Biological Diversity identifies limestone hills as a vulnerable ecosystem requiring protection and restoration. This presents a material operational, policy and reputational risk to the Group if poorly managed. Hence, the Group elevated this material topic to reflect its sector specific exposure and to allow further initiative exploration in its future reporting cycles.

The Group's operation uses its land responsibly. Zantat has procedures and rehabilitation practices in place, adhering strictly to regulatory approval to minimise environmental impact and support ecosystem recovery. These land remediation measures include slope stabilisation, soil reinstatement and revegetation to restore disturbed areas, prevent erosion, and support long-term land stability and ecological recovery. Through these efforts, the Group maintains regulatory compliance while safeguarding its licence to operate.

#### Managing Biodiversity and Land Impacts

The Group utilises a structured approach to manage biodiversity and the impacts of its activities on surrounding ecosystems. Building on the biodiversity baseline assessment conducted in the previous financial year, Zantat remains guided by the IUCN Red List. This framework enables Zantat to better understand the interactions between its operational sites and species of conservation concern, particularly in areas surrounding limestone extraction activities. Zantat continues to utilise a Geographic Information System ("GIS") mapping tool to overlay its operational footprint with the distribution data of existing IUCN mammalian species to assess potential biodiversity impacts. Going forward, Zantat will expand this effort to more species, including but not limited to avian, amphibian and floral species.

The Group strengthened its biodiversity management approach by enhancing data collection, engaging with environmental specialists and referencing recognised frameworks and national policies. Looking ahead, the Group aims to progressively reference best practices from the Taskforce on Nature-related Financial Disclosures ("TNFD"), Malaysia's National Policy on Biological Diversity (2022–2030) and the Kunming-Montreal Global Biodiversity Framework to aid its biodiversity conservation efforts.

#### **Initiatives**

##### **Tree Planting**

During FYE2025, ZLCC implemented several site-specific initiatives to strengthen biodiversity management and land stewardship at its calcium carbonate mining operations in Perak, located within land gazetted for mining activities. These efforts focus on improving biodiversity data collection, enhancing environmental conditions and supporting long-term site rehabilitation.

The Group also organised tree planting and landscaping programmes around its operational sites. Trees such as the Foxtail, Rhu, Kelat Paya, Angsana, and Bucita Batik were planted around Zantat Perak and ZLCC, where some were planted since the revegetation projects in 2015. Bamboo trees were also planted along riverbanks to mitigate soil erosion and reduce land degradation risks. Additional tree planting within operational areas was also undertaken to improve environmental quality and support habitat enhancement.

## Sustainability Report (Cont'd)

### Goal 3: Safeguarding Ecosystems Through Biodiversity Stewardship (Cont'd)

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

##### Managing Biodiversity and Land Impacts (Cont'd)

##### Initiatives (Cont'd)

##### Tree Planting (Cont'd)

Apart from tree planting around its operational sites, Zantat also collaborated with the local community and external organizations to further promote biodiversity awareness:

##### *Tree Planting with Majlis Daerah Batu Gajah (“MDBG”)*

In June 2025, the Group collaborated with MDBG to organise a tree-planting initiative, under the “Rakan Taman” programme. The two-hour programme was held at the Bandar Tasik Idaman Playground and focused on park maintenance and tree-planting efforts in support of both biodiversity maintenance and local community engagement. In this collaboration, Zantat invested a total of RM3,031, with 26 Zantat employees volunteering for this programme. The Group successfully planted 30 trees of various local species, benefitting residents from Bandar Tasik Idaman. This reflects the Group’s continued commitment to environmental stewardship and community engagement.

##### *Free Tree Society Bangsar*

Similarly, two months later in August 2025, Zantat joined the Free Tree Society’s Bangsar Nursery Programme to further promote the importance of tree planting to support local biodiversity. The Group invested RM1,800 and a total of 20 employees volunteered in this four-hour programme, contributing their time and effort to support local greening activities. During the programme, participants planted more than 20 local tree species and gained practical knowledge about plant cultivation and indoor gardening practices. The Group thanks those who participated in the programme and will continue to be a responsible corporation in biodiversity management.

##### Biodiversity Awareness Training and Citizen Science

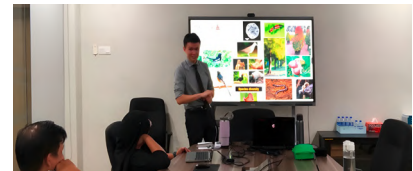
Building on the IUCN Red List mammalian assessment, Zantat strengthened its biodiversity initiatives during the year. The Group engaged an ESG consultancy firm to conduct a six-hour training session for Heads of Departments and Senior Management, focusing on biodiversity awareness and applicable practices within the Malaysian context. Following the session, a series of action plans were developed to guide the Group’s approach towards biodiversity conservation. These plans provide a structured foundation for enhancing biodiversity management across Zantat’s operations.



*Fig 3.1 The Group collaborated in a tree-planting initiative with MDBG, planting a total of 30 trees.*



*Fig 3.2 Zantat employees participating in the Free Tree Society Bangsar initiative.*



*Fig 3.3 Zantat engaged an ESG Consultancy firm to boost awareness and explored initiatives for biodiversity.*

## Sustainability Report (Cont'd)

### Goal 3: Safeguarding Ecosystems Through Biodiversity Stewardship (Cont'd)

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

##### Managing Biodiversity and Land Impacts (Cont'd)

##### Initiatives (Cont'd)

##### Biodiversity Awareness Training and Citizen Science (Cont'd)

In addition, Zantat monitored onsite flora and fauna biodiversity using the iNaturalist application, a citizen science platform that enables organisations and the public to contribute biodiversity observations in a structured and verifiable manner. In FYE2025, a total of 17 species has been recorded and identified at ZLCC, where plants (35.3%), insects (23.5%) and birds (17.7%) accounted for the majority of observations. This approach works by enabling employees to take photographs (or audio recordings where applicable) of organisms during routine activities, upload them via a mobile device and record key information including date and location. The uploaded observations can then be identified through iNaturalist's computer vision suggestions and the wider community identification process, providing a practical, modern pathway for non-experts to approach species identification with increasing accuracy.

This initiative establishes Zantat's first-hand biodiversity baseline database that can be progressively strengthened and used to support more transparent biodiversity-related disclosures. Where observations meet research grade requirements, iNaturalist also enables the sharing of records with the Global Biodiversity Information Facility ("GBIF"), further strengthening the traceability and potential scientific value of biodiversity data collected through the platform. Species identified at Zantat's site can then be used in peer reviewed biodiversity research globally, contributing to nation or even worldwide biodiversity monitoring. The following are some species identified on the Group's quarry sites:

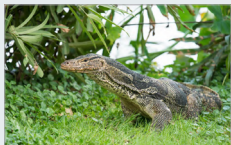


Fig 3.4 Indomalayan Water Monitor (*Varanus salvator ssp. Macromaculatus*) identified on 16 August 2025



Fig 3.5 Red-wattled Lapwing (*Vanellus indicus*) identified on 15 May 2025



Fig 3.6 Sheoaks (Family *Casuarinaceae*), identified on 17 April 2025

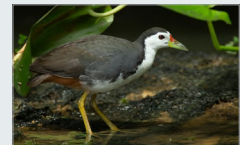


Fig 3.7 White-breasted Waterhen (*Amauornis phoenicurus*) identified on 4 April 2025

#### Continuous Application of IUCN Species of Conservation Concern Near Zantat's Operational Sites

Zantat continues to reference the IUCN Red List of Threatened Species to identify mammalian species of conservation concern that may potentially occur at its quarry sites. The assessment is preliminary and is based on historical IUCN records and spatial distribution data. It identifies species that may occur in surrounding areas due to geographic overlap but does not confirm their presence on-site, nor does it imply that Zantat's operations have contributed to species decline or extinction.

The IUCN red list assessment strengthens internal awareness of biodiversity considerations and supports more informed environmental decision-making. In FYE2025, the findings were shared with internal stakeholders to enhance understanding of potential ecological sensitivities.

# Sustainability Report (Cont'd)

## Goal 3: Safeguarding Ecosystems Through Biodiversity Stewardship (Cont'd)

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

#### Managing Biodiversity and Land Impacts (Cont'd)

#### Initiatives (Cont'd)

#### Continuous Application of IUCN Species of Conservation Concern Near Zantat's Operational Sites

The table below presents mammalian species classified as Critically Endangered ("CR") and Endangered ("EN") under the IUCN Red List that may occur near the Group's operational sites. This baseline assessment helps Zantat better understand biodiversity sensitivities around its operational areas, supporting responsible land use planning and greater transparency in how biodiversity considerations are integrated into its operations.

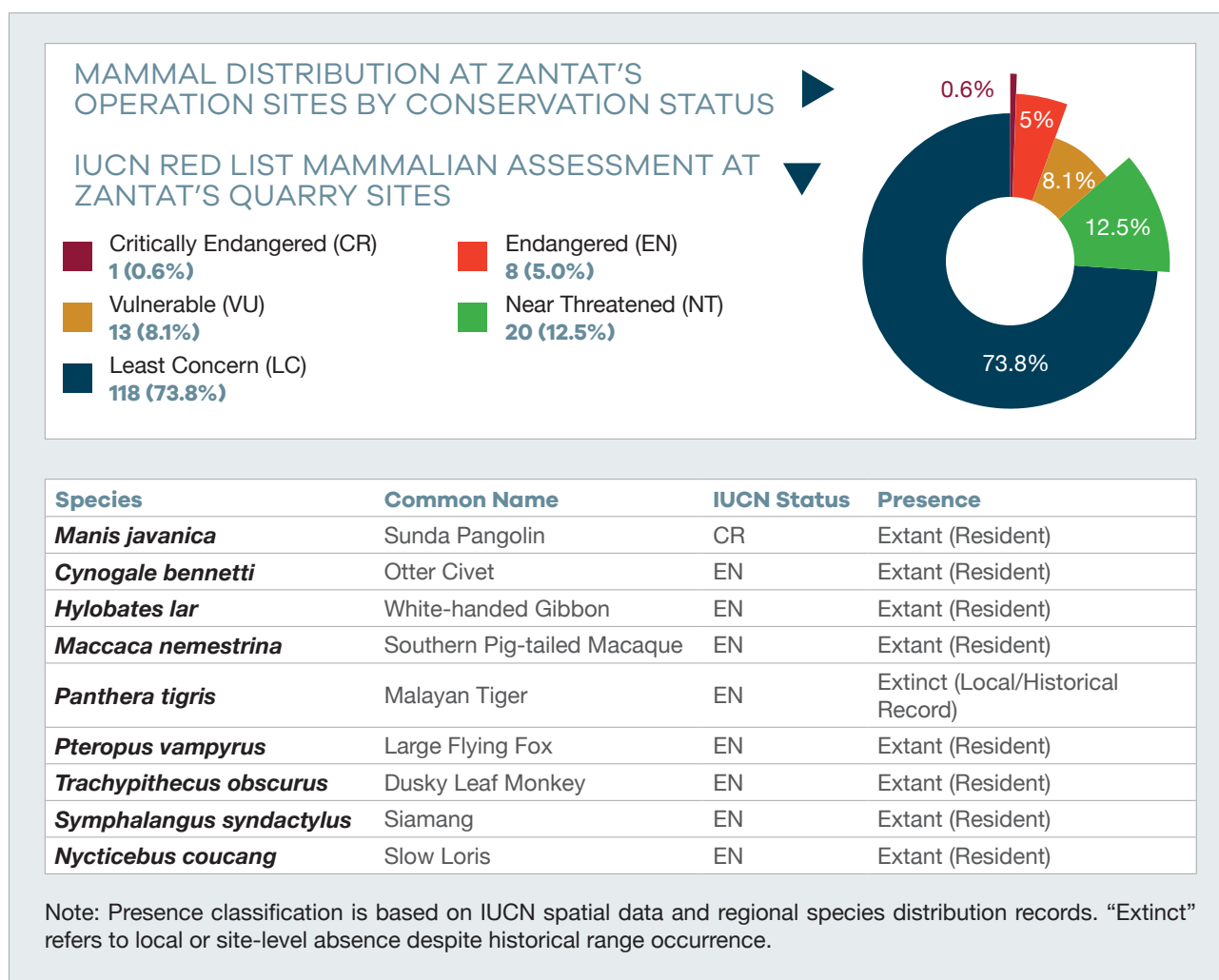


Fig 3.8 IUCN Red List CR and EN mammalian species identified in Zantat's operational sites, classified by their species, common name, IUCN Status, and Presence.

## Sustainability Report (Cont'd)

### GOAL 4: EMPOWERING WORKFORCE AND COMMUNITY CONNECTIONS AND SHARED VALUES



#### Diversity and Inclusion (GRI 405-1)

At Zantat, diversity and inclusion remain vital to its operations as they drive productivity, innovation and operational resilience. As Zantat operates in manufacturing and industrial environments that require diverse technical, operational and managerial competencies, the Group recognises that a varied workforce strengthens its talent pool while supporting talent attraction and retention.

Moreover, Zantat fosters an inclusive workplace where employees and workers feel respected, heard and supported. This is reinforced through practices such as competitive remuneration, employee engagement initiatives and access to training and development opportunities, which ensure a sustainable talent pipeline.

Zantat's employment practices are guided by the requirements of Malaysia's Employment Act 1955 and related labour laws, alongside relevant industry practices, to support fair, respectful, and responsible workplace standards.

#### Initiatives

During the year, Zantat maintained formal mechanisms to address workplace-related harassment, discrimination and bullying, supporting fair and equitable workplace practices across its operations. Employees may raise such concerns with the Human Resources Department via phone, email or in person, as outlined in the employee handbook. Additionally, suggestion and feedback boxes are provided at the Group's sites to offer additional anonymous channels for complaints and feedback. These channels help reinforce an inclusive workplace where concerns can be raised and addressed appropriately.

The Group also implements fair and transparent recruitment processes based on talent, qualifications and role suitability, without regard to personal characteristics. Hiring is conducted based on merit, providing equal access to employment opportunities, while promotion and career advancement are determined by skills, performance and competencies, reinforcing fairness in talent progression.

Furthermore, Zantat reviews employee feedback to identify areas for improvement in recruitment, people management and workplace practices. These insights are used to enhance existing policies and processes, to foster a respectful, supportive and inclusive workplace.

To ensure diversity and inclusion are embedded across its operations, the Group organises training programmes and employee engagement initiatives and incorporates reminders into its internal communications.

#### FYE2025 Performance

In FYE2025, Zantat's total workforce grew by 3.2% compared to FYE2024, increasing from 216 employees to 223 employees. Given the nature of the manufacturing and industrial sector, the majority of Zantat's workforce comprises non-executive employees in the 30-50 age group, with males representing the dominant gender.

There were no recorded incidents related to discrimination or corrective actions taken in the year under review.

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Diversity and Inclusion (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 4.1 Zantat's total workforce and workforce composition by employment type, ethnicity, and nationality for the past three financial years.

	Unit	FYE2023	FYE2024	FYE2025
<b>TOTAL WORKFORCE</b>				
Total workforce	Number	211	216	223
Full-time	Number	211	216	223
Part-time	Number	0	0	0
<b>WORKFORCE BY REGION</b>				
<b>Local employees</b>	<b>Number</b> (Percentage)	<b>101</b> (47.9)	<b>103</b> (47.7)	<b>111</b> (49.8)
Malay	Number	42	39	47
Chinese	Number	57	62	62
Indian	Number	2	2	2
<b>Foreign employees</b>	<b>Number</b> (Percentage)	<b>110</b> (52.1)	<b>113</b> (52.3)	<b>112</b> (50.2)
Nepal	Number	75	81	76
Bangladesh	Number	35	32	36



## Sustainability Report (Cont'd)

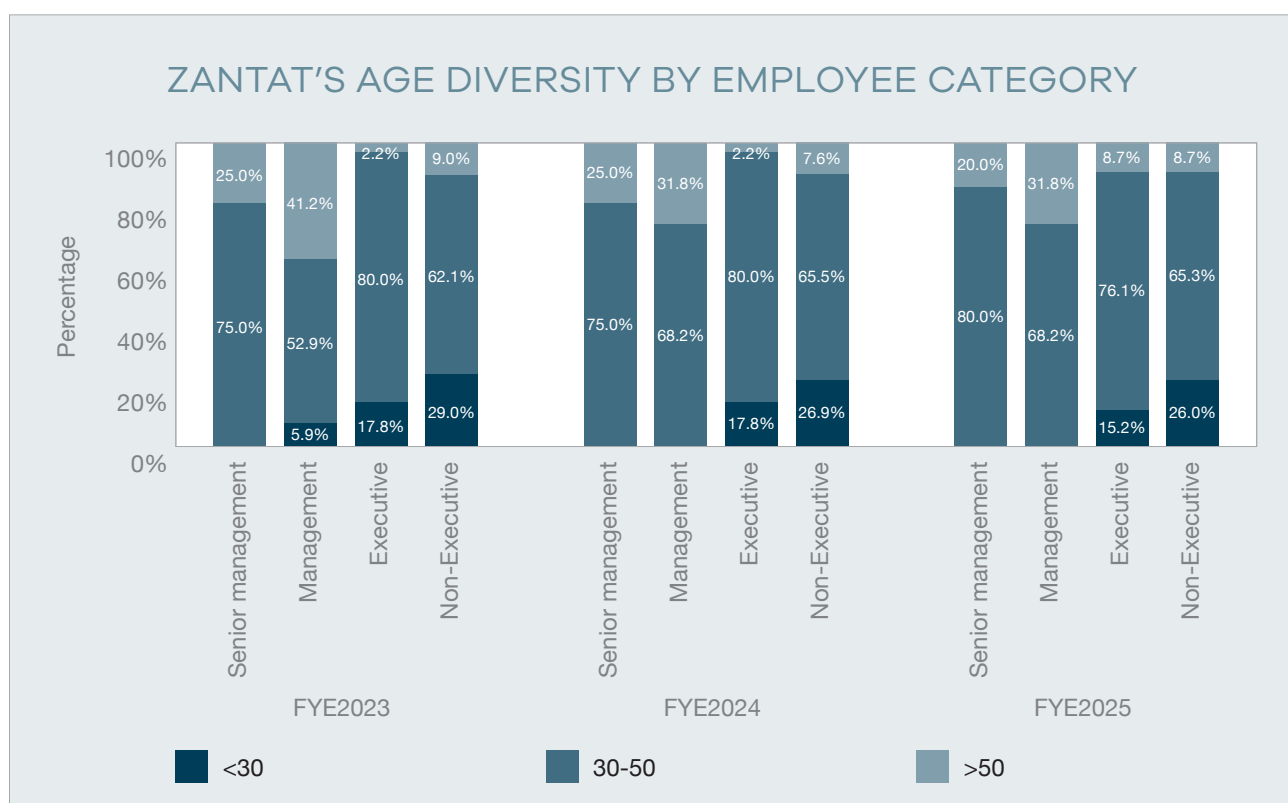
### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Diversity and Inclusion (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 4.2 Zantat's age diversity across employee categories for the past three financial years, showing the proportion of employees aged below 30 (<30), between 30 and 50 (30-50) and above 50 (>50).

		Unit	FYE2023	FYE2024	FYE2025
SENIOR MANAGEMENT	<30	Percentage	0	0	0
	30-50	Percentage	75.0	75.0	80.0
	>50	Percentage	25.0	25.0	20.0
MANAGEMENT	<30	Percentage	5.9	0	0
	30-50	Percentage	52.9	68.2	68.2
	>50	Percentage	41.2	31.8	31.8
EXECUTIVE	<30	Percentage	17.8	17.8	15.2
	30-50	Percentage	80.0	80.0	76.1
	>50	Percentage	2.2	2.2	8.7
NON-EXECUTIVE	<30	Percentage	29.0	26.9	26.0
	30-50	Percentage	62.1	65.5	65.3
	>50	Percentage	9.0	7.6	8.7



# Sustainability Report (Cont'd)

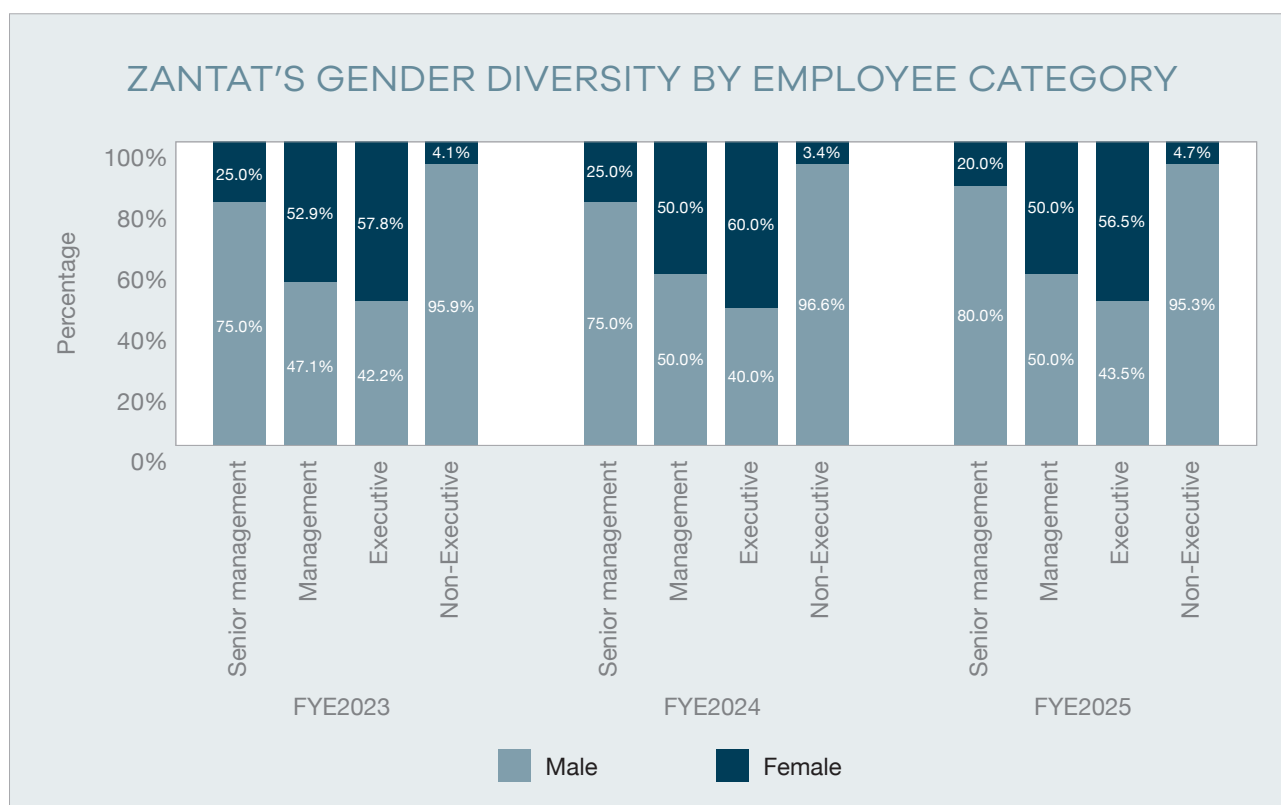
## Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

### Diversity and Inclusion (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 4.3 Zantat's gender diversity across employee categories for the past three financial years, showing the proportion of male and female employees.

		Unit	FYE2023	FYE2024	FYE2025
SENIOR MANAGEMENT	Male	Percentage	75.0	75.0	80.0
	Female	Percentage	25.0	25.0	20.0
MANAGEMENT	Male	Percentage	47.1	50.0	50.0
	Female	Percentage	52.9	50.0	50.0
EXECUTIVE	Male	Percentage	42.2	40.0	43.5
	Female	Percentage	57.8	60.0	56.5
NON-EXECUTIVE	Male	Percentage	95.9	96.6	95.3
	Female	Percentage	4.1	3.4	4.7



## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

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

The safety and well-being of Zantat's workforce remains a top priority, given the industrial nature of the Group's manufacturing activities. Zantat strives to cultivate a culture of safety as part of its commitment to keep its people safe and reduce work-related incidents and fatalities.

The Group's Operational Health and Safety ("OHS") approach and practices are guided by the Occupational Safety and Health Act 1994 and ISO 45001:2018 (OHSMS).

#### Environment, Safety and Health ("ESH") Committees

ESH Committees are established at each location/site to ensure a safe environment at the Group's operational sites. The committees are responsible for overseeing hazard identification, reviewing incidents and near-miss cases, monitoring regulatory compliance and supporting the implementation of safety training and awareness programmes.

In carrying out their roles, the ESH committees review workplace hazards and recommend appropriate corrective actions, evaluate incident trends and propose preventive measures to mitigate recurrence. They also ensure that health and safety practices remain aligned with applicable legal and operational requirements across the Group.

ESH Committees convene on a quarterly basis, with additional meetings held to discuss urgent issues where necessary. The Chief Operating Officer ("COO") serves as the Committee President, alongside Senior Management who participates in addressing safety-related matters.

Findings and recommendations from the ESH Committees subsequently inform the Group's Hazard Identification, Risk Assessment and Risk Control ("HIRARC") process, ensuring that identified risks are systematically assessed and mitigated across operations.

#### Hazard Identification, Risk Assessment and Risk Control ("HIRARC")

To identify and mitigate safety risks, Zantat has a HIRARC process to identify workplace hazards, evaluate associated risks and implement appropriate mitigation measures. As part of the Group's Occupational Health and Safety Management System, HIRARC assessments are reviewed annually and revised, when necessary, by the ESH Committees across plants and operational sites to support continuous risk monitoring and workplace safety improvements. To enhance risk identification, Zantat continues to utilise the online reporting forms (accessible via QR code) for the reporting of hazards, unsafe conditions, incidents and near misses.

In FYE2025, the Group reviewed its HIRARC assessment and determined that the majority of identified risks assessed were categorised as low. However, activities related to the processing of granulated calcium carbonate and machine commissioning were assessed as medium risk. To address these risks, the Group will implement appropriate control and mitigation measures to reduce overall risk levels.

#### Occupational Health Services

Zantat provides occupational health services to safeguard employee well-being and ensure regulatory compliance. This includes medical surveillance programmes such as Foreign Workers Medical Examination Monitoring Agency ("FOMEMA") health screenings to identify potential health risks at an early stage and support timely intervention.

The Group protects its employees from hazardous noise exposure. This included regular audiometric screenings and noise risk assessment to monitor hearing health, and implement preventive measures where necessary. In addition, employees are provided access to panel clinic services for medical consultation and treatment.

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

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

##### Initiatives

The following initiatives were implemented across Zantat KL, Zantat Perak and Calrock to reinforce a robust HSE culture.

In FYE2025, Zantat enhanced its Enterprise Resource Planning (“ERP”) system in alignment with the ISO 45001:2018. Aside from providing guidance during emergency situations, the ERP facilitates the identification of potential hazards and risks that may lead to accidents, property damage and work-related injuries. In addition, fire and chemical emergency drills are carried out periodically to test response readiness, improve coordination and ensure employees are well-equipped to manage emergency situations effectively.

To strengthen transport safety governance, an Industry Code of Practice (“ICOP”) Committee was established at Zantat KL in line with the ICOP for Vehicle Maintenance under the Road Transport Act 1987. The committee meets regularly to review vehicle safety performance, maintenance records and corrective actions to ensure compliance and safe fleet operations.

Additionally, internal safety audits were conducted in accordance with ISO 45001:2018 requirements. In FYE2025, the Group conducted a cross-site safety audit, where the input and output enhanced the Group’s consistency in safety practices and facilitated the sharing of best practices across Zantat’s operations.

Zantat also organised refresher training sessions to enhance employee competencies in managing workplace hazards. These sessions covered key topics such as chemical handling, personal protective equipment (“PPE”) usage, spill kit deployment and emergency response procedures. To further safeguard workforce well-being, the Group provided training on occupational noise exposure, Automated External Defibrillator (“AED”) usage and Cardiopulmonary Resuscitation (“CPR”).

The Group conducted Gemba Walks quarterly at Zantat KL and monthly at Calrock prior to ESH Committees meetings. These walkthroughs allow management and safety personnel to observe workplace conditions, identify potential hazards and drive continuous improvements to ensure a safe working environment.

##### FYE2025 Performance

The Group’s OHS performance recorded an increase in Lost Time Incident Rate (“LTIR”) to 4.42 in FYE2025, from 0.71 in the previous year. In FYE2025, the Group recorded three work-related injury cases. All three incidents were issued Incident Corrective Action Report (“ICARs”) by the Safety and Health Officer for root cause identification. Since then, corrective actions have been implemented. These actions included improving the work area to reduce risks to workers, such as addressing slippery floor conditions, improving access to the main mill room door and relocating the fan. Safety awareness training was also conducted following the implementation of these corrective actions.

Work-related illnesses also increased to 8 cases in FYE2025, compared to 1 case in FYE2024. This was mainly due to a higher number of hearing disorder cases identified during the year, following increased audiometric testing among employees. The wider screening helped detect cases that may have gone previously unnoticed. In response, the Group continues to enforce the use of hearing protection and monitor workplace noise levels.

Following the work-related incidents recorded during the year, the Group further strengthened its health and safety practices, with a particular focus on enhancing workforce safety awareness and competency through additional training initiatives. As a result, 100% of Zantat’s employees attended health and safety training in FYE2025, marking a direct 3.2% increase compared to FYE2024.

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

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

##### FYE2025 Performance (Cont'd)

Table 4.4 Zantat's health and safety performance, including employee training, work-related injuries and LTIR for the past three financial years.

	Unit	FYE2023	FYE2024	FYE2025
Number of employees trained on health and safety standards	Number	211	209*	223
Percentage of employees trained on health and safety standards	Percentage	100	96.8	100
Total working hours	Hour	597,663	565,181*	498,242
Number of fatalities	Number	0	0	0
Number of recordable work-related injuries	Number	1	1	3
Number of recordable work-related illnesses	Number	0	1	8
LTIR <sup>1</sup>	-	0.33	0.71*	4.42

Note:

<sup>1</sup> LTIR is calculated based on the standardised value of 200,000 hours worked.

\* The data has been restated following refinements to the data collection system.

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

As Zantat's workforce is the backbone of its business, talent management is vital. The Group invests in workforce development, skills enhancement and career progression to ensure operational efficiency and build a capable talent pipeline that supports long-term business growth and resilience.

Zantat's approach to talent management covers workforce planning, capability development, performance management and employee engagement. Through these practices, the Group ensures that employees are equipped with the necessary technical and functional competencies to support safe and efficient operations while maintaining product quality and operational reliability.

Guided by responsible employment practices and regulatory requirements, Zantat continues to enhance its talent management framework to ensure workforce sustainability, operational continuity and long-term value creation.

#### Initiatives

##### Talent Attraction and Onboarding

Zantat strengthens talent attraction through recruitment and onboarding. Orientation programmes are conducted to introduce new employees to the Group's corporate culture, operational processes, workplace expectations and policies. These onboarding sessions support smoother transitions into the workplace and enable new employees to contribute productively from the outset.

To build talent pipelines, the Group offers internship programmes for students and fresh graduates. Interns are placed based on their academic qualifications, allowing them to gain practical industry exposure and hands-on experience within the Group.

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Talent Management (Cont'd)

##### Initiatives (Cont'd)

###### Fair and Equitable Hiring Practices

Zantat ensures equal opportunity throughout its recruitment processes. Candidates are assessed based on objective criteria, including skills, experience and qualifications, without discrimination on race, gender, age, religion or other personal characteristics.

To promote fairness and consistency, the Group uses standardised interview questions and evaluation criteria. Human Resources personnel participate alongside department heads during interviews to support balanced and objective hiring decisions. Recruitment practices are guided by Malaysia's Employment Act and relevant industry best practices to uphold responsible employment standards.

###### Learning, Development and Career Progression

Zantat provides continuous learning and development opportunities to support employees' professional growth and long-term career progression. Training programmes are implemented to enhance both technical and functional competencies, complemented by career development plans and internal promotion opportunities. Through these initiatives, the Group aims to build internal talent pipelines, strengthen workforce capability and support succession planning across operational and managerial roles.

###### Performance Appraisal and Recognition

Zantat has in place a performance appraisal system to evaluate employee performance and recognise contributions. Appraisals are conducted annually for all employees using formal assessment frameworks. Employees under probation undergo monthly performance reviews until confirmation to ensure alignment with job expectations.

Performance evaluations are carried out by immediate supervisors and department heads, who assess employees based on KPI, teamwork, job competencies and adherence to company values. One-to-one review sessions are held to communicate assessment outcomes, provide feedback and identify development needs.

The Human Resources Department oversees the appraisal process to ensure consistency, transparency and adherence to the Group's standards. Appraisal outcomes are linked to salary increments, bonuses and promotion considerations, reinforcing a performance-driven culture. The Group also organises annual employee recognition programmes to reward outstanding performance and contributions, motivate employees and reinforce engagement.

###### Compensation, Benefits and Retention

Zantat offers a competitive salary and benefits package aligned with market benchmarks to attract and retain talent and compensate its workforce for their contributions. The following benefits are provided to full-time employees:

Leave Entitlements (Annual leave, sick/medical leave, compassionate leave, exam leave, maternity/paternity leave and marriage leave)	Medical Benefits	Insurance Coverage	Career Development Allowance	Transportation or Travel Allowance	Performance Bonuses
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## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Talent Management (Cont'd)

##### Initiatives (Cont'd)

###### Employee Engagement and Satisfaction

In FYE2025, the Group conducted an Employee Engagement Survey to assess workforce sentiment and organisational culture. The survey achieved a participation rate of 86.8% (92 out of 106 employees who filled the survey) and recorded an overall satisfaction score of 95.0%. Insights from the survey identified areas for improvement, supporting efforts to strengthen employee engagement and enhance the overall workplace experience.

During the year, Zantat also organised employee engagement initiatives such as townhall meetings, employee appreciation programmes, annual health screening, festive celebrations and family day events to strengthen Group-wide engagement.

###### Sustainability and CSR Participation

As part of its broader sustainability efforts, the Group promotes employee volunteering in CSR initiatives and recognises such participation within employee KPIs. Employees are required to complete a minimum of eight hours of CSR participation annually. In FYE2025, 77.7% of the Zantat's local employees achieved this KPI, leading to 818 hours of voluntary work. These activities include community programmes and collaborative initiatives with government agencies and external organisations. Employee participation is monitored and considered as part of overall work performance and engagement.

###### Training on Labour Practices

The Group provides training on fair labour practices in line with ESG principles, covering key critical aspects of labour laws, workplace equity and employee well-being.

##### FYE2025 Performance

In FYE2025, Zantat recorded a modest 3.2% increase in total workforce, while new hires declined slightly by 3.8%. More notably, total employee turnover fell by 31.8%, resulting in a 33.0% reduction in turnover rate year-on-year. This indicates stronger workforce stability during the year, which may reflect improved employee retention, a more stable manpower structure, or lower replacement requirements.

On employee development, total training hours declined by 31.7%, while average training hours per employee decreased by 36.4%. The reduction was recorded among non-executive employees, whose training hours fell by 52.2%, followed by executive employees at 12.5%, management at 19.8% and senior management at 2.7%. This decline is due to a shift in operational priority to strengthen Zantat's internal governance processes. Regardless, this data trend presents an opportunity for improvement for Zantat going forward.

*Table 4.5 Zantat's workforce size, recruitment, employee turnover and training hours by employee category for the past three financial years.*

	Unit	FYE2023	FYE2024	FYE2025
<b>WORKFORCE SIZE, RECRUITMENT AND EMPLOYEE TURNOVER</b>				
Total number of employees	Number	211	216	223
New hires	Number	43	26	25

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Talent Management (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 4.5 Zantat's workforce size, recruitment, employee turnover and training hours by employee category for the past three financial years. (Cont'd)

	Unit	FYE2023	FYE2024	FYE2025
<b>WORKFORCE SIZE: TOTAL EMPLOYEE TURNOVER BY EMPLOYEE CATEGORY</b>				
Total employee turnover	Number	19	22	15
Senior management turnover	Number	0	0	0
Management turnover	Number	1	1	0
Executive turnover	Number	6	3	3
Non-executive turnover	Number	12	18	12
Turnover rate	Percentage	8.9	10.0	6.7
<b>TOTAL TRAINING HOURS BY EMPLOYEE CATEGORY</b>				
Total training hours	Hour	4,494	4,726	3,229
Senior management training hours	Hour	175	260	253
Management training hours	Hour	889	758	608
Executive training hours	Hour	1,884	1,500	1,313
Non-executive training hours	Hour	1,546	2,208	1,055
Average training hours per employee	Hour/employee	21	22	15
<b>TOTAL TRAINING HOURS BY GENDER</b>				
Male	Hour	2,621	3,583	1,995
Female	Hour	1,873	1,143	1,234

#### Human Rights and Labour Practices (GRI 406-1, 408-1, 409-1, 411-1)

Zantat is committed to upholding human rights across every aspect of its operations, ensuring the provision of fair wages, safe working conditions and non-discrimination. All forms of forced or child labour are prohibited, ensuring compliance with regulatory requirements. The Group also places emphasis on providing safe and healthy workplaces for all employees and workers.

Guided by the United Nations Global Compact ("UNGC") Ten Principles and the Universal Declaration of Human Rights, Zantat adheres to the Employment Act 1955, the Trade Union Act 1959 and relevant Malaysian labour laws. Additionally, the Group has a CoCE and External Party CoCE in place which enforces the following:



Zero tolerance for child labour and forced labour



Ensure fair treatment, free from discrimination and harassment



Respect for freedom of association and collective bargaining



Robust grievance mechanisms

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Human Rights and Labour Practices (Cont'd)

##### Initiatives

To uphold fair labour practices and employee welfare, Zantat provides multiple communication and grievance channels including anonymous suggestion boxes, dedicated reporting email channels and direct access to supervisors or the Human Resources Department. These mechanisms facilitate open dialogue, confidential reporting and timely resolution of workplace concerns.

The Group also provides accommodation at approved hostels for foreign employees, in compliance with applicable local regulations. The hostels are equipped with basic amenities, including dining areas, a resting lounge, a kitchen, proper sleeping areas with beds and lockers, electricity, air conditioning, a clean water supply, and adequate lighting and ventilation. Facilities such as clean toilets, shower areas, regular cleaning services and proper waste disposal are also provided, along with basic recreational facilities, such as a gym room to promote physical well-being. Furthermore, safety measures are in place, including first aid kits located in easily accessible areas within the hostels, as a precautionary measure.

All foreign employees' accommodations are certified under the *Perakuan Penginapan issued by Jabatan Tenaga Kerja Semenanjung Malaysia*, in accordance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990. These certificates are displayed outside the hostel at a visible and accessible location. This certification provides assurance that the Group's accommodation meets the required minimum standards and is managed in compliance with stipulated conditions, including approved occupancy limits.

Zantat monitors the validity and renewal of these certificates on an ongoing basis and maintains compliance practices to ensure that worker accommodation remains safe and well-managed. Through these measures, the Group supports decent living conditions for employees while reinforcing its commitment to protecting human and labour rights.

Additionally, the Group works closely with hostel room leaders to address accommodation matters. Foreign employees may raise concerns through a dedicated WhatsApp communication channel involving supervisors and the Human Resources Department, enabling timely communication and follow-up.

##### FYE2025 Performance

There were no substantiated complaints concerning human rights violations, nor any recorded incidents of forced or child labour. From FYE2023 to FYE2025, the Group recorded zero substantiated cases related to child or forced labour, discrimination, harassment, labour practice violations or health and safety non-compliances as a fundamental right.

Zantat ensures that its existing grievance channels are clearly communicated to employees and other stakeholders. The Group also upholds ethical recruitment practices, safeguards the rights of migrant workers and respects employees' freedom of association.

Table 4.6 Zantat's human rights-related incidents and complaints performance for the past three financial years.

	Unit	FYE2023	FYE2024	FYE2025
Number of substantiated complaints concerning human rights violations	Number	0	0	0
Number of children aged below 15 engaged in child labour	Number	0	0	0
Number of substantiated complaints concerning forced labour	Number	0	0	0

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Community Contribution (GRI 201-1a(ii))

In line with the Group's commitment to giving back to society, Zantat focuses on areas where its contributions can generate meaningful and lasting impact. The Group prioritises initiatives that support education, healthcare and environmental stewardship, recognising the importance of enhancing community well-being while contributing to social development.

Zantat identifies priority needs and tailors initiatives accordingly through ongoing engagement with local communities and stakeholders. Additionally, the Group continues to collaborate with non-governmental organisations, government agencies and local partners to broaden outreach, strengthen programme delivery and enhance overall effectiveness.

#### Initiatives

Employees are encouraged to complete a minimum of eight CSR volunteer hours annually, with a participation target set across the workforce. In FYE2025, 77.7% of Zantat's local employees met or exceeded the prescribed volunteer hours, totalling up to 818 volunteering hours. This result reflects the strong employee participation in community programmes. Zantat spent RM34,808 in CSR funding to support various community and social initiatives.

At Zantat Perak, environmental stewardship and community health and welfare remained its key focus areas. Zantat Perak implemented a *gotong-royong* programme involving clean-up and environmental upkeep activities in areas surrounding Zantat's Plants, going beyond operational boundaries to support local environmental cleanliness and community engagement. Health and well-being initiatives, including two rounds of blood donation drives were conducted in collaboration with Hospital Raja Permaisuri Bainun ("HRPB"), Ipoh and AEON Mall Kinta City, to support public healthcare needs.

At Zantat KL, initiatives were centred on environmental awareness and community engagement (especially underprivileged youth). A tree-planting and gardening programme was conducted to promote environmental awareness, encourage ecosystem preservation and provide participants with practical knowledge on sustainable gardening practices. In addition, Zantat KL organised welfare programmes for orphaned children through collaborative programmes that included providing haircuts, meals, birthday celebrations and recreational activities such as batik painting. Essential school supplies were also supplied to selected underprivileged students to ease their financial burden and support educational needs.

Through these initiatives, Zantat fosters meaningful community partnerships while contributing to environmental stewardship, public health and social well-being of communities. The following initiatives highlight Zantat's efforts to support education and community well-being:

#### Supporting Community Well-Being

##### Pantai Marathon 2025

To support community well-being and health, Zantat contributed to the Pantai Marathon 2025, organised by Pantai Hospital Penang. In June 2025, Zantat contributed RM5,000 and leveraged the event to raise awareness of Earthya™ Compostable Garbage Bags among participants and the wider community. The initiative reached about 4,000 participants and provided an opportunity for the Group to promote sustainable waste solutions.

*Fig 4.7.1 Zantat supported the event while contributing to broader awareness of sustainable waste solutions.*



## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Community Contribution (Cont'd)

##### Initiatives (Cont'd)

##### Supporting Community Well-Being (Cont'd)

##### **PPBA Badminton Tournament 2025**

Zantat continued to support community efforts that promote health and wellness. In June 2025, Zantat invested in RM5,000 in sponsoring the PPBA Badminton Tournament 2025, through both cash contributions and in-kind support. This include the provision of Earthya™ Compostable Garbage Bags. The programme benefitted approximately 600 individuals. Beyond sponsorship, the event also served as a platform to promote sustainability awareness.

##### Batik Painting 2025

Empowering children is another theme Zantat places it focus on. In July 2025, the Group organised a batik painting programme for children from an orphanage. The programme aimed to nurture artistic skills while creating a meaningful and engaging experience for the children through the traditional art of batik painting. A total of RM4,550 was invested in the initiative, where 31 children benefited and produced creative batik masterpieces.

##### Back to school 2025

Along the same theme, Zantat organised the Back to School Programme. In collaboration with Abaro Company in December 2025, Zantat contributed RM5,458 to provide essential school supplies to orphaned students at Sekolah Kebangsaan 1, Taman Selayang. In support of UN SDG 4 (Quality Education), the initiative benefitted 35 students, alleviating schooling expenses and preparing them for the academic year.

##### **FYE2025 Performance**

Despite lower community investment in FYE2025, the Group expanded its programme reach substantially, benefitting 5,781 individuals compared to 677 in the previous year. In the next financial year, Zantat aims to enhance the effectiveness of its community initiatives by strengthening stakeholder relationships, promoting employee volunteer participation and directing resources towards impactful programmes.

*Table 4.7 Zantat's community investment, employee volunteering hours in community programmes, and the external beneficiaries for the past three financial years.*

	Unit	FYE2023	FYE2024	FYE2025
Total amount invested in the community	RM	34,303	120,435	34,808
Total employee volunteering hours in CSR*	Hour	NA	NA	818
Total number of external beneficiaries	Number	NA	677	5,781

Note:

\* In FYE2025, Zantat enhanced its data collection system to track total employee volunteering hours in CSR initiatives, as this provides a more meaningful measure of employee contribution to CSR activities.



Fig 4.7.2 The Group provided sponsorship in the form of cash and the provision of Earthya™ Compostable Garbage Bags.



Fig 4.7.3 Children at the programme presenting their batik masterpieces.



Fig 4.7.4 Zantat provided school supplies including stationery, to support the educational needs of orphaned students.

## Sustainability Report (Cont'd)

### GOAL 5: UPHOLDING ETHICAL CONDUCT AND SUPPLY CHAIN INTEGRITY

#### Corporate Governance (GRI 405-1)

Zantat upholds corporate governance practices as the foundation of responsible business conduct, ethical decision-making and long-term value creation. The Group recognises that effective governance is essential to safeguard stakeholder interests, ensure regulatory compliance and maintain transparency and accountability across its operations. Guided by applicable laws, regulatory requirements and internal policies, Zantat continues to strengthen its governance framework to support business integrity, risk oversight and sustainable growth.

Zantat has in place a governance framework supported by formal policies, Board oversight and management accountability. The Board holds ultimate responsibility for overseeing corporate governance matters, including ethical conduct, regulatory compliance, risk management and internal controls.

Furthermore, the Group's governance approach is underpinned by clearly defined policies that guide business practices, employee conduct and decision-making processes. These policies are periodically reviewed and updated to ensure continued relevance and alignment with evolving regulatory requirements and industry best practices.

The following outlines the Group's established governance policies:



**ABC  
Policy**



**Whistleblowing  
Policy**



**CoCE**



**ERM  
Policy**



**Sustainability  
Policy**

For more information, please refer to <https://ir2.chartnexus.com/zantat/corporategovernance.php> and the Corporate Governance Overview Statement on pages 127 to 133 of this Integrated Annual Report.

Collectively, these policies reinforce ethical behaviour, responsible business practices and effective governance oversight across the Group.

#### Initiatives

To operationalise its governance commitments, Zantat implements various initiatives focused on integrity, transparency and accountability.

Members of the Board continued to participate in governance and S&C training programmes to enhance oversight capabilities and remain abreast of emerging regulatory and ESG developments.

# Sustainability Report (Cont'd)

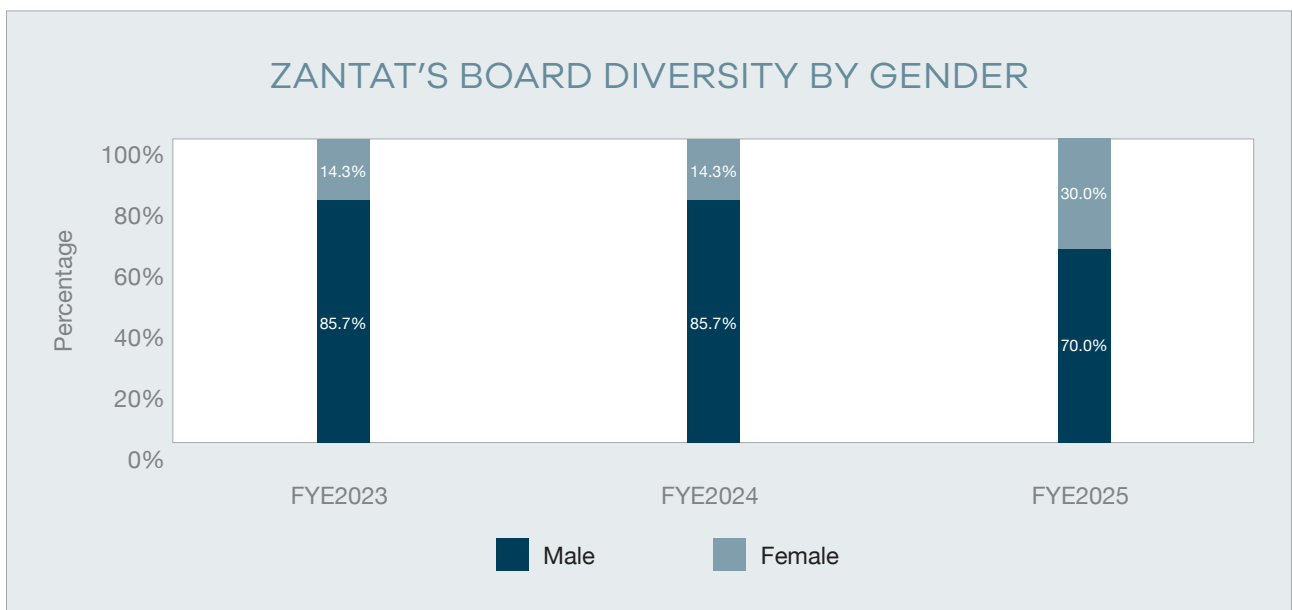
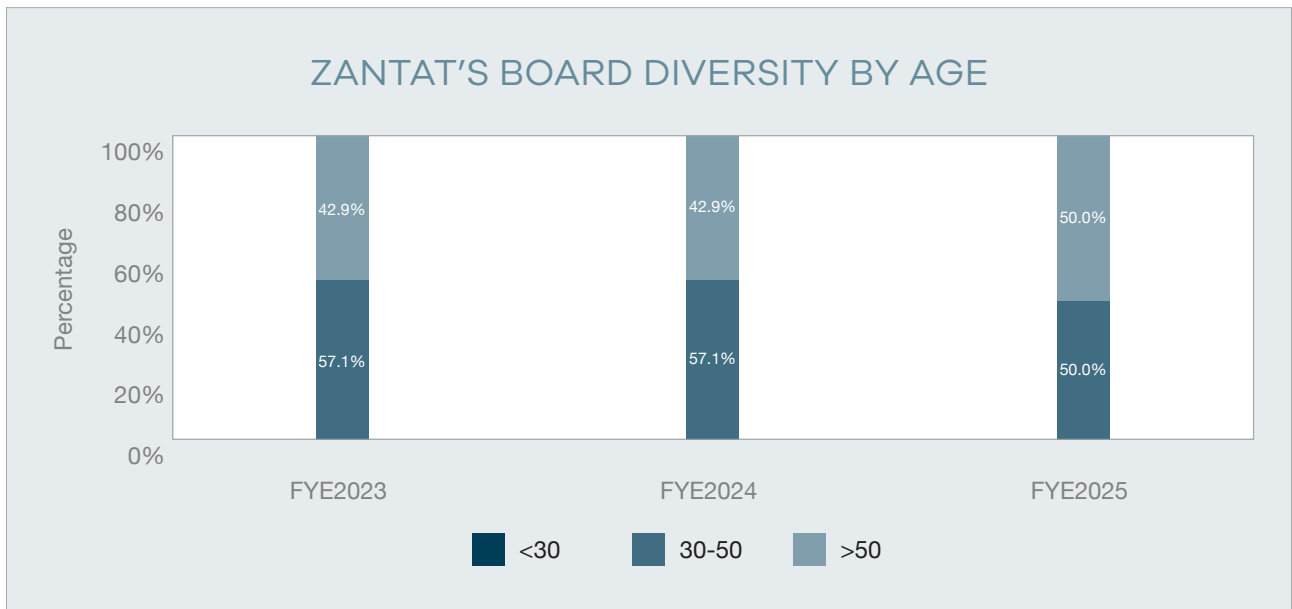
## Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

### Corporate Governance (Cont'd)

#### FYE2025 Performance

In the year under review, female representation on Zantat's Board more than doubled to 30.0% in FYE2025 (FYE2024: 14.3%), reflecting the Group's continued progress in strengthening Board gender diversity. For more information on the Board, please refer to the Corporate Governance Overview Statement on pages 127 to 133 of this Integrated Annual Report.

Fig 5.1 Zantat's Board diversity by age group and gender for the past three financial years, showing the proportion of Board members aged below 30 (<30), 30 to 50 (30-50), above 50 (>50), male and female.



## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

#### Corporate Governance (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 5.1 Zantat's Board diversity by age group and gender for the past three financial years, showing the proportion of Board members aged below 30 (<30), 30 to 50 (30-50), above 50 (>50), male and female. (Cont'd)

	Unit	FYE2023	FYE2024	FYE2025
BY GENDER				
Male	Percentage	85.7	85.7	70.0
Female	Percentage	14.3	14.3	30.0
BY AGE				
<30	Percentage	0	0	0
30-50	Percentage	57.1	57.1	50.0
>50	Percentage	42.9	42.9	50.0

#### Anti-Bribery and Corruption and Whistleblowing (GRI 205-1, 205-2, 205-3)

ABC and whistleblowing are fundamental to Zantat's business, given its close engagement with suppliers, contractors and authorities, which exposes its operations to risks such as bribery and conflicts of interest. To this end, the Group remains committed to embedding robust anti-bribery and anti-corruption controls to mitigate legal, financial and licensing risks, while also ensuring its whistleblowing channels provide safe and confidential avenues for stakeholders to report misconduct, enabling detection and remediation measures.

The Board and Senior Management are enforced to conduct business with integrity, guided by Zantat's CoCE, which sets out the core principles and ethical standards expected of all employees and directors to ensure accountability and responsible decision-making. The Group adopts a zero-tolerance stance on corruption through its ABC Policy, which is periodically reviewed to remain aligned with the Malaysian Anti-Corruption Commission ("MACC") Act 2009. These frameworks reinforce Zantat's commitment to strong governance practices, promoting transparency, regulatory compliance and ethical business conduct across its operations.

#### Initiatives

During the year, awareness and capacity-building efforts were conducted through ABC training programmes delivered via physical and virtual platforms. The training focused on refreshing employees' understanding of the MACC Act 2009 (including Section 17A on corporate liability) and reinforcing compliance with Zantat's ABC Policy, CoCE and Whistleblowing Policy. The programme also highlighted practical risk areas, including conflicts of interest, gifts and entertainment, donations and sponsorships, corruption red flags and the reporting channels available for suspected misconduct.

Zantat's whistleblowing channels continued to be made accessible to employees. Managed by the Human Resources Department, these mechanisms provide a confidential channel for reporting misconduct or unethical activities across the Group's operations. Reports of misconduct may also be submitted via email to [ltpoo@zantat.com.my](mailto:ltpoo@zantat.com.my), in accordance with the Group's Whistleblowing Policy.

#### FYE2025 Performance

For the third consecutive year, 100% of Zantat's employees completed its ABC training, reinforcing the Group's commitment to ethical business practices. During the year under review, no incidents of corruption were reported or substantiated, nor were there any actions taken.

## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

#### Anti-Bribery and Corruption and Whistleblowing (Cont'd)

##### FYE2025 Performance (Cont'd)

Table 5.2 Zantat's anti-bribery and anti-corruption training, confirmed corruption incidents, and corruption risk assessment coverage for the past three financial years.

	Unit	FYE2023	FYE2024	FYE2025
Total employees	Number	211	216	223
Total number/ percentage of employees who received ABC Training	Number (Percentage)	211 (100)	216 (100)	223 (100)
<b>PERCENTAGE OF EMPLOYEES WHO RECEIVED ABC TRAINING (BY EMPLOYEE CATEGORY)</b>				
Senior management	Percentage	100	100	100
Management	Percentage	100	100	100
Executive	Percentage	100	100	100
Non-Executive	Percentage	100	100	100
<b>CORRUPTION CASES</b>				
Number of confirmed corruption incidents	Number	0	0	0
<b>OPERATIONS ASSESSED FOR CORRUPTION RISKS</b>				
Percentage of operations that underwent corruption risk assessments	Percentage	0	0	0

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

Zantat manages a wide range of data, including employee records, financial information, supplier contracts and operational data. As such, the Group safeguards corporate, employee and customer information through robust data protection practices to prevent unauthorised access, breaches and misuse of confidential information.

Strong data privacy controls reinforce stakeholder trust and corporate governance. Failure to safeguard personal and business data may expose the Group to legal liabilities, regulatory penalties, reputational harm and cyber-security risks.

Zantat's approach to data privacy and cybersecurity involves strengthening internal controls and governance processes to safeguard sensitive information. The Group ensures compliance with the Personal Data Protection Act ("PDPA") 2010 while referencing General Data Protection Regulation ("GDPR") best practices to guide responsible data handling across its operations. Cybersecurity considerations are embedded within day-to-day processes, supporting secure data management, system integrity and stakeholder confidence.

## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

#### Data Privacy and Protection (Cont'd)

Further to this, data privacy and protection are integrated into Zantat's ERM framework, enabling oversight of cyber and data-related risks. Personal data is collected through lawful and consent-based processes, with access restricted to authorised personnel while data retention and disposal procedures adhere to Section 10 of the PDPA 2010, ensuring information is securely managed throughout its lifecycle.

#### Initiatives

During the reporting period, Zantat enforced Non-Disclosure Agreements ("NDAs") for employees handling sensitive information to protect confidential data, prevent unauthorised disclosure and reinforce accountability in the management of corporate and personal data.

Additionally, in FYE2025, the Group implemented SOPHOS cybersecurity solutions to safeguard personal and confidential data across its IT environment, supported by a total investment of RM103,260 for the procurement of SOPHOS firewall and cloud security solutions over a three-year period. These controls include endpoint protection, email security and network perimeter security, which are centrally managed to ensure consistent policy enforcement, continuous monitoring and timely incident response. Comprehensive endpoint protection was also installed across all Zantat desktops and laptops, strengthening device-level security across the Group's operations. The implementation forms part of the Group's practical measures to protect personal data from loss, misuse, unauthorised access or disclosure, alteration and destruction.

The adoption of SOPHOS solutions further strengthens Zantat's overall cybersecurity posture by supporting sound information security governance, enabling more proactive cyber risk management and safeguarding stakeholder data privacy. In addition, these measures enhance the resilience of the Group's digital infrastructure while supporting alignment with recognised cybersecurity best practices.

#### FYE2025 Performance

Since FYE2023, Zantat has maintained its record of zero substantiated complaints concerning breaches of customer privacy or incidents of data loss.

*Table 5.3 Zantat's customer privacy breaches, data loss complaints and confirmed cyber-attack incidents for the past three financial years.*

	Unit	FYE2023	FYE2024	FYE2025
Number of substantiated complaints concerning breaches in customer privacy or data loss	Number	0	0	0
Total number of confirmed incidents of cyber attacks	Number	0	0	0

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

Supply chain management is critical to Zantat's operations as it ensures the reliable sourcing of raw materials, timely production processes and consistent product delivery to customers. As the Group serves diverse downstream industries, disruptions in supplier performance, logistics or material quality can adversely impact operational continuity, cost stability and customer satisfaction.

## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

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

To this end, Zantat strives to manage risks related to pricing volatility, regulatory compliance and ESG standards, while fostering long-term partnerships with responsible suppliers. The Group adopts a transparent procurement approach to ensure suppliers operate in line with Zantat's ethical, social and environmental expectations. Suppliers are selected through processes such as registration and declaration, pre-qualification screening and risk due diligence, contract award with defined terms and conditions and annual supplier performance evaluations. This framework enables the Group to appoint reputable, high-quality suppliers while supporting operational reliability and responsible business practices.

#### Initiatives

All suppliers are required to adhere to Zantat's External Party CoCE, reinforcing expectations on integrity, labour practices and environmental responsibility. The Group also prioritises local sourcing to support domestic economic development while reducing transportation-related carbon emissions. Additionally, assessments are conducted on suppliers and contractors during onboarding and when significant changes occur in their business operations, to assess compliance with contractual, safety and sustainability requirements and identify areas for improvement.

In instances of supplier non-compliance, the Group communicates directly with suppliers to address and rectify the issue. Where non-conformances remain unresolved, an External Provider Corrective Action Request ("EPCAR") is issued for remediation. The Group implements structured supplier selection processes supported by established purchasing control procedures to ensure compliance with procurement standards.

Additionally, Zantat strengthens relationships with suppliers and engages with them regularly to ensure a reliable and consistent supply of products and services. This involves implementing the following measures:



#### Supplier Evaluation and Approval

Suppliers are evaluated and approved based on their capabilities, quality standards and reliability.



#### Regular Communication

Ongoing engagement is maintained to address issues, gather feedback and strengthen working relationships.



#### Performance Monitoring

Supplier performance is tracked across key parameters including delivery times, quality consistency and compliance with requirements.



#### Collaborative Approach

Zantat works closely with suppliers to resolve challenges, enhance processes and foster long-term partnerships.

#### Strengthening ESG Integration in Supplier Onboarding

During the reporting period, Zantat embedded an ESG assessment framework into its supplier onboarding and evaluation process to strengthen responsible procurement practices. Introduced in the third quarter of FYE2025, the assessment comprises 38 questions to evaluate suppliers' ESG performance on matters relevant to Zantat's operations and sustainability priorities.

Based on the assessment results, suppliers are classified into "Good", "Average" and "In-Progress" categories to indicate advanced, intermediate and early stages of ESG adoption. Suppliers may also be requested to re-evaluate their ESG performance where material changes occur in their operations.

## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

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

##### Strengthening ESG Integration in Supplier Onboarding (Cont'd)

The supplier ESG evaluation form was rolled out in FYE2025, with Zantat currently monitoring supplier responses and engaging with suppliers to support improvements. This initiative is expected to deliver more meaningful outcomes in strengthening ESG performance across the supply chain in future reporting cycles. Looking ahead, Zantat aspires to progressively incorporate questions covering SRROs and CRROs into its supplier ESG assessment framework to further align supply chain practices with the Group's broader sustainability direction.

### CUSTOMER FEEDBACK AND SATISFACTION PERFORMANCE

Zantat manages customer feedback through an annual Customer Satisfaction Survey via a Customer Feedback Questionnaire. The survey assesses product quality, delivery performance, service levels, overall satisfaction and S&C expectations. In the year under review, the Group recorded an overall improvement in customer satisfaction compared to FYE2024, with all assessed parameters registering higher average ratings.

Survey findings and complaints are compiled and analysed by the Sales and Marketing Department and the Integrated Management Representative ("IMR"). Performance is benchmarked against previous results and internal targets. In instances when satisfaction levels decline, Zantat conducts a root cause analysis, followed by the implementation of corrective measures. The effectiveness of these measures is reviewed at Management review meetings to ensure continuous improvement.

In addition to the survey, feedback and complaints are obtained through email, telephone and Sales and Marketing engagements. Complaints are recorded and tracked under the Corrective Action Request ("CAR") system.

Parameter	FYE2024	FYE2025
Timeliness and Reliability of Delivery	4.2/5.0	4.4/5.0
Quality and Safety of Products	4.3/5.0	4.5/5.0
Responsiveness to Customer Needs	4.2/5.0	4.3/5.0

However, competitive cost remained the lowest-scoring parameter at 3.90, indicating the need to reassess pricing strategies and value-added offerings while maintaining product quality. Moving forward, the Group aims to look into improving survey response rates in the next assessment cycle.

#### FYE2025 Performance

During FYE2025, 92.7% of Zantat's procurement spending was directed to local suppliers, representing a direct 5.8% increase from 86.9% recorded in the previous financial year.

Table 5.4 Zantat's proportion of spending on local suppliers over the past three financial years.

Supply chain management	Unit	FYE2023	FYE2024	FYE2025
Proportion of spending on local suppliers	Percentage	92.8	86.9	92.7 <sup>1</sup>

Note:

<sup>1</sup> In FYE2025, Zantat enhanced its system to comprehensively capture all invoice payments.

# Sustainability Report (Cont'd)

## GRI Content Index

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 2025 to 31 <sup>st</sup> December 2025.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>General disclosures:</b>	<b>Page Number</b>
<b>GRI 2: General Disclosures 2021</b>	
2-1 Organisational details	10
2-2 Entities included in the organisation's sustainability reporting	41
2-3 Reporting period, frequency and contact point	2
2-5 External assurance	110
2-29 Approach to stakeholder engagement	50
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	54
3-2 List of material topics	54
3-3 Management of material topics	54
<b>GRI 201: Economic Performance 2016</b>	
201-1 Direct economic value generated and distributed	98
<b>GRI 204: Procurement Practices 2016</b>	
204-1 Proportion of spending on local suppliers	105
<b>GRI 205: Anti-corruption 2016</b>	
205-1 Operations assessed for risks related to corruption	102
205-2 Communication and training about anti-corruption policies and procedures	102
205-3 Confirmed incidents of corruption and actions taken	102
<b>GRI 302: Energy 2016</b>	
302-1 Energy consumption within the organisation	61
302-3 Energy intensity	61
302-4 Reduction of energy consumption	59
<b>GRI 303: Water and Effluents 2018</b>	
303-3 Water withdrawal	62
303-5 Water consumption	62
<b>GRI 304: Biodiversity 2016</b>	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	85

## Sustainability Report (Cont'd)

### GRI Content Index (Cont'd)

<b>General disclosures:</b>	<b>Page Number</b>
<b>GRI 305: Emission 2016</b>	
305-1 Direct (Scope 1) GHG emissions	77
305-2 Energy indirect (Scope 2) GHG emissions	77
305-3 Other indirect (Scope 3) GHG emissions	78
305-4 GHG emissions intensity	77-78
305-5 Reduction of GHG emissions	77
305-7 Nitrogen oxides ("NOx"), sulphur oxides ("SOx"), and other significant air emissions	81
<b>GRI 306: Waste 2020</b>	
306-1 Waste generation and significant waste-related impacts	65
306-2 Management of significant waste related impacts	65
306-3 Waste generated	65
306-4 Waste diverted from disposal	65
306-5 Waste directed to disposal	65
<b>GRI 308: Supplier Environmental Assessment 2016</b>	
308-1 New suppliers that were screened using environmental criteria	104
<b>GRI 401: Employment 2016</b>	
401-1 New Employee hires and employee turnover	94
<b>GRI 403: Occupational Health and Safety 2018</b>	
403-2 Hazard identification, risk assessment, and incident investigation	90
403-5 Worker training on occupational health and safety	92
403-6 Promotion of worker health	90-91
403-9 Work-related injuries	92
<b>GRI 404: Training and Education 2016</b>	
404-1 Average hours of training per year per employee	95
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	
405-1 Diversity of governance bodies and employees	88
<b>GRI 406: Non-discrimination 2016</b>	
406-1 Incidents of discrimination and corrective actions taken	86
<b>GRI 408: Child Labor 2016</b>	
408-1 Operations and suppliers at significant risk for incidents of child labour	96
<b>GRI 409: Forced or Compulsory Labor 2016</b>	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	96

## Sustainability Report (Cont'd)

### GRI Content Index (Cont'd)

<b>General disclosures:</b>	<b>Page Number</b>
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	
411-1 Incidents of violations involving rights of indigenous peoples	96
<b>GRI 414: Supplier Social Assessment 2016</b>	
414-1 New suppliers that were screened using social criteria	104
<b>GRI 418: Customer Privacy 2016</b>	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	103

## Sustainability Report (Cont'd)

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## Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table

Date & Time: 2026-04-27 14:08:36  
FYE 31/12/2025

Zantat Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-corruption	Bursa C1(a) Senior Management who have received training on anti-corruption	Percentage	100	-	No assurance	
Anti-corruption	Bursa C1(a) Management who have received training on anti-corruption	Percentage	100	-	No assurance	
Anti-corruption	Bursa C1(a) Executive who have received training on anti-corruption	Percentage	100	-	No assurance	
Anti-corruption	Bursa C1(a) Non-Executive who have received training on anti-corruption	Percentage	100	-	No assurance	
Anti-corruption	Bursa C1(b) Operations assessed for corruption-related risks	Percentage	0	-	No assurance	
Anti-corruption	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	-	No assurance	
Community / Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	Ringgit	34,808	-	No assurance	
Community / Society	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5,781	-	No assurance	
Diversity	Bursa C3(a) Senior management under 30 years old	Percentage	0	-	No assurance	
Diversity	Bursa C3(a) Senior management between 30-50 years old	Percentage	80.0	-	No assurance	

# Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table (Cont'd)

Zantat Holdings Berhad BMLR Transition Period		Date & Time: 2026-04-27 14:08:36 FYE 31/12/2025				
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Senior management over 50 years old	Percentage	200	-	No assurance	
Diversity	Bursa C3(a) Management under 30 years old	Percentage	0	-	No assurance	
Diversity	Bursa C3(a) Management between 30-50 years old	Percentage	68.2	-	No assurance	
Diversity	Bursa C3(a) Management above 50 years old	Percentage	31.8	-	No assurance	
Diversity	Bursa C3(a) Executive under 30 years old	Percentage	15.2	-	No assurance	
Diversity	Bursa C3(a) Executive between 30-50 years old	Percentage	76.1	-	No assurance	
Diversity	Bursa C3(a) Executive above 50 years old	Percentage	8.7	-	No assurance	
Diversity	Bursa C3(a) Non-Executive under 30 years old	Percentage	260	-	No assurance	
Diversity	Bursa C3(a) Non-Executive between 30-50 years old	Percentage	65.3	-	No assurance	
Diversity	Bursa C3(a) Non-Executive above 50 years old	Percentage	8.7	-	No assurance	
Diversity	Bursa C3(a) Senior management - Male	Percentage	80.0	-	No assurance	
Diversity	Bursa C3(a) Senior management - Female	Percentage	200	-	No assurance	
Diversity	Bursa C3(a) Management - Male	Percentage	50.0	-	No assurance	
Diversity	Bursa C3(a) Management - Female	Percentage	50.0	-	No assurance	

## Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table (Cont'd)

Date & Time: 2026-04-27 14:08:36  
FYE 31/12/2025

Zantat Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Executive - Male	Percentage	43.5	-	No assurance	
Diversity	Bursa C3(a) Executive - Female	Percentage	56.5	-	No assurance	
Diversity	Bursa C3(a) Non-Executive - Male	Percentage	95.3	-	No assurance	
Diversity	Bursa C3(a) Non-Executive - Female	Percentage	4.7	-	No assurance	
Diversity	Bursa C3(b) Directors under 30 years old	Percentage	0	-	No assurance	
Diversity	Bursa C3(b) Directors between 30-50 years old	Percentage	50.0	-	No assurance	
Diversity	Bursa C3(b) Directors above 50 years old	Percentage	50.0	-	No assurance	
Diversity	Bursa C3(b) Directors - Male	Percentage	70.0	-	No assurance	
Diversity	Bursa C3(b) Directors - Female	Percentage	30.0	-	No assurance	
Energy management	Bursa C4(a) Total energy consumption	Megawatt-hour	24,434	-	No assurance	
Health and Safety	Bursa C5(a) Number of work-related fatalities	Number	0	-	No assurance	
Health and Safety	Bursa C5(b) Lost time incident rate ("LTR")	-	4.4	-	No assurance	
Health and Safety	Bursa C5(c) Employees trained on health and safety standards	Number	223	-	No assurance	
Labour Practice and standards	Bursa C6(a) Total training hours - Senior Management	Hour	253	-	No assurance	
Labour Practice and standards	Bursa C6(a) Total training hours - Management	Hour	608	-	No assurance	

# Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table (Cont'd)

Date & Time: 2026-04-22 14:08:36  
FYE 31/12/2025

Zantat Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Practice and standards	Bursa C6(a) Total training hours – Executive	Hour	1,313	-	No assurance	
Labour Practice and standards	Bursa C6(a) Total training hours – Non-Executive	Hour	1,055	-	No assurance	
Labour Practice and standards	Bursa C6(b) Percentage of employees that are contract or temporary staff	Percentage	0	-	No assurance	
Labour Practice and standards	Bursa C6(c) Employee turnover - Senior management	Number	0	-	No assurance	
Labour Practice and standards	Bursa C6(c) Employee turnover - Management	Number	0	-	No assurance	
Labour Practice and standards	Bursa C6(c) Employee turnover - Executive	Number	3	-	No assurance	
Labour Practice and standards	Bursa C6(c) Employee turnover - Non-Executive	Number	12	-	No assurance	
Labour Practice and standards	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance	
Supply chain management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	92.7	-	No assurance	
Data Privacy and Security	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance	
Water	Bursa C9(a) Total volume of water used	Cubic meter	49,669	-	No assurance	
Waste Management	Bursa C10(a) Total waste generated	Metric tonne	475	-	No assurance	

## Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table (Cont'd)

Date & Time: 2026-04-22 14:08:36  
FYE 31/12/2025

Zantat Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Waste Management	Bursa C10(b) Total waste diverted from disposal	Metric tonne	76	-	No assurance	
Waste Management	Bursa C10(c) Total waste directed to disposal	Metric tonne	399	-	No assurance	
Emission Management	Bursa C11(a) Scope 1 emissions	Metric tonne carbon dioxide equivalent	548	-	No assurance	
Emission Management	Bursa C11(b) Scope 2 emissions	Metric tonne carbon dioxide equivalent	15,296	-	No assurance	
Emission Management	Bursa C11(c) Scope 3 emissions – Category 4 (Upstream Transportation and Distribution)	Metric tonne carbon dioxide equivalent	288	-	No assurance	For Scope 3 Category 4 – Upstream Transportation and Distribution, Zantat currently only accounts for emissions from locally sourced raw materials transported by lorries. Zantat is in the process of expanding this coverage to include sea freight in future reporting cycles.
Emission Management	Bursa C11(c) Scope 3 emissions – Category 6 (Business Travel)	Metric tonne carbon dioxide equivalent	56	-	No assurance	
Emission Management	Bursa C11(c) Scope 3 emissions – Category 7 (Employee Commuting)	Metric tonne carbon dioxide equivalent	99	-	No assurance	

# Corporate Information

## BOARD OF DIRECTORS

### Yap Yoon Kong

Independent Non-Executive  
Chairman

### Chan Hup Ooi

Non-Independent Non-Executive  
Deputy Chairman  
(Resigned on 1 January 2026)

### Chan Bin Iuan

Executive Vice Chairman  
(Redesignated on 1 January 2026)

### Chan Jee Chet

Managing Director  
(Redesignated on 1 January 2026)

### Chan Jee Yang

Executive Director  
(Appointed on 1 January 2026)

### 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

### Dr. Teh Geok Bee

Independent Non-Executive  
Director

## 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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59200 Kuala Lumpur  
Telephone: +603-2284 2911

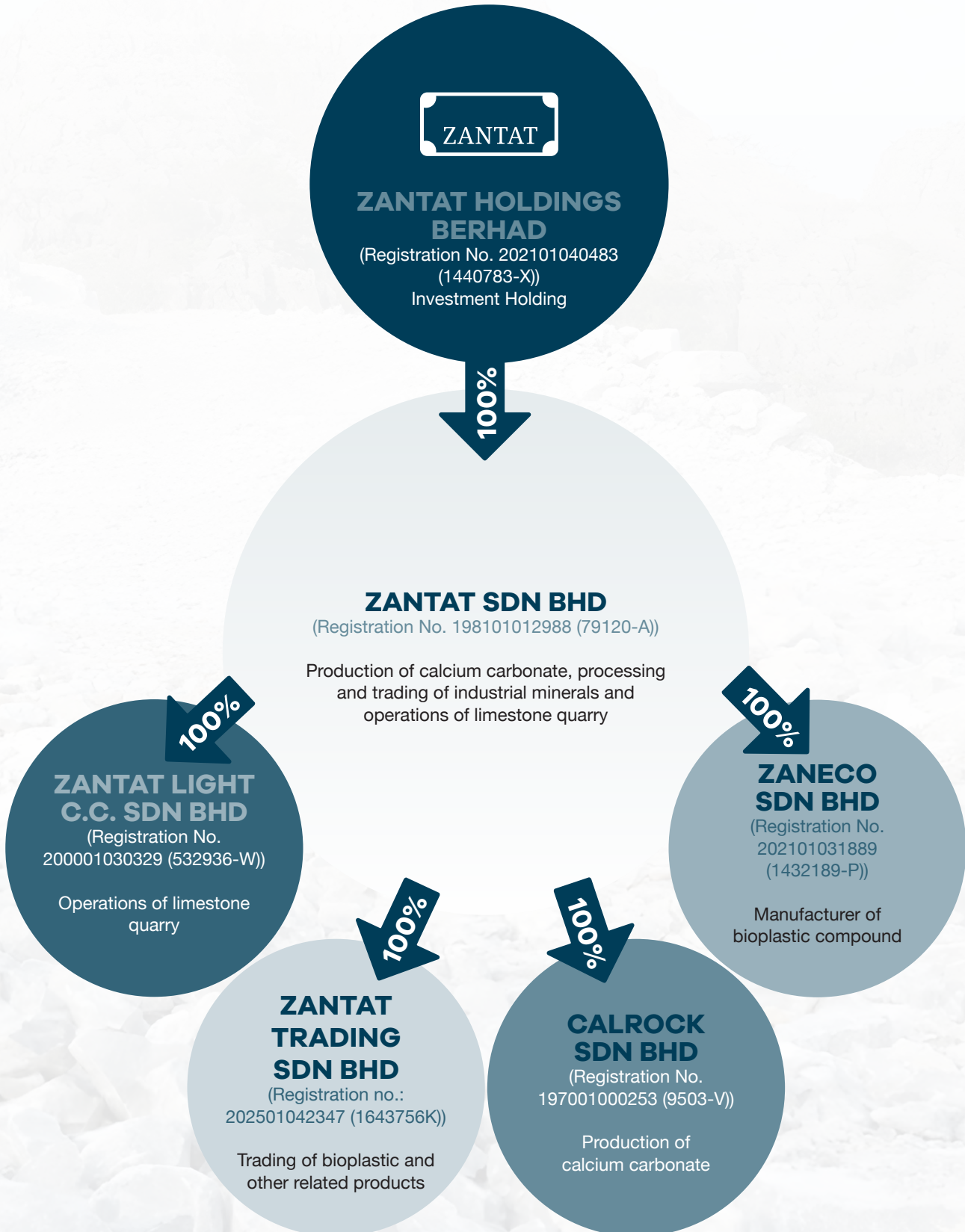
## SHARE REGISTRAR

**Tricor Investor & Issuing House  
Services Sdn Bhd**  
(Registration No. 197101000970  
(11324-H))  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
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

**YAP YOON KONG**  
Independent Non-Executive Chairman



## AGE

69

## GENDER

Male

## NATIONALITY

Malaysian

## DATE OF APPOINTMENT TO THE BOARD

31 March 2023

## 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)

### CHAN BIN IUAN

Executive Vice Chairman /  
Chief Executive Officer



#### AGE

41

#### GENDER

Male

#### NATIONALITY

Malaysian

#### DATE OF APPOINTMENT TO THE BOARD

Managing Director  
(Appointed on 31 March 2023)

Executive Vice Chairman  
(Redesignated on 1 January 2026)

#### 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 Jee Chet, Brother, Managing 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, Executive Director/Chief Strategy 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 Board of Directors (Cont'd)

### CHAN JEE CHET

Managing Director / Chief Operating  
Officer (Perak Plants)



#### AGE

37

#### GENDER

Male

#### NATIONALITY

Malaysian

#### DATE OF APPOINTMENT TO THE BOARD

Executive Director  
(Appointed on 31 March 2023)

Managing Director  
(Redesignated on 1 January 2026)

#### 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 Bin Iuan, Brother, Executive Vice Chairman/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, Executive Director/Chief Strategy 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 Board of Directors (Cont'd)

### CHAN JEE YANG

Executive Director / Chief Strategy Officer



#### AGE

33

#### GENDER

Male

#### NATIONALITY

Malaysian

#### DATE OF APPOINTMENT TO THE BOARD

Alternate Director to Chan Hup  
Ooi

(Appointed on 21 February 2025)

Executive Director

(Appointed on 1 January 2026)

#### 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 PwC 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 Bin Iuan, Brother, Executive Vice Chairman/Chief Executive Officer
- Chan Jee Chet, Brother, Managing 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 Board of Directors (Cont'd)

### AW EE LING

Executive Director /  
Chief Financial Officer



#### AGE

35

#### GENDER

Female

#### NATIONALITY

Malaysian

#### DATE OF APPOINTMENT TO THE BOARD

1 March 2025

#### 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 Eng Hue, Uncle, Chief Operating Officer (KL Plant)
- Chan Bin luan, Cousin, Executive Vice Chairman/Chief Executive Officer
- Chan Jee Chet, Cousin, Managing Director/Chief Operating Officer (Perak Plants)
- Chan Jee Yang, Cousin, Executive Director/Chief Strategy Officer

#### 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)

**POO LAP TUCK**  
Independent Non-Executive Director



### AGE

74

### GENDER

Male

### NATIONALITY

Malaysian

### DATE OF APPOINTMENT TO THE BOARD

31 March 2023

### 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:

Senior Independent Non-Executive Director of Ralco Corporation 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)

**DR. GAN SENG KIAN**  
Independent Non-Executive Director



### AGE

48

### GENDER

Male

### NATIONALITY

Malaysian

### DATE OF APPOINTMENT TO THE BOARD

31 March 2023

### 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

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)

**RIMA RAMONA  
BINTI MUHAMMAD  
ARIF**  
Independent Non-Executive Director



### AGE

52

### GENDER

Female

### NATIONALITY

Malaysian

### DATE OF APPOINTMENT TO THE BOARD

31 March 2023

### 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

She 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

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)

ChM, FASc  
DR. TEH GEOK BEE  
Independent Non-Executive Director



### AGE

56

### GENDER

Female

### NATIONALITY

Malaysian

### DATE OF APPOINTMENT TO THE BOARD

1 March 2025

### 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

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. She has served as the Vice Chancellor / President / CEO of two private universities playing crucial role in enhancing the institutions' academic excellence and research capabilities. 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 & Accredited HRD Corp Trainer by Ministry of Human Resources Malaysia 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

She 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

She 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**  
Executive Vice Chairman /  
Chief Executive Officer

For profile info, refer to  
page 118

**CHAN JEE CHET**  
Managing Director /  
Chief Operating Officer  
(Perak Plants)

For profile info, refer to  
page 119

**CHAN JEE YANG**  
Executive Director /  
Chief Strategy Officer

For profile info, refer to  
page 120

**AW EE LING**  
Executive Director /  
Chief Financial Officer

For profile info, refer to  
page 121



**CHAN ENG HUE**  
Chief Operating Officer (KL Plant)

#### AGE

63

#### 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 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, Nephew, Executive Vice Chairman/Chief Executive Officer
- Chan Jee Chet, Nephew, Managing Director/Chief Operating Officer (Perak Plants)
- Aw Ee Ling, Niece, Executive Director/Chief Financial Officer
- Chan Jee Yang, Nephew, Executive Director/Chief Strategy 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.

# Corporate Governance Overview Statement

**THE BOARD OF DIRECTORS (“BOARD”) OF ZANTAT HOLDINGS BERHAD (“ZANTAT” or “COMPANY”) IS COMMITTED TOWARDS ENSURING GOOD CORPORATE GOVERNANCE PRACTICES ARE IMPLEMENTED AND MAINTAINED THROUGHOUT THE GROUP AS A FUNDAMENTAL PART OF DISCHARGING ITS DUTIES TO ENHANCE SHAREHOLDERS’ VALUES CONSISTENT WITH THE BROAD PRINCIPLES, INTENDED OUTCOMES, GUIDANCE AND RECOMMENDATIONS AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (“MCCG”) AND THE ACE MARKET LISTING REQUIREMENTS (“LISTING REQUIREMENTS”) OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”).**

This Corporate Governance Overview Statement (“CG Statement”) should be read together with the Corporate Governance Report (“CG Report”) which is available on the Group’s website, [www.zantat.com.my](http://www.zantat.com.my), as well as via the announcement on the website of Bursa Securities.

This CG Statement is prepared pursuant to Rule 15.25(1) of ACE Market Listing Requirements (“ACE LR”) of Bursa Securities and guidance was drawn from Guidance Note 11 of Bursa Securities’ ACE LR and the Corporate Governance Guide (4th Edition) issued by Bursa Securities with reference to the following three (3) key principles under the leadership of the Board during the financial year ended 31 December 2025 (“FYE2025”):

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>

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I: BOARD RESPONSIBILITIES

The Board is entrusted to oversee the overall management of the business affairs of the Group, determine all major policies, ensure effective strategies and management are in place, assess the performance of the Group and the management team, and review the systems of risk management and internal control of the Group. When implementing the business plan, the Executive Directors are responsible for executing corporate decisions made by the Board while the Non-Executive Directors scrutinize the management performance by providing independent views and advice in the interests of the shareholders at large.

In discharging its fiduciary duties, the Board has also delegated specific tasks to the following committees, all of which operate within respective defined terms of reference:

- Audit and Risk Management Committee (“ARMC”); and
- Nomination and Remuneration Committee (“NRC”)

Governed by their respective Terms of References, the Chair of the respective Board Committees shall report to the Board on their meeting proceedings and deliberations as well as make recommendations to the Board on the matters under their purview. The Board ensures all Directors have unrestricted access to the advice and services of Senior Management and Company Secretaries and may obtain independent professional advice at the Company’s expense in order to discharge their duties effectively.

The Board Chairman, Mr. Yap Yoon Kong instils good governance practices, leadership and effectiveness in the Board through chairing of board meetings and deliberating together with the Board members on board matters and policies.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I - BOARD RESPONSIBILITIES (CONT'D)

The Managing Director, Mr. Chan Bin Iuan<sup>#</sup>, leads the Key Senior Management of the Group. The Managing Director has overall responsibility for the operating units and the implementation of the Board's policies and decisions. There is a clear division between the role of the Chair and Group Managing Director to ensure that there is a balance of power and authority to promote accountability and unfettered powers in decision-making.

<sup>#</sup> As part of the Group's succession planning, on 1 January 2026, Mr. Chan Bin Iuan was re-designated from Managing Director to Executive Vice Chairman replacing Mr. Chan Hup Ooi who resigned as Non-Independent Non-Executive Deputy Chairman. Meanwhile, Mr. Chan Jee Chet was also re-designated from Executive Director to Managing Director.

The Board is supported by a Company Secretary who carries out the responsibilities of the company secretarial function for the Group. The Company Secretary has the requisite credentials and is qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. The Company Secretary assists the Board in discharging its duties in regard to compliance with regulatory requirements, guidelines, legislation and the principles of best corporate governance practices.

The Board recognises that the decision-making process is highly dependent on the quality of information provided by the Board. In furtherance to this, every Director has access to all the information within the Company and/or the Group through the following means:

- (i) The notices of meetings and board papers are prepared and circulated to the Directors and/or Board Committees Members at least five (5) working days prior to the scheduled Board Meetings.
- (ii) Regular updates and circulars on new regulations, guidelines or directives issued by Bursa Securities, Companies Commission of Malaysia, Securities Commission and any other relevant regulatory authorities.
- (iii) The Directors, collectively or individually, may seek independent professional advice and information in furtherance of their duties at the Company's expense, if so required.

The Board adopted a Board Charter which sets out the composition and balance, roles and responsibilities, operations and processes of the Board. The Board Charter is published on the Company's website at [www.zantat.com.my](http://www.zantat.com.my)

The Board has also put in place the Code of Conduct and Ethics, Whistleblowing Policy and Anti-Bribery and Corruption Policy which will be reviewed from time to time to ensure that they remain relevant and appropriate.

The Board has also adopted the Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointments to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting. The Fit and Proper Policy shall be reviewed periodically by the Board as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Fit and Proper Policy also is published on the Company's website at [www.zantat.com.my](http://www.zantat.com.my)

The Board recognises that sustainable business practices are essential for long-term value creation and believes that responsible business practices are fundamental to achieving operational excellence.

The Board is committed to overseeing sustainability strategies, priorities, and targets, with management responsibility for the operational execution of ESG factors as part of the Group's corporate strategy. As fiduciaries to the Company's shareholders, the Board is dedicated to upholding exemplary corporate governance practices that prioritize ethics, integrity, and corporate responsibility.

The Board ensures that the Company's internal and external stakeholders are well-informed about the sustainability strategies, priorities, targets, and overall performance. This Integrated Annual Report provides a detailed articulation of the Company's sustainability efforts.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II – BOARD COMPOSITION

The Board currently has nine (9) members comprising four (4) Executive Directors and five (5) Independent Non-Executive Directors. The Board also comprise three (3) female Board members representing 33% of the Board members in line with the Practice 5.9 of the MCGG which reflects the Board's commitment towards achieving a more gender-diversified Board.

The presence of a majority of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders is fully addressed and adequately protected as well as being accorded with due consideration.

The Board acknowledges the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of twelve (12) years under the Listing Requirements of Bursa Securities. Furthermore, if the Board intends to retain an Independent Non-Executive Director who has served the Board a cumulative term of more than nine (9) years, it must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting as recommended by the MCGG.

### NOMINATION COMMITTEE STATEMENT

The Board, through its NRC, is committed to ensuring that the Board has the optimum size, required mix of skills, experience, independence and diversity to effectively fulfil its role. Any new appointment of Board members shall be reviewed by the NRC and made via a formal and transparent process. The NRC shall consider and recommend a suitable candidate for the Board, in terms of an appropriate balance of skills, expertise, attributes and core competencies, taking into consideration character, experience, integrity, competence and commitment.

The NRC of the Company comprises the following members:

Name	Designation	Directorship
Rima Ramona Binti Muhammad Arif	Chairperson	Independent Non-Executive Director
Dr. Gan Seng Kian	Member	Independent Non-Executive Director
Poo Lap Tuck	Member	Independent Non-Executive Director

During the FYE2025, the NRC performed the following activities in the discharge of its duties:

- Recommended the re-election of the directors retiring by rotation at the 3rd Annual General Meeting ("AGM") of the Company.
- Reviewed the performance of each individual director and assessed their role in the discharge of their duties.
- Evaluated the performance of the Board and the Board committees.
- Assessed the independence of the Independent Directors of the Company.
- Reviewed the term of office and performance of the ARMC and assessed its effectiveness as a whole.
- Reviewed the list of trainings by each Director.
- Reviewed the appointments of Ms. Aw Ee Ling, Dr. Teh Geok Bee and Mr. Chan Jee Yang as additional Directors and recommended their appointments to the Board.

The Board meets at least once every quarter on a scheduled basis and additional meetings are convened as and when deemed necessary by the Board. All Directors attended more than 50% of the total Board Meetings held during the FYE2025 and complied with the requirement on attendance at Board meetings as stipulated in the Listing Requirements of Bursa Securities.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II – BOARD COMPOSITION (CONT'D)

#### **NOMINATION COMMITTEE STATEMENT (CONT'D)**

Name	Directorship	Attendance
Yap Yoon Kong	Independent Non-Executive Chairman	5/5
Chan Hup Ooi	Non-Independent Non-Executive Deputy Chairman	5/5
Chan Bin Iuan	Managing Director	5/5
Chan Jee Chet	Executive Director	5/5
Aw Ee Ling <sup>^</sup>	Executive Director/Chief Financial Officer	4/4
Poo Lap Tuck	Independent Non-Executive Director	5/5
Rima Ramona Binti Muhammad Arif	Independent Non-Executive Director	5/5
Dr. Gan Seng Kian	Independent Non-Executive Director	4/5
Dr. Teh Geok Bee <sup>^</sup>	Independent Non-Executive Director	4/4
Chan Jee Yang <sup>#</sup>	Alternate Director to Chan Hup Ooi	4/4

# Appointed on 21 February 2025

<sup>^</sup> Appointed on 1 March 2025

The Board acknowledges that continuous training is essential in keeping them abreast with changes in law and regulations, business environment and corporate governance developments, besides enhancing professionalism and knowledge in enabling them to discharge their duties more effectively.

The Directors attended the following training and seminars during the FYE2025:

Name	Date	
Yap Yoon Kong	10-13 March 2025	MAP Part II: Leading for Impact (LIP)
	19 September 2025	ABAC Online Refresher 2025
Chan Hup Ooi	25-26 June 2025	MAP Part II: Leading for Impact (LIP)
	19 September 2025	ABAC Online Refresher 2025
Chan Bin Iuan	25-26 June 2025	MAP Part II: Leading for Impact (LIP)
	19 September 2025	ABAC Online Refresher 2025
	19 September 2025	SHE (Safety, Health & Environmental) Refresher 2025
	26 November 2025	LEAN Management – Embracing ESG C1
	10 December 2025	LEAN Management – Embracing ESG C2
Chan Jee Chet	18-19 June 2025	Industrial Packaging Summit
	25-26 June 2025	MAP Part II: Leading for Impact (LIP)
	5 August 2025	Enterprise Risk Management
	19 September 2025	ABAC Online Refresher 2025
	19 September 2025	SHE (Safety, Health & Environmental) Refresher 2025
	26 November 2025	LEAN Management – Embracing ESG C1
	10 December 2025	LEAN Management – Embracing ESG C2
	23 December 2025	LEAN Management – Embracing ESG C3

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II – BOARD COMPOSITION (CONT'D)

#### NOMINATION COMMITTEE STATEMENT (CONT'D)

Name	Date	
Aw Ee Ling	13-14 May 2025	Mandatory Accreditation Programme Part I
	5 August 2025	Enterprise Risk Management
	19 September 2025	ABAC Online Refresher 2025
	19 September 2025	SHE (Safety, Health & Environmental) Refresher 2025
	14 October 2025	Sales Tax Training
	16 October 2025	2026 Budget Seminar for Corporate Accountants
	28 October 2025	Share Buy Back: Beyond Regulatory Perspective
	31 October 2025	Tax Treatments of Stock In Trade
Poo Lap Tuck	25-26 June 2025	MAP Part II: Leading for Impact (LIP)
	19 September 2025	ABAC Online Refresher 2025
Rima Ramona Binti Muhammad Arif	15-16 January 2025	MAP Part II: Leading for Impact (LIP)
	19 September 2025	ABAC Online Refresher 2025
Dr. Gan Seng Kian	25-26 June 2025	MAP Part II: Leading for Impact (LIP)
	19 September 2025	ABAC Online Refresher 2025
Dr. Teh Geok Bee	9-10 June 2025	Mandatory Accreditation Programme Part I
	19 September 2025	ABAC Online Refresher 2025
	6 November 2025	Business Sustainability in the Circular Economy
	8 November 2025	Sustainability Reporting with GRI Standards
	21 November 2025	ESG Masterclass - Sustainability Reporting Guide
	27 November 2025	ESG & Sustainability - ESG Corporate Masterclass
Chan Jee Yang	28 November 2025	Employee's Guide to Sustainability & ESG
	18 February 2025	Life Beyond Leaves: Biodiversity's Many Layers
	25 March 2025	License to Breathe: The Business of Clean Air Compliance
	2 May 2025	TCDF Part 1
	27 May 2025	TCDF Part 2
	9-10 June 2025	Mandatory Accreditation Programme Part I
	24 June 2025	TCDF Part 3
	5 August 2025	Enterprise Risk Management
	19 September 2025	ABAC Online Refresher 2025
	19 September 2025	SHE (Safety, Health & Environmental) Refresher 2025
19 November 2025	LEAN Management – Embracing ESG C1	

## Corporate Governance Overview Statement (Cont'd)

### **PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

#### **III – REMUNERATION**

The Board established a formal and transparent Remuneration Policy to attract and retain Directors of the Company. The Remuneration Policy is available on the Company's website at [www.zantat.com.my](http://www.zantat.com.my).

The Board, through the NRC, is responsible for determining the remuneration of the Directors. The NRC 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.

The remuneration details of the Directors for FYE2025 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**

#### **I – AUDIT AND RISK MANAGEMENT COMMITTEE**

The members of the ARMC comprise all Independent Non-Executive Directors. The Chairman of the ARMC is distinct from the Chairman of the Board to promote unfettered objectivity during the Board's review of the ARMC's findings and recommendations. The present composition of the ARMC allows it to possess the requisite level of financial literacy and business acumen to have a sound understanding of the financial matters of the Group as well as an understanding of the latest developments in financial reporting, accounting and auditing standards.

None of the members of ARMC were a former partner of the external audit firm of the Company and in order to uphold utmost independence, the Board has no intention of appointing any former key audit partner as a member of the ARMC.

The Board maintains a transparent and professional relationship with the Group's External Auditors through the ARMC. The criteria for the External Auditors' assessment include quality of services, sufficiency of resources, communication and interaction, audit planning, independence, objectivity and professional skepticism. In determining the independence of the External Auditors, the ARMC reviewed and assessed all aspects of their relationships with them, including the processes, policies and safeguards adopted by the Group and the External Auditors relating to audit independence.

The ARMC meets the External Auditors to review the scope and adequacy of the audit process, updates on the financial reporting standards, the financial statements and their audit findings.

In addition, the External Auditors are invited to attend the Company's AGM so that they are available to answer any questions from shareholders on the conduct of the statutory audit and the contents of the Annual Audited Financial Statements.

#### **II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**

The Board Charter clearly outlines the duties and responsibilities of the Board, identifying principal risks, establishing risk appetite, and ensuring implementation of effective internal controls and mitigation measures to manage operational, financial, and regulatory risks within the Group's businesses.

The Board is supported by ARMC with accounting and financial reporting, ensuring compliance with the relevant rules and regulations; and managing principal risks through appropriate systems and risk assessment processes within the Group.

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal controls in the Company and the Group. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud.

# Corporate Governance Overview Statement (Cont'd)

## **PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**

### **II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)**

The internal auditors of the Group assist the ARMC and the Board in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

The Group's Internal Audit Function is outsourced to YC Consultancy ("YC"), an independent professional consulting firm. YC is free from any relationship or conflict of interest, which could impair their objectivity and independence.

Information on the Group's Risk Management and Internal Control is presented in the Statement on the Risk Management and Internal Control set out in this Integrated Annual Report.

## **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS**

### **I – ENGAGEMENT WITH STAKEHOLDERS**

The Board is committed to providing shareholders and investors with accurate, useful and timely information about the Company's business, operations and financial performance of the Group and where necessary, information filled with regulators is in accordance with the applicable legal and regulating requirements. Shareholders will receive regular communication from the Company through the release of quarterly reports and annual reports to Bursa Securities. In addition, the Company will communicate other information to the shareholders by way of press releases or announcements to Bursa Securities as and when necessary.

The Board has also established a dedicated section on the Company's website for corporate information on the Company's IPO Prospectus, announcements, financial information, annual reports and quarterly reports which are accessible to the public. The website acts as a key communication channel for the Company to reach its shareholders and the general public.

The Investor Relations section on the company website enhances the investor relations function, shareholders and the general public may direct their enquiries by contacting the Company's Investor Relations at [ir@zantat.com.my](mailto:ir@zantat.com.my)

### **II – CONDUCT OF GENERAL MEETINGS**

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) calendar days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

## **STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE STATEMENT**

The Board has deliberated, reviewed and approved of this statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE2025.

This CG Statement was approved by the Board on 27 April 2026.

# 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 2025 (“**FYE2025**”).

## 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 of the ARMC are available at [www.zantat.com.my](http://www.zantat.com.my).

## MEMBERSHIP AND MEETINGS

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, in compliance with Rule 15.09 of the Listing Requirements.

During the FYE2025, the ARMC convened 5 meetings, and the attendance of the meetings was as follows:

Name	Designation	Number of meeting(s) attended
Poo Lap Tuck	Chairman	5/5
Dr. Gan Seng Kian	Member	4/5
Rima Ramona Binti Muhammad Arif	Member	5/5

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 the FYE2025, the main activities undertaken by the ARMC were as follows:

### 1. Financial Statements and Reporting Review

- a) Reviewed and discussed four (4) unaudited quarterly results of the Group. The review included comparative quarterly and year-to-date results.
- b) 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.
- 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.

# Audit and Risk Management Committee Report (Cont'd)

## SUMMARY OF ACTIVITIES (CONT'D)

### 1. Financial Statements and Reporting Review (Cont'd)

- 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.

### 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 21 February 2025 and 25 November 2025 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 2025.

### 3. Matters Relating to Internal 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.
- 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, methodologies, competency and resources of the outsourced Internal Auditors, and confirmed that they have the necessary authority to carry out their work.
- d) Private session with the Internal Auditors on 18 August 2025 without the presence of the Executive Directors and Management to discuss any issues arising from the internal audit or any other matters the Internal Auditors may wish to discuss. There was no major issue raised during the meeting.

## 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.

# Audit and Risk Management Committee Report (Cont'd)

## INTERNAL AUDIT FUNCTION (CONT'D)

### 1. Outsourced Internal Auditors (Cont'd)

The Internal Auditors have performed their 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

During the FYE2025, the Internal Auditors completed two (2) audit areas namely:

- Occupational Health and Safety Compliance
- Sales and Pricing

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. 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 Integrated Annual Report 2025.

The total costs incurred for the internal audit function for FYE2025 were RM21,000.

This ARMC Report was approved by the Board on 27 April 2026.

# 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 2025 (“FYE2025”). 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 Companies (“SORMIC Guide 2025”).

## 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. Notwithstanding this, due to the limitations that are inherent in any system of internal control, the Group’s internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

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

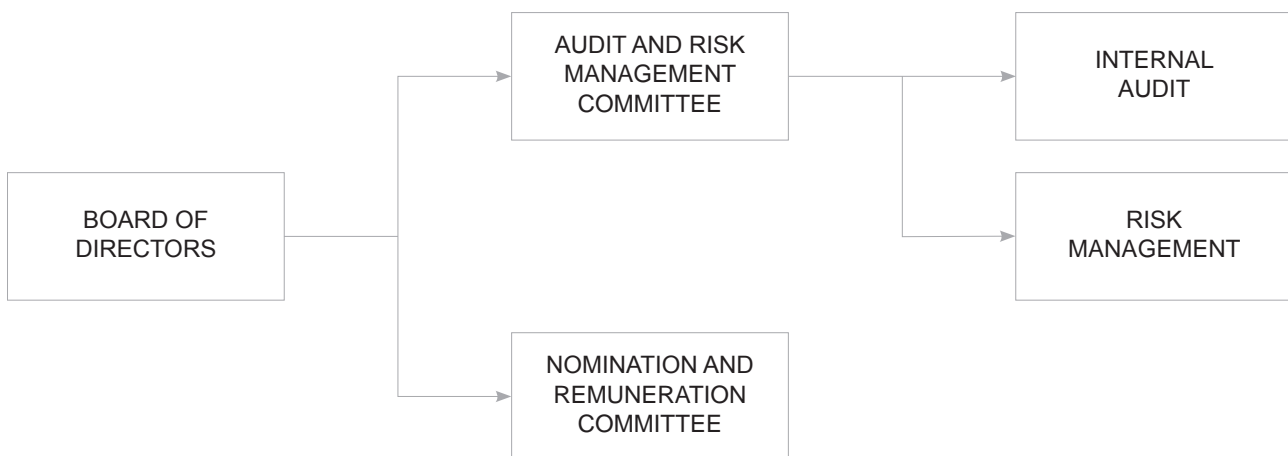
The reporting framework comprises the Board, bolstered by essential committees such as the ARMC, Nomination and Remuneration Committee. These committees play pivotal roles in evaluating board composition, appointments, retirement, re-election, succession planning, annual performance assessment, as well 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.

## Statement on Risk Management and Internal Control (Cont'd)

### MANAGEMENT RESPONSIBILITIES (CONT'D)

#### Reporting Structure (Cont'd)

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.



### RISK MANAGEMENT

The Board regards Risk Management as an integral part of the Group's business operations and is committed to reviewing the Enterprise 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. The Board embedded the sustainability standards outlined in Bursa Malaysia Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative ("GRI") Standards and International Financial Reporting Standards ("IFRS") S2 Climate-related Disclosures in the Group's 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 its 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.

# Statement on Risk Management and Internal Control (Cont'd)

## RISK MANAGEMENT (CONT'D)

### Risk Management Process (Cont'd)

Our Risk Management Framework is reflected below:



## KEY RISKS AND MITIGATION STRATEGIES

During FYE2025, 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>	<ul style="list-style-type: none"> <li>Diversifying customer base.</li> </ul>
<i>High dependence on top two major customers</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> </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>

## Statement on Risk Management and Internal Control (Cont'd)

### KEY RISKS AND MITIGATION STRATEGIES (CONT'D)

#### RISK FACTOR: BUSINESS AND OPERATIONS (CONT'D)

Risk Description	Mitigation Plan
<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 MYR 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>

### 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 the Group's 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 the Group's 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.

# Statement on Risk Management and Internal Control (Cont'd)

## INTERNAL CONTROLS (CONT'D)

### Regulatory and Compliance Structure (Cont'd)

Key areas of compliance include: (Cont'd)

- **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.

The Group’s commitment extends beyond simply adhering to regulations and proactively integrates these requirements into its 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, the Group demonstrates its 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 its commitment to uphold the highest standards of integrity and accountability in the conduct of its businesses and operations. The Group is deeply committed to operating ethically and in full compliance with all relevant laws, regulations, and requirements. The Group holds itself to the highest standards of integrity, transparency, and accountability as it operates 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.

The Board also developed comprehensive ethical policies that guide its conduct and support long-term sustainability goals. These include:

- Anti-Bribery & Corruption Policy
- Board Charter
- Code of Conduct & Ethics
- Conflict of Interest Policy
- Corporate Disclosure Policy and Procedures
- Enterprise Risk Management Policy
- Fit & Proper Policy
- Health and Safety Policy
- Remuneration Policy
- Sustainability Policy
- Tax Policy
- Whistleblowing Policy

# Statement on Risk Management and Internal Control (Cont'd)

## INTERNAL CONTROLS (CONT'D)

### 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. The Group's 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

The Board formalised sustainability policy demonstrates its 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 its operations.

## INTERNAL AUDIT FUNCTION

During FYE2025, the Group engaged YC Consultancy, an independent professional consulting company, to provide the internal audit services for the Group.

## 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 2025. The review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and 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 section 7 of the SORMIC Guide 2025, 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 27 April 2026.

# Statements of Directors' Responsibility

The Directors are legally responsible to prepare financial statements for each financial year which 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 financial performance and cash flows of the Group and of the Company for the financial year.

In preparing those financial statements, the Directors ensured that:

- (i) they complied with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia ("the Act");
- (ii) appropriate accounting policies are used and applied consistently;
- (iii) the going concern basis used in the preparation of the financial statements are appropriate; and
- (iv) where judgements and estimates are made, they are reasonable and prudent.

The Directors are responsible to ensure that proper accounting records are kept and disclosed with reasonable accuracy the financial positions of the Group and of the Company and to ensure that the financial statements comply with MFRSs, IFRS Accounting Standards, the Act and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors have a general responsibility in taking such steps as are reasonably opened to them to manage risks associated to the business of the Group, safeguard the Group's assets to prevent and detect fraud and other irregularities. In this aspect, the Directors have received reasonable assurance from the Managing Director and Chief Financial Officer that proper internal controls are in place throughout the financial year ended 31 December 2025 for these purposes.

This Statement was approved by the Board at the Board meeting held on 27 April 2026.

# Additional Compliance Information

## UTILISATION OF PROCEEDS FROM THE PUBLIC ISSUE

Zantat Holdings Berhad was listed on the ACE Market of Bursa Securities on 27 March 2024 ("Listing Date"). As part of the Listing exercise, the 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 2025 is as follows:

Utilisation of proceeds	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Re-allocation (RM'000)	Balance to be utilised (RM'000)	Estimated timeframe for utilisation from the Listing Date
1. Upgrading of R&D facilities	3,830	(2,326)	-	1,504	Within *30 months
2. Upgrading of Calrock Perak Plant's Infrastructure	1,000	(85)	-	915	Within *30 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	(1,174)	185	441	Within *30 months
6. Listing expenses	3,000	(3,000)	-	-	Immediately
	14,000	(11,140)	-	2,860	

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.

## UTILISATION OF PROCEEDS FROM THE SPECIAL ISSUE

On 4 November 2024, the Company had undertaken a special issue of up to 40,000,000 new ordinary shares in the Company 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 were listed on the ACE Market of Bursa Malaysia Securities Berhad at the issue price of RM0.335 per ordinary share for a total gross proceed of approximately RM1.59 million on 4 February 2025. The Special Issue is deemed completed and have complied with the Bumiputera Equity Requirements following a letter dated 27 March 2025 from the Securities Commission Malaysia.

## Additional Compliance Information (Cont'd)

### UTILISATION OF PROCEEDS FROM THE SPECIAL ISSUE (CONT'D)

The status of utilisation of gross proceeds from the Special Issue as of 31 December 2025 is as follows:

Purpose	Special Issue Proceeds (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Estimated timeframe for utilisation
Repayment of bank borrowings	1,409	(1,409)	-	Within 12 months
Estimated expenses in relation to the Special Issue	183	(183)	-	Within 1 month
Total	1,592	(1,592)	-	

### 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 2025 ("FYE2025") are as follows:

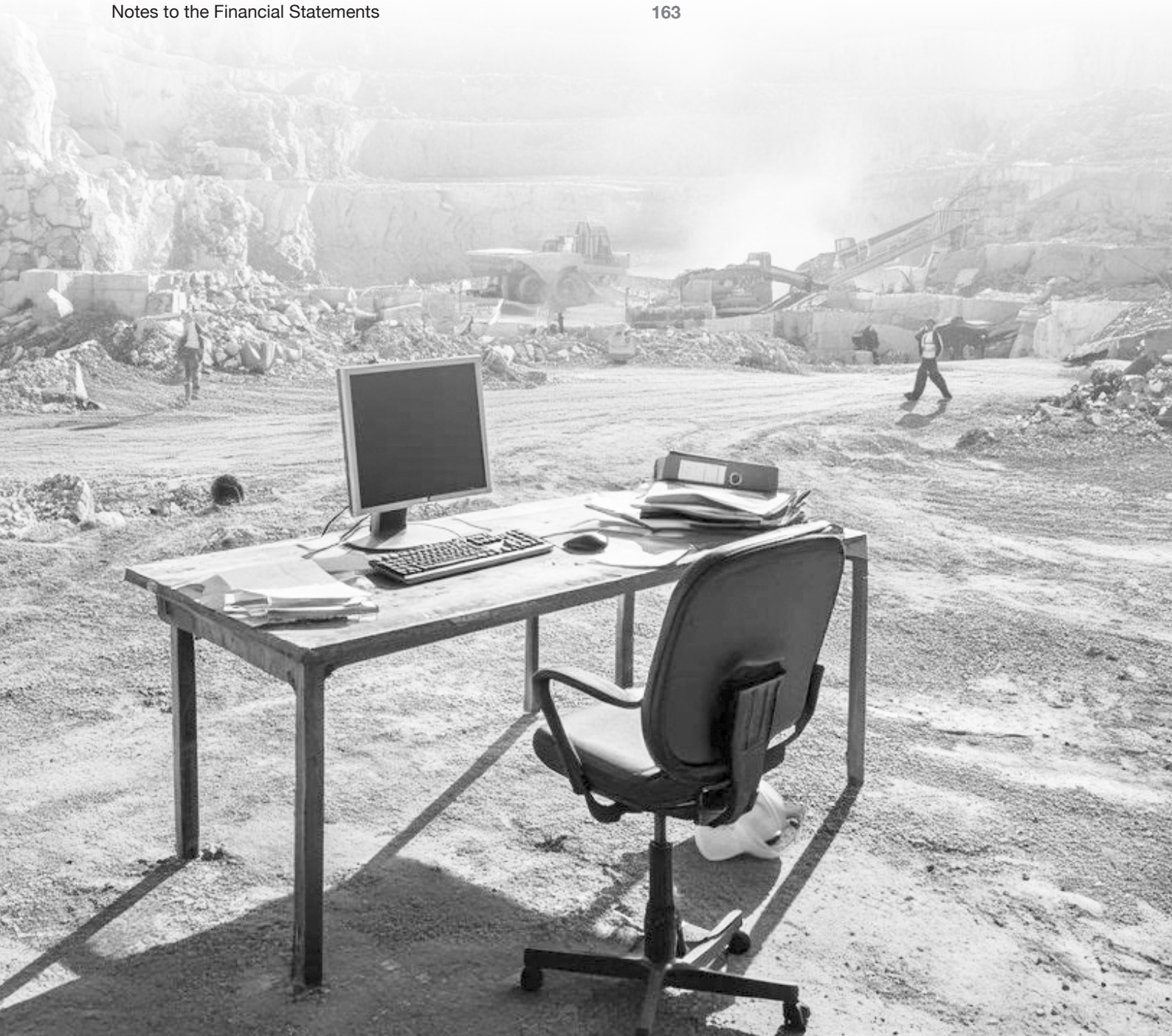
	Group RM'000	Company RM'000
Audit services rendered	137	17
Non-audit services rendered	10	9
Total	147	26

### MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTOR AND/OR MAJOR SHAREHOLDERS

There were no material contracts entered by the Company and its subsidiaries involving Directors and major shareholders' interests during the FYE2025.

# 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 2025.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The details of the Company's subsidiaries name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company are disclosed in the "Subsidiaries" section of this report.

There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial year	(5,459,118)	(515,653)
<hr/>		
Attributable to:-		
Owners of the Company	(5,459,118)	(515,653)
<hr/>		

## DIVIDENDS

No dividend was recommended by the directors 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 RM70,354,840 to RM71,912,833 by way of special issuance of 4,753,400 new ordinary shares at an issue price of RM0.335 each pursuant to the Bumiputera Equity Requirements. The listing expenses arose from the issuance of new ordinary shares amounted to RM34,396 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 there are no known bad debts 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 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.

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' Report (Cont'd)

### 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  
Gan Seng Kian  
Poo Lap Tuck  
Rima Ramona Binti Muhammad Arif  
Yap Yoon Kong  
Aw Ee Ling (Appointed on 1.3.2025)  
Teh Geok Bee (Appointed on 1.3.2025)  
Chan Jee Yang (Appointed on 1.1.2026)  
Chan Hup Ooi (Resigned on 1.1.2026)

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 1.1.2025 /Date of appointment	Bought	Sold	At 31.12.2025
<b>The Company</b>				
<i>Direct Interests</i>				
Chan Bin Iuan	7,735,500	3,010,000	-	10,745,500
Chan Jee Chet	7,735,500	-	-	7,735,500
Chan Hup Ooi	7,735,500	1,000,000	-	8,735,500
Chan Jee Yang	7,735,500	-	-	7,735,500
Aw Ee Ling	300,000	-	-	300,000
<i>Indirect Interests</i>				
Chan Bin Iuan <sup>(1)</sup>	110,506,600	-	-	110,506,600
Chan Jee Chet <sup>(1)</sup>	110,506,600	-	-	110,506,600
Chan Hup Ooi <sup>(2)(3)</sup>	118,242,100	-	-	118,242,100
Chan Jee Yang <sup>(1)</sup>	110,506,600	-	-	110,506,600

<sup>(1)</sup> Deemed interested by virtue of his father, Chan Hup Ooi's shareholdings in CLHF Resources Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act 2016.

<sup>(2)</sup> Deemed interested by virtue of his shareholdings in CLHF Resources Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act 2016.

<sup>(3)</sup> Disclosure of shares held by his spouse, Lee Mei Choon who is not a director of the Company pursuant to Section 59(11)(c) 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' Report (Cont'd)

### 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.

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:-

	From the Company RM	From the Subsidiaries RM	Total RM
Fees	452,000	40,000	492,000
Salaries, bonuses and other benefits	28,000	2,239,072	2,267,072
Defined contribution benefits	-	268,020	268,020
Estimated monetary value of benefits-in-kind	-	15,500	15,500
	480,000	2,562,592	3,042,592

### INDEMNITY AND INSURANCE COST

No indemnities were given to, nor insurance effected for, the directors, officers or auditors of the Company.

### SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent	Principal Activities
Zantat Sdn. Bhd. ("Zantat")	Malaysia	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%	Operations of limestone quarry
Calrock Sdn. Bhd.	Malaysia	100%	Production of calcium carbonate
Zaneco Sdn. Bhd.	Malaysia	100%	Manufacturer of bioplastic compound
Zantat Trading Sdn. Bhd.	Malaysia	100%	Trading of bioplastic and other related products

## Directors' Report (Cont'd)

### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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.

### 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	136,500	17,000
Non-audit fees	10,000	8,500
	146,500	25,500

Signed in accordance with a resolution of the directors dated 27 April 2026.

**Chan Bin Iuan**

**Chan Jee Chet**

# 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 157 to 212 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2025 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 27 April 2026.

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 157 to 212 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 27 April 2026

Aw Ee Ling

Before me  
**Shaiful Hilmi Bin Halim (W804)**  
Commissioner for Oaths

# 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 2025, 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 157 to 212.

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 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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"), as applicable to audits of financial statements of public interest entities 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.

# Independent Auditors' Report To the Members of Zantat Holdings Berhad (Cont'd)

(Incorporated in Malaysia)

Registration No: 202101040483 (1440783 - X)

## Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Impairment Assessment of Property, Plant and Equipment ("PPE")</b> Refer to Notes 4.1(b) and 6 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>As at 31 December 2025, the Group's PPE amounting to RM50.9 million, which accounted for approximately 51% of the Group's total assets.</p> <p>A subsidiary with material PPE has indications of potential impairment and the management has performed impairment assessments of the PPE by comparing the carrying amount with its value in use ("VIU") computed using the discounted cash flow ("DCF") model prepared by management. The DCF model is subject to the application of certain key assumptions by management and involves significant management judgement.</p> <p>We considered this as a key audit matter due to the significance of the carrying amount and the significant judgement being applied in its impairment assessment.</p>	<p>Our procedures included, amongst others, the following:-</p> <ul style="list-style-type: none"> <li>• Reviewed the management's estimate on the financial forecast, to derive at the VIU of the PPE;</li> <li>• Amongst the procedures on reviewing the financial forecasts are as follows:-               <ol style="list-style-type: none"> <li>(a) held discussions with the management to understand the basis of the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of these assets;</li> <li>(b) reviewed and challenged the key business drivers underpinning the forecasts prepared;</li> <li>(c) evaluated the appropriateness and reasonableness of the key assumptions by comparing historical results and our understanding of the business;</li> <li>(d) performed sensitivity analysis over the key assumptions to understand the impact of changes over the forecasts;</li> <li>(e) challenged the appropriateness of the discount rate used in deriving at the net present value; and</li> <li>(f) assessed the arithmetical accuracy of the computations used in assessing the recoverable amount of the cash-generating units.</li> </ol> </li> </ul>

There are no key audit matters to report for the Company.

# Independent Auditors' Report To the Members of Zantat Holdings Berhad (Cont'd)

(Incorporated in Malaysia)

Registration No: 202101040483 (1440783 - X)

## 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, IFRS Accounting 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.

## 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.

# Independent Auditors' Report To the Members of Zantat Holdings Berhad (Cont'd)

(Incorporated in Malaysia)

Registration No: 202101040483 (1440783 - X)

## Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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: (Cont'd)

- 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.

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

27 April 2026

**Lee Kui Lui**  
03832/05/2026 J  
Chartered Accountant

# Statements of Financial Position

## As at 31 December 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 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	50,863,466	52,816,062	-	-
Right-of-use assets	7	7,226,138	7,704,211	-	-
Amount owing by a subsidiary	8	-	-	2,645,720	-
		58,089,604	60,520,273	60,056,920	57,411,200
<b>CURRENT ASSETS</b>					
Inventories	9	10,132,591	8,297,388	-	-
Trade receivables	10	16,284,226	15,010,484	-	-
Other receivables, deposits and prepayments	11	1,182,344	1,482,423	68,300	146,195
Amount owing by subsidiaries	8	-	-	7,240,699	7,083,332
Current tax assets		1,714,515	1,733,854	-	-
Short-term investments	12	5,758,523	9,354,881	3,729,388	5,452,436
Cash and bank balances		5,645,857	7,490,213	79,364	29,450
		40,718,056	43,369,243	11,117,751	12,711,413
<b>TOTAL ASSETS</b>		<b>98,807,660</b>	<b>103,889,516</b>	<b>71,174,671</b>	<b>70,122,613</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	13	71,912,833	70,354,840	71,912,833	70,354,840
Reorganisation deficit	14	(55,511,200)	(55,511,200)	-	-
Retained profits/(Accumulated losses)		53,063,516	58,522,634	(780,850)	(265,197)
<b>TOTAL EQUITY</b>		<b>69,465,149</b>	<b>73,366,274</b>	<b>71,131,983</b>	<b>70,089,643</b>
<b>NON-CURRENT LIABILITIES</b>					
Term loans	15	3,496,742	2,275,309	-	-
Lease liabilities	16	538,886	929,672	-	-
Deferred tax liabilities	17	4,199,691	4,225,586	-	-
		8,235,319	7,430,567	-	-
<b>CURRENT LIABILITIES</b>					
Trade payables	18	4,776,780	5,803,565	-	-
Other payables and accruals	19	6,104,139	8,414,433	42,688	32,970
Short-term borrowings	20	9,705,638	8,431,024	-	-
Lease liabilities	16	520,635	443,653	-	-
		21,107,192	23,092,675	42,688	32,970
<b>TOTAL LIABILITIES</b>		<b>29,342,511</b>	<b>30,523,242</b>	<b>42,688</b>	<b>32,970</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>98,807,660</b>	<b>103,889,516</b>	<b>71,174,671</b>	<b>70,122,613</b>

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 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
REVENUE	21	92,198,482	101,877,229	-	7,020,000
COST OF SALES		(62,825,127)	(63,848,565)	-	-
GROSS PROFIT		29,373,355	38,028,664	-	7,020,000
OTHER INCOME		803,828	1,200,154	584,610	209,380
		30,177,183	39,228,818	584,610	7,229,380
SELLING AND DISTRIBUTION EXPENSES		(21,599,206)	(24,137,967)	-	-
ADMINISTRATIVE EXPENSES		(9,833,194)	(10,835,398)	(1,099,007)	(3,198,697)
OTHER EXPENSES		(3,714,439)	(1,246,864)	-	-
FINANCE COSTS		(587,119)	(537,020)	-	-
(LOSS)/PROFIT BEFORE TAXATION	22	(5,556,775)	2,471,569	(514,397)	4,030,683
TAX EXPENSE	23	97,657	(2,017,385)	(1,256)	-
(LOSS)/PROFIT AFTER TAXATION		(5,459,118)	454,184	(515,653)	4,030,683
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		(5,459,118)	454,184	(515,653)	4,030,683
<b>(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		(5,459,118)	454,184	(515,653)	4,030,683
<b>TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-</b>					
Owners of the Company		(5,459,118)	454,184	(515,653)	4,030,683
<b>(LOSS)/EARNINGS PER SHARE</b>	24				
Basic (sen)		(1.92)	0.17		
Diluted (sen)		(1.92)	0.17		

The annexed notes form an integral part of these financial statements.

# Statements of Changes in Equity

## For the Financial Year Ended 31 December 2025

The Group	Note	Share Capital RM	Non-Distributable Reorganisation Deficit RM	Distributable Retained Profits RM	Total Equity RM
Balance at 1.1.2024		57,411,201	(55,511,200)	62,268,450	64,168,451
Profit after taxation/Total comprehensive income for the financial year		-	-	454,184	454,184
Dividends by the Company	25	-	-	(4,200,000)	(4,200,000)
Issuance of shares pursuant to public issue	13	14,000,000	-	-	14,000,000
Share issuance expenses for the public issue	13	(1,056,361)	-	-	(1,056,361)
Total distributions to and contributions by owners		12,943,639	-	(4,200,000)	8,743,639
Balance at 31.12.2024/1.1.2025		70,354,840	(55,511,200)	58,522,634	73,366,274
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(5,459,118)	(5,459,118)
Issuance of shares pursuant to special issue	13	1,592,389	-	-	1,592,389
Share issuance expenses for the special issue	13	(34,396)	-	-	(34,396)
Total contributions by owners		1,557,993	-	-	1,557,993
Balance at 31.12.2025		71,912,833	(55,511,200)	53,063,516	69,465,149

The annexed notes form an integral part of these financial statements.

## Statements of Changes in Equity For the Financial Year Ended 31 December 2025 (Cont'd)

<b>The Company</b>	<b>Note</b>	<b>Share Capital RM</b>	<b>Distributable Accumulated Losses RM</b>	<b>Total Equity RM</b>
Balance at 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	25	-	(4,200,000)	(4,200,000)
Issuance of shares pursuant to public issue	13	14,000,000	-	14,000,000
Share issuance expenses for the public issue	13	(1,056,361)	-	(1,056,361)
Total distributions to and contributions by owners		12,943,639	(4,200,000)	8,743,639
Balance at 31.12.2024/1.1.2025		70,354,840	(265,197)	70,089,643
Loss after taxation/Total comprehensive expenses for the financial year		-	(515,653)	(515,653)
Issuance of shares pursuant to special issue	13	1,592,389	-	1,592,389
Share issuance expenses for the special issue	13	(34,396)	-	(34,396)
Total contributions by owners		1,557,993	-	1,557,993
Balance at 31.12.2025		71,912,833	(780,850)	71,131,983

The annexed notes form an integral part of these financial statements.

# Statements of Cash Flows

## For the Financial Year Ended 31 December 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>					
(Loss)/Profit before taxation		(5,556,775)	2,471,569	(514,397)	4,030,683
Adjustments for:-					
Bad debts written off		-	57,561	-	-
Depreciation of:					
- property, plant and equipment		6,005,475	5,577,822	-	-
- right-of-use assets		615,862	560,306	-	-
Impairment loss on plant and equipment		2,300,000	-	-	-
Interest expense on:					
- borrowings		529,768	495,789	-	-
- lease liabilities		57,351	41,231	-	-
Inventory written off		31,762	-	-	-
Plant and equipment written off		6,083	16,708	-	-
Dividend income		-	-	-	(7,020,000)
Fair value gain on short-term investments		(153,544)	(159,124)	-	-
Interest income		(261,475)	(323,214)	(584,610)	(209,380)
Net gain on disposal of plant and equipment		(115,296)	(193,122)	-	-
Net unrealised loss/(gain) on foreign exchange		410,719	(314,722)	-	-
Operating profit/(loss) before working capital changes		3,869,930	8,230,804	(1,099,007)	(3,198,697)
Increase in inventories		(1,866,965)	(369,291)	-	-
(Increase)/Decrease in trade and other receivables		(1,906,373)	6,472,288	77,895	(109,380)
(Decrease)/Increase in trade and other payables		(3,157,857)	(1,994,998)	9,718	11,151
Decrease in amount owing to a subsidiary		-	-	-	(131,075)
<b>CASH (FOR)/FROM OPERATIONS</b>		<b>(3,061,265)</b>	<b>12,338,803</b>	<b>(1,011,394)</b>	<b>(3,428,001)</b>
Income tax paid		(657,041)	(2,654,350)	(1,256)	-
Income tax refunded		748,142	-	-	-
Interest paid		(614,742)	(556,329)	-	-
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>		<b>(3,584,906)</b>	<b>9,128,124</b>	<b>(1,012,650)</b>	<b>(3,428,001)</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>					
Advances to subsidiaries		-	-	(2,391,867)	(7,083,332)
Dividend received		-	-	-	7,020,000
Interest income received		250,473	323,214	173,390	209,380
Net withdrawal/(additions) of short-term investments		3,893,833	(7,965,297)	1,723,048	(5,452,436)
Proceeds from disposal of plant and equipment		115,300	195,600	-	-
Purchase of property, plant and equipment	26(a)	(3,951,036)	(8,580,071)	-	-
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>		<b>308,570</b>	<b>(16,026,554)</b>	<b>(495,429)</b>	<b>(5,306,388)</b>

The annexed notes form an integral part of these financial statements.

## Statements of Cash Flows

### For the Financial Year Ended 31 December 2025 (Cont'd)

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend paid	25	-	(4,200,000)	-	(4,200,000)
Net drawdown of bankers' acceptances	26(b)	357,000	2,021,000	-	-
Net drawdown of post-shipment buyer loans	26(b)	483,129	1,152,878	-	-
Net drawdown of revolving credits	26(b)	1,200,000	-	-	-
Payments of hire purchase payables	26(b)	-	(1,264,531)	-	-
Payments of lease liabilities	26(b)	(451,593)	(422,689)	-	-
Payment of share issuance expenses	13	(34,396)	(1,056,361)	(34,396)	(1,056,361)
Proceeds from issuance of ordinary shares	13	1,592,389	14,000,000	1,592,389	14,000,000
Proceeds from drawdown of term loans	26(b)	1,226,582	-	-	-
Repayments of term loans	26(b)	(2,603,318)	(4,983,974)	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>1,769,793</b>	<b>5,246,323</b>	<b>1,557,993</b>	<b>8,743,639</b>
<b>NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES</b>		<b>(1,506,543)</b>	<b>(1,652,107)</b>	<b>49,914</b>	<b>9,250</b>
<b>CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>7,490,213</b>	<b>9,133,291</b>	<b>29,450</b>	<b>20,200</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>		<b>(337,813)</b>	<b>9,029</b>	<b>-</b>	<b>-</b>
<b>CASH AND BANK BALANCES AT END OF THE FINANCIAL YEAR</b>	26(d)	<b>5,645,857</b>	<b>7,490,213</b>	<b>79,364</b>	<b>29,450</b>

The annexed notes form an integral part of these financial statements.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025

### 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 27 April 2026.

### 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"), IFRS Accounting 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 121: Lack of Exchangeability

The adoption of the above accounting standard and/or interpretation (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 2025 (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 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

- 3.2 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 Group and the Company are currently evaluating the impact of implementing this new standard.

### 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 2025 (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 (Cont'd)**

The Group and the Company determine whether its 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. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. 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**

Management periodically reviews 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 9 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, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 10 to the financial statements.

#### **(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 amount owing by subsidiaries and other receivables as at the reporting date are disclosed in Notes 8 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 RM1,714,515 (2024 - RM1,733,854).

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (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 a 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.

#### **(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.

# Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.2 FINANCIAL INSTRUMENTS (CONT'D)

#### (c) Equity

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

#### (d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

### 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 reorganisation 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 when 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 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.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 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.

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	20%
Office equipment	10%
Furniture and fittings	10%
Air-conditioners	10%
Electrical equipment and fittings	10%
Lab equipment	10%
Renovation	10%
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.

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 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.

### 5. INVESTMENT IN A SUBSIDIARY

	The Company	
	2025 RM	2024 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
		2025	2024	
<b>Subsidiary of the Company</b>				
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
Zantat Trading Sdn. Bhd. *	Malaysia	100%	-	Trading of bioplastic and other related products

\* The subsidiary included in the consolidated financial statements was based on unaudited financial statements as of 31 December 2025.

On 8 September 2025, the Company's wholly-owned subsidiary, Zantat Sdn. Bhd., had incorporated a 100% owned subsidiary, namely Zantat Trading Sdn. Bhd., a company incorporated in Malaysia with an issued and paid-up share capital of RM1.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2025 (Cont'd)

#### 6. PROPERTY, PLANT AND EQUIPMENT

The Group	At		Additions	Reclassification	Disposals	Write Off	Depreciation Charges	Impairment Loss	At
	1.1.2025	RM							
<i>Carrying Amount</i>									
Buildings	23,431,148	16,324	1,907,099	-	-	(588,532)	-	24,766,039	
Buildings in progress	1,256,333	1,511,880	(1,907,099)	-	-	-	-	861,114	
Plant and machinery	16,828,088	149,838	4,625,115	-	(1)	(3,879,599)	(2,300,000)	15,423,441	
Plant and machinery under installation	4,183,470	1,380,354	(4,625,115)	-	-	-	-	938,709	
Factory tools and equipment	1,290,236	66,122	-	-	(3,552)	(230,305)	-	1,122,501	
Motor vehicles	641,936	6,555	-	(2)	-	(164,231)	-	484,258	
Forklift, wheel loader and lorries	651,669	206,800	-	(2)	-	(293,568)	-	564,899	
Office equipment	463,907	59,520	-	-	(1,704)	(92,054)	-	429,669	
Furniture and fittings	496,256	154,289	-	-	(104)	(107,186)	-	543,255	
Air-conditioners	281,025	54,635	-	-	(722)	(72,057)	-	262,881	
Electrical equipment and fittings	440,267	1,505,172	-	-	-	(160,650)	-	1,784,789	
Lab equipment	407,328	68,674	3,246,248	-	-	(367,485)	-	3,354,765	
Lab equipment under installation	2,239,334	1,006,914	(3,246,248)	-	-	-	-	-	
Renovation	133,510	98,989	-	-	-	(24,459)	-	208,040	
Software	71,555	72,900	-	-	-	(25,349)	-	119,106	
	52,816,062	6,358,966	-	(4)	(6,083)	(6,005,475)	(2,300,000)	50,863,466	

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2024 RM	Additions RM	Reclassification RM	Disposals RM	Write Off RM	Depreciation Charges RM	At 31.12.2024 RM
<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 2025 (Cont'd)

### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Accumulated Depreciation and Impairment Losses		Carrying Amount RM
	At Cost RM	RM	
<b>2025</b>			
Buildings	30,390,352	(5,624,313)	24,766,039
Buildings in progress	861,114	-	861,114
Plant and machinery	57,017,000	(41,593,559)	15,423,441
Plant and machinery under installation	938,709	-	938,709
Factory tools and equipment	4,546,330	(3,423,829)	1,122,501
Motor vehicles	2,672,514	(2,188,256)	484,258
Forklift, wheel loader and lorries	3,805,745	(3,240,846)	564,899
Office equipment	1,418,838	(989,169)	429,669
Furniture and fittings	1,296,964	(753,709)	543,255
Air-conditioners	833,291	(570,410)	262,881
Electrical equipment and fittings	3,625,374	(1,840,585)	1,784,789
Lab equipment	3,734,190	(379,425)	3,354,765
Renovation	573,391	(365,351)	208,040
Software	626,607	(507,501)	119,106
	112,340,419	(61,476,953)	50,863,466
<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

- (a) Certain buildings and plant and machinery of the Group have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Notes 15 and 20 to the financial statements.

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (b) During the current financial year, the Group has carried out a review of the recoverable amount of its plant and machinery in the subsidiary due to continued losses contributed by the business operation. An impairment loss of RM2,300,000 (2024 - Nil), representing the write-down of the plant and machinery to its recoverable amount, was recognised as other expenses in profit or loss and is disclosed in Note 22 to the financial statements. The recoverable amount of approximately RM1,900,000 was determined by the value in use computed using the discounted cash flow model based on 5 years of financial forecast approved by management. The key assumptions used in the determination of the recoverable amount are as follows:
- (i) Projected revenue growth rates – The projected revenue growth rates of 5% used, taking into consideration past business performance and management's expectations of current and future market conditions.
  - (ii) Projected gross profit margins – The projected gross profit margins used ranged from 9% to 21%, based on historical margins achieved or predetermined profit margins for relevant products and services.
  - (iii) Pre-tax discount rate – The discount rate reflected specific risk relating to the subsidiary. The rate used was 6%.
- (c) The recoverable amount is particularly sensitive in the following areas:-
- (i) A 0.5% decrease in the projected revenue growth rate would have increased the impairment loss by approximately RM239,000. This potential reduction reflects the potential lowest global growth rate.
  - (ii) A 0.5% decrease in the projected gross profit margins would have increased the impairment loss by approximately RM42,000. This potential reduction reflects the potential lowest global gross profit margin.
  - (iii) An increase of 1 percentage point in the pre-tax discount rates would have increased the impairment loss by approximately RM54,000, reflecting potential global macroeconomic uncertainty.

### 7. RIGHT-OF-USE ASSETS

	At 1 January RM	Modification of Lease Liabilities (Note 16) RM	Depreciation Charges RM	At 31 December RM
<b>The Group</b>				
<b>2025</b>				
<i>Carrying Amount</i>				
Leasehold land	6,349,869	-	(130,394)	6,219,475
Factory buildings	1,308,382	75,670	(444,546)	939,506
Hostels	45,960	62,119	(40,922)	67,157
	7,704,211	137,789	(615,862)	7,226,138

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 7. RIGHT-OF-USE ASSETS (CONT'D)

The Group	At 1 January RM	Modification of Lease Liabilities (Note 16) RM	Depreciation Charges RM	At 31 December RM
<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

- (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 (2024 - 5) non-cancellable operating lease agreements for the use of land. The leases are for a period of 54 to 99 (2024 - 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 (2024 - 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 (2024 - 1 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.
- (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 15 and 20 to the financial statements.

### 8. AMOUNTS OWING BY SUBSIDIARIES

	Note	The Company 2025 RM	2024 RM
<u>Non-current</u>			
Non-trade balance	(a)	2,645,720	-
<u>Current</u>			
Non-trade balances	(b)	7,240,699	7,083,332
		9,886,419	7,083,332

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 8. AMOUNTS OWING BY SUBSIDIARIES (CONT'D)

- (a) The non-trade balances (non-current) represent unsecured advances which are not expected to be settled within the twelve months after the reporting date and are to be settle in cash. These advances as at the reporting date borne interest at a rate of 4.60% (2024 - Nil) per annum.
- (b) The non-trade balances (current) represent unsecured advances which are repayable on demand and are to be settled in cash. These advances as at the reporting date borne interest at a rate of 4.60% (2024 - Nil) per annum.

### 9. INVENTORIES

	The Group	
	2025 RM	2024 RM
Raw materials	3,250,026	2,518,953
Work-in-progress	-	15,262
Packing materials	1,625,133	1,499,064
Finished goods	3,412,429	2,235,959
Consumables	1,516,442	1,496,855
Goods-in-transit	328,561	531,295
	<hr/>	<hr/>
	10,132,591	8,297,388
	<hr/>	<hr/>
Recognised in profit or loss:-		
Inventories recognised as cost of sales	62,825,127	63,848,565
Inventories written off	31,762	-
	<hr/>	<hr/>

### 10. TRADE RECEIVABLES

	The Group	
	2025 RM	2024 RM
Third parties	16,284,226	15,010,484
	<hr/>	<hr/>

The Group's normal trade credit terms range from 30 to 90 (2024 - 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 2025 (Cont'd)

### 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Other receivables		44,799	9,500	-	-
Deposits	(a)	489,559	1,052,250	32,660	30,315
Prepayments		611,908	386,408	35,640	115,880
Advances to suppliers	(b)	36,078	34,265	-	-
		1,182,344	1,482,423	68,300	146,195

(a) Included in deposits of the Group are downpayments made for acquisition of plant and equipment amounting to RM73,006 (2024 - RM720,107).

(b) The advances to suppliers are unsecured, interest-free and will be offset against future purchases from the suppliers.

### 12. SHORT-TERM INVESTMENTS

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Fixed income trust funds, at fair value	(a)	3,741,673	5,464,310	3,729,388	5,452,436
Feeder income trust funds, at fair value	(b)	2,016,850	3,890,571	-	-
		5,758,523	9,354,881	3,729,388	5,452,436

(a) The fixed income trust funds of the Group and the Company represent investments in Sukuk, Islamic money market instrument and/or Islamic deposits with financial institutions which are redeemable with one (1) day notice at known amounts of cash and are subject to an insignificant risk of changes in value.

(b) The feeder income trust funds of the Group are denominated in United States Dollar and represent investments in target fund specified in the Money Market Fund Regulation and/or deposits with financial institutions which are redeemable with two (2) days notice at known amounts of cash and are subject to an insignificant risk of changes in value.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 13. SHARE CAPITAL

	The Group/The Company			
	2025	2024	2025	2024
	Number of Shares		RM	RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January	280,000,000	224,000,000	70,354,840	57,411,201
Issuance of shares:				
- pursuant to public issue	-	56,000,000	-	14,000,000
- pursuant to special issue	4,753,400	-	1,592,389	-
Share issuance expenses	-	-	(34,396)	(1,056,361)
At 31 December	284,753,400	280,000,000	71,912,833	70,354,840

- (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 RM70,354,840 to RM71,912,833 by way of special issuance of 4,753,400 new ordinary shares at an issue price of RM0.335 each pursuant to the Bumiputera Equity Requirements. The listing expenses arose from the issuance of new ordinary shares amounted to RM34,396 were offset against share capital of the Company.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

- (c) In the previous 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 arose from the issuance of new ordinary shares amounted to RM1,056,361 were offset against share capital of the Company.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

### 14. REORGANISATION DEFICIT

The reorganisation deficit arose from the business combination and group restructuring exercise 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 reorganisation deficit.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 15. TERM LOANS (SECURED)

	The Group	
	2025 RM	2024 RM
Current liabilities (Note 20)	1,099,599	1,865,114
Non-current liabilities	3,496,742	2,275,309
	4,596,341	4,140,423

(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	
				2025 RM	2024 RM
1	72	36,860	July 2019	-	700,330
2	60	6,167	August 2021	43,167	117,167
3	60	50,000	November 2022	-	1,100,000
4	60	22,350	March 2025	1,117,500	381,286
5	60	20,000	June 2025	1,060,000	413,500
6	60	45,686	May 2025	2,375,674	1,428,140
				4,596,341	4,140,423

(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	
	2025 %	2024 %
Effective interest rates	4.40 - 4.70	4.68 - 5.69

(c) The term loans of the Group are secured by:-

- (i) a legal charge over certain leasehold land, buildings, plant and machinery of the Group as disclosed in Notes 6 and 7 to the financial statements; and
- (ii) a corporate guarantee of the Company.

(d) The major covenants for term loans of the Group are as follows:-

Term loans 1, 4 and 5 of RM Nil, RM1,117,500 and RM1,060,000 (2024 - RM700,300, RM381,286 and RM413,500) 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.

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 15. TERM LOANS (SECURED) (CONT'D)

(d) The major covenants for term loans of the Group are as follows:- (Cont'd)

Term loan 3 of RM Nil (2024 - RM1,100,000)

(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 6 of RM2,375,674 (2024 - RM1,428,140)

Gearing ratio of the subsidiary shall not exceed 2 times.

The covenants are tested annually on 31 December. The Group has complied with all covenants as at each testing date during the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

### 16. LEASE LIABILITIES

	The Group	
	2025 RM	2024 RM
At 1 January	1,373,325	869,352
Interest expense recognised in profit or loss	57,351	41,231
Changes due to lease modification (Note 7)	137,789	926,662
Payment of principal	(451,593)	(422,689)
Payment of interest expense	(57,351)	(41,231)
<b>At 31 December</b>	<b>1,059,521</b>	<b>1,373,325</b>
Analysed by:-		
Current liabilities	520,635	443,653
Non-current liabilities	538,886	929,672
	<b>1,059,521</b>	<b>1,373,325</b>

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 17. DEFERRED TAX LIABILITIES

The Group	At 1 January RM	Recognised in Profit or Loss (Note 23) RM	At 31 December RM
<b>2025</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	4,386,849	332,282	4,719,131
Right-of-use assets	346,656	(97,094)	249,562
Unrealised gain on foreign exchange	76,519	(76,519)	-
	4,810,024	158,669	4,968,693
<i>Deferred Tax Assets</i>			
Lease liabilities	(351,443)	88,901	(262,542)
Unabsorbed capital allowances	(232,995)	(246,438)	(479,433)
Unused tax losses	-	(4,519)	(4,519)
Unrealised loss on foreign exchange	-	(16,156)	(16,156)
Others	-	(6,352)	(6,352)
	(584,438)	(184,564)	(769,002)
	4,225,586	(25,895)	4,199,691
<b>2024</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	3,394,943	991,906	4,386,849
Right-of-use assets	205,822	140,834	346,656
Unrealised gain on foreign exchange	19,879	56,640	76,519
	3,620,644	1,189,380	4,810,024
<i>Deferred Tax Assets</i>			
Lease liabilities	(208,644)	(142,799)	(351,443)
Unabsorbed capital allowances	-	(232,995)	(232,995)
	(208,644)	(375,794)	(584,438)
	3,412,000	813,586	4,225,586

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 17. DEFERRED TAX LIABILITIES (CONT'D)

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:-

	The Group	
	2025 RM	2024 RM
Unused tax losses:		
- expires in year of assessment 2034	523,528	523,528
- expires in year of assessment 2035	1,420,349	-
Unabsorbed capital allowances	1,402,749	906,919
Other deductible temporary differences	50,797	-
	<hr/> 3,397,423	<hr/> 1,430,447

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.

### 18. TRADE PAYABLES

	The Group	
	2025 RM	2024 RM
Third parties	4,776,780	5,784,149
Related party	-	19,416
	<hr/> 4,776,780	<hr/> 5,803,565

The normal trade terms granted to the Group range from 30 to 90 (2024 - 30 to 90) days.

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 19. OTHER PAYABLES AND ACCRUALS

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Other payables	(a)	3,187,039	2,484,363	7,603	-
Accruals	(b)	2,880,867	5,901,730	35,085	32,970
Advances from customers		15,362	28,340	-	-
Sales tax payable		20,871	-	-	-
		6,104,139	8,414,433	42,688	32,970

- (a) Included in the other payables of the Group are unpaid balances of RM387,824 (2024 - RM487,272) for acquisition of plant and equipment.
- (b) Included in the accruals of the Group are handling fees amounting to RM2,065,980 (2024 - RM5,010,508) 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.

### 20. SHORT-TERM BORROWINGS

	The Group	
	2025 RM	2024 RM
<u>Secured</u>		
Bankers' acceptances	5,182,000	4,825,000
Post-shipment buyer loans	2,224,039	1,740,910
Revolving credits	1,200,000	-
Term loans (Note 15)	1,099,599	1,865,114
	9,705,638	8,431,024

The short-term borrowings of the Group are secured by the following:-

- (i) a legal charge over certain leasehold land, buildings, plant and machinery 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 of the Company.

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 20. SHORT-TERM BORROWINGS (CONT'D)

The interest rate profile of the short-term borrowings of the Group is summarised below:-

	Note	Interest Rate	Effective Interest Rate The Group	
			2025 %	2024 %
Bankers' acceptances	(a)	Floating	3.79 - 3.94	4.00 - 4.20
Post-shipment buyer loans	(b)	Floating	3.91 - 3.96	4.27 - 4.29
Revolving credits	(b)	Floating	4.22 - 4.26	-
Term loans (Note 15)		Floating	4.40 - 4.70	4.68 - 5.69

(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 loans and revolving credits are similar to term loans 1, 4 and 5 as disclosed in Note 15 to the financial statements.

The covenants are tested annually on 31 December. The Group has complied with all covenants as at each testing date during the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenants assessment.

### 21. REVENUE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Revenue from Contracts with Customers</b>				
<u>Recognised at a point in time</u>				
Sale of goods:				
- Local sales	44,165,431	43,074,305	-	-
- Overseas sales	48,033,051	58,802,924	-	-
	92,198,482	101,877,229	-	-
<b>Revenue from Other Sources</b>				
Dividend income from a subsidiary	-	-	-	7,020,000
	92,198,482	101,877,229	-	7,020,000

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 21. REVENUE (CONT'D)

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 29.2 to the financial statements.
- (b) 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.

- (c) Dividend income is recognised when the right to receive dividend payment is established.

### 22. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before taxation is arrived at after charging/ (crediting):-				
Auditors' remuneration:				
- audit fees	136,500	127,000	17,000	15,000
- non-audit fees	10,000	85,300	8,500	79,000
Directors' fees	492,000	522,000	452,000	372,000
Directors' non-fee emoluments	2,535,092	1,967,566	28,000	25,000
<b>Material Expenses/(Income)</b>				
Bad debts written off	-	57,561	-	-
Depreciation of:				
- property, plant and equipment	6,005,475	5,577,822	-	-
- right-of-use assets	615,862	560,306	-	-
Impairment loss on plant and equipment	2,300,000	-	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances	208,098	129,314	-	-
- post-shipment buyer loans	88,529	70,884	-	-
- revolving credits	11,325	7,451	-	-
- term loans	221,816	267,389	-	-
- hire purchase payables	-	20,751	-	-
Interest expense on lease liabilities	57,351	41,231	-	-
Inventories written off	31,762	-	-	-
Lease expenses on short-term leases	21,589	7,950	-	-
Listing and special issue expenses	149,892	957,239	149,892	2,399,059
Plant and equipment written off	6,083	16,708	-	-

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 22. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit 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 27):				
- short-term employee benefits	13,244,628	12,706,192	-	-
- defined contribution benefits	985,563	985,066	-	-
- others	182,539	174,728	-	-
Dividend income	-	-	-	(7,020,000)
Fair value gain on financial assets designated upon initial recognition at fair value through profit or loss	(153,544)	(159,124)	-	-
Interest income on financial assets measured at amortised cost:				
- amount owing by subsidiaries	-	-	(411,220)	-
- cash at banks	(77,110)	(105,322)	(438)	(2,944)
- others	(11,002)	-	-	-
Interest income on financial assets measured at fair value through profit or loss:				
- short-term investments	(173,363)	(217,892)	(172,952)	(206,436)
Net gain on disposal of plant and equipment	(115,296)	(193,122)	-	-
Net loss/(gain) on foreign exchange:				
- realised	512,301	739,980	-	-
- unrealised	410,719	(314,722)	-	-

### 23. TAX EXPENSE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense	47,825	1,193,613	-	-
(Over)/Underprovision in the previous financial year	(119,587)	10,186	1,256	-
	(71,762)	1,203,799	1,256	-
Deferred tax (Note 17):				
- origination and reversal of temporary differences	(148,185)	304,852	-	-
- underprovision in the previous financial year	122,290	508,734	-	-
	(25,895)	813,586	-	-
	(97,657)	2,017,385	1,256	-

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2025 (Cont'd)

#### 23. TAX EXPENSE (CONT'D)

A reconciliation of tax expense applicable to the (loss)/profit 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	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before taxation	(5,556,775)	2,471,569	(514,397)	4,030,683
Tax at statutory tax rate of 24% (2024 - 24%)	(1,333,626)	593,177	(123,455)	967,364
Tax effects of:				
- non-deductible expenses	873,625	1,045,151	164,898	717,436
- non-taxable income	(93,906)	(429,059)	(41,443)	(1,684,800)
- double deduction expenses	(18,528)	(14,067)	-	-
Deferred tax assets not recognised during the financial year	472,075	303,263	-	-
(Over)/Underprovision of current tax in the previous financial year	(119,587)	10,186	1,256	-
Underprovision of deferred taxation in the previous financial year	122,290	508,734	-	-
	(97,657)	2,017,385	1,256	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 - 24%) of the estimated assessable profit for the financial year.

#### 24. (LOSS)/EARNINGS PER SHARE

##### (a) Basic (Loss)/Earnings Per Share

The basic (loss)/earnings per share is calculated by dividing the consolidated (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2025	2024
(Loss)/Profit attributable to owners of the Company (RM)	(5,459,118)	454,184
Weighted average number of ordinary shares	284,310,618	266,841,530
Basic (loss)/earnings per share (sen)	(1.92)	0.17

##### (b) Diluted (Loss)/Earnings Per Share

The diluted (loss)/earnings per share is equal to the basic (loss)/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 2025 (Cont'd)

### 25. DIVIDENDS

	The Group/The Company	
	2025	2024
	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

### 26. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group	
	2025	2024
	RM	RM
<b>Property, Plant and Equipment</b>		
Cost of property, plant and equipment purchased	6,358,966	10,610,786
Add: Other payables - balance paid in the current financial year	487,272	-
Less: Other payables - balance remain unpaid as at the end of the financial year (Note 19(a))	(387,824)	(487,272)
Add: Deposits made for future purchases (Note 11(a))	73,006	720,107
Less: Deposits made in the previous financial year	(720,107)	(40,625)
Less: Acquired through term loans arrangements (Note 26(b))	(1,832,654)	(2,222,925)
Less: Interest expenses capitalised in the current financial year	(27,623)	-
	3,951,036	8,580,071

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 26. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Bankers' Acceptances RM	Shipment Buyer Loans RM	Post- Shipment Loans RM	Revolving Credits RM	Term Loans RM	Lease Liabilities RM	Total RM
2025							
At 1 January	4,825,000	1,740,910	-	-	4,140,423	1,373,325	12,079,658
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	26,599,000	10,714,377	2,250,000	1,226,582	-	-	40,789,959
Repayments of principal	(26,242,000)	(10,231,248)	(1,050,000)	(2,603,318)	(451,593)	(57,351)	(40,578,159)
Payments of interest	(208,098)	(88,529)	(11,325)	(249,439)	(57,351)	(57,351)	(614,742)
148,902	394,600	1,188,675	(1,626,175)	(508,944)			(402,942)
<u>Other Changes</u>							
Acquisition of plant and equipment (Note 26(a))	-	-	-	1,832,654	-	-	1,832,654
Modification of leases (Note 16)	-	-	-	-	137,789	-	137,789
Interest expense recognised in profit or loss (Note 22)	208,098	88,529	11,325	221,816	57,351	-	587,119
Interest expense capitalised under plant and machinery	-	-	-	27,623	-	-	27,623
208,098	88,529	11,325	2,082,093	195,140			2,585,185
At 31 December	5,182,000	2,224,039	1,200,000	4,596,341	1,059,521		14,261,901

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 26. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Bankers' Acceptances	Post-shipment Buyer Loans	Revolving Credits	Term Loans	Lease Liabilities	Hire Purchase Payables	Total
2024	RM	RM	RM	RM	RM	RM	RM
At 1 January	2,804,000	588,032	-	6,920,781	869,352	1,264,531	12,446,696
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	18,088,000	5,709,594	650,000	-	-	-	24,447,594
Repayments of principal	(16,067,000)	(4,556,716)	(650,000)	(4,983,974)	(422,689)	(1,264,531)	(27,944,910)
Payments of interest	(129,314)	(70,884)	(7,451)	(286,698)	(41,231)	(20,751)	(556,329)
<u>Other Changes</u>	1,891,686	1,081,994	(7,451)	(5,270,672)	(463,920)	(1,285,282)	(4,053,645)
Acquisition of plant and equipment (Note 26(a))	-	-	-	2,222,925	-	-	2,222,925
Modification of leases (Note 16)	-	-	-	-	926,662	-	926,662
Interest expense recognised in profit or loss (Note 22)	129,314	70,884	7,451	267,389	41,231	20,751	537,020
	129,314	70,884	7,451	2,490,314	967,893	20,751	3,686,607
At 31 December	4,825,000	1,740,910	-	4,140,423	1,373,325	-	12,079,658

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 26. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2025 RM	2024 RM
Interest paid on lease liabilities	57,351	41,231
Payment of lease liabilities	451,593	422,689
Payment of short-term leases	21,589	7,950
	530,533	471,870

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	5,645,857	7,490,213	79,364	29,450
Short-term investments	5,758,523	9,354,881	3,729,388	5,452,436
	11,404,380	16,845,094	3,808,752	5,481,886
Less: Fixed income trust funds (Note 12)	(3,741,673)	(5,464,310)	(3,729,388)	(5,452,436)
Less: Feeder income trust funds (Note 12)	(2,016,850)	(3,890,571)	-	-
	5,645,857	7,490,213	79,364	29,450

### 27. 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	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	492,000	522,000	452,000	372,000
- salaries, bonuses and other benefits	2,267,072	1,759,809	28,000	25,000
	2,759,072	2,281,809	480,000	397,000
Defined contribution benefits	268,020	207,757	-	-
	3,027,092	2,489,566	480,000	397,000

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 27. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>(a) Directors (Cont'd)</b>				
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- fees	110,000	150,000	-	-
- salaries, bonuses and other benefits	754,002	802,314	-	-
	864,002	952,314	-	-
Defined contribution benefits	48,578	96,048	-	-
	912,580	1,048,362	-	-
Total directors' remuneration	3,939,672	3,537,928	480,000	397,000

The estimated monetary value of benefits-in-kind provided by the Group to a director of the Company is RM15,500 (2024 - RM15,500).

	The Group	
	2025 RM	2024 RM
<b>(b) Other Key Management Personnel</b>		
Short-term employee benefits	-	329,257
Defined contribution benefits	-	39,312
Total compensation for other key management personnel	-	368,569

### 28. RELATED PARTY DISCLOSURES

#### (a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 28. RELATED PARTY DISCLOSURES (CONT'D)

#### (b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the statements of cash flows, Notes 21 and 22 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Advances to subsidiaries	-	-	(2,391,867)	(7,083,332)
Dividend income received from a subsidiary	-	-	-	(7,020,000)
Interest income receivable from subsidiaries	-	-	(411,220)	-
Share issuance expenses charged by a subsidiary	-	-	-	1,619,212
Transportation expenses charged by a close family member of certain directors	-	178,246	-	-
Transportation expenses charged by entities controlled by close family members of certain directors	-	501,346	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Notes 8 and 18 to the financial statements.

### 29. 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 its products.

The Group is organised into 2 main reportable segments as follows:-

- Production segment - involved in production of ground calcium carbonate, calcium carbonate dispersion, kaolin dispersion and granulated calcium carbonate.
  - Bioplastic segment - involved in manufacturing and trading of bioplastic compound and compostable 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.

The reportable segments have changed from the previous reporting period due to the changes in the internal management reporting structure of the chief operating decision maker.

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2025 (Cont'd)

#### 29. OPERATING SEGMENTS (CONT'D)

##### 29.1 BUSINESS SEGMENTS

2025	Production RM	Bioplastic RM	Others RM	Consolidation Adjustments RM	The Group RM
<b>Revenue</b>					
External revenue	91,640,461	182,774	4,576,841	(4,201,594)	92,198,482
Inter-segment revenue	6,200	6,484	331,238	(343,922)	-
<b>Total revenue</b>	<b>91,646,661</b>	<b>189,258</b>	<b>4,908,079</b>	<b>(4,545,516)</b>	<b>92,198,482</b>
<b>Results</b>					
Segment (loss)/profit before interest and taxation	(4,875,650)	(789,742)	(3,701,103)	4,396,839	(4,969,656)
Finance costs					(587,119)
Tax expense					97,657
<b>Loss after taxation</b>					<b>(5,459,118)</b>
<b>Other information</b>					
Depreciation of:					
- property, plant and equipment	5,348,672	104,817	551,986	-	6,005,475
- right-of-use assets	523,879	10,717	138,146	(56,880)	615,862
Impairment loss on plant and equipment	-	433,342	1,866,658	-	2,300,000
Interest expense	790,344	44,304	218,051	(522,931)	529,768
Interest expense on lease liabilities	47,631	637	12,466	(3,383)	57,351
Inventories written off	21,214	1,251	9,297	-	31,762
Net unrealised loss on foreign exchange	395,365	44	15,310	-	410,719
Plant and equipment written off	5,779	-	304	-	6,083
Fair value gain on short-term investments	(140,270)	-	(13,274)	-	(153,544)
Interest income:					
- amount owing by subsidiaries	(111,328)	-	(411,603)	522,931	-
- cash at banks	(65,604)	(21)	(11,485)	-	(77,110)
- short-term investments	(376)	-	(172,987)	-	(173,363)
- others	(9,137)	-	(1,865)	-	(11,002)
Net gain on disposal on plant and equipment	(109,040)	-	(6,256)	-	(115,296)

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 29. OPERATING SEGMENTS (CONT'D)

#### 29.1 BUSINESS SEGMENTS (CONT'D)

2024	Production RM	Bioplastic RM	Others RM	Consolidation Adjustments RM	The Group RM
<b>Revenue</b>					
External revenue	103,124,330	40,515	3,480,594	(4,768,210)	101,877,229
Inter-segment revenue	4,040	-	8,752,004	(8,756,044)	-
<b>Total revenue</b>	<b>103,128,370</b>	<b>40,515</b>	<b>12,232,598</b>	<b>(13,524,254)</b>	<b>101,877,229</b>
<b>Results</b>					
Segment profit/(loss) before interest and taxation	6,571,385	(1,304,740)	4,794,284	(7,052,340)	3,008,589
Finance costs					(537,020)
Tax expense					(2,017,385)
<b>Profit after taxation</b>					<b>454,184</b>
<b>Other information</b>					
Bad debts written off	49,197	-	8,364	-	57,561
Depreciation of:					
- property, plant and equipment	4,928,962	544,750	104,110	-	5,577,822
- right-of-use assets	487,856	56,941	72,450	(56,941)	560,306
Interest expense	395,049	127,633	2,388	(29,281)	495,789
Interest expense on lease liabilities	35,241	2,836	5,990	(2,836)	41,231
Plant and equipment written off	16,606	-	102	-	16,708
Fair value gain on short-term investments	(147,071)	-	(12,053)	-	(159,124)
Interest income:					
- amount owing by a subsidiary	(29,100)	-	(181)	29,281	-
- cash at banks	(90,667)	(19)	(14,636)	-	(105,322)
- short-term investments	(10,588)	-	(207,304)	-	(217,892)
Net gain on disposal on plant and equipment	(155,132)	-	(37,990)	-	(193,122)
Net unrealised (gain)/loss on foreign exchange	(316,271)	2,061	(512)	-	(314,722)

#### 29.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	The Group	
	2025 RM	2024 RM
Malaysia	44,165,431	43,074,305
India	38,827,216	48,279,673
Others	9,205,835	10,523,251
	<b>92,198,482</b>	<b>101,877,229</b>

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 29. OPERATING SEGMENTS (CONT'D)

#### 29.2 GEOGRAPHICAL INFORMATION (CONT'D)

The geographical information for non-current assets is not presented as the Group operates primarily in Malaysia during the reporting period.

#### 29.3 MAJOR CUSTOMERS

The following is the major customer with revenue equal to or more than 10% of the Group's total revenue:-

	2025 RM	The Group 2024 RM	Segment
Customer 1	117,302,411	17,206,490	Production

### 30. CAPITAL COMMITMENTS

	2025 RM	The Group 2024 RM
<b><u>Approved and contracted for:</u></b>		
Construction of buildings	743,853	92,951
Acquisition of plant and machinery	106,413	612,112
Acquisition of factory tools and equipment	31,712	-
Acquisition of motor vehicle	278,021	-
Acquisition of forklift	-	109,000
Acquisition of electrical equipment and fittings	-	786,500
Acquisition of lab equipment	27,800	959,714
Acquisition of software	69,174	24,300
	1,256,973	2,584,577

### 31. 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.

#### 31.1 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 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 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					Singapore		Australian		Ringgit		Total
	Dollar	Dollar	Yuan	Dollar	Dollar	Dollar	Dollar	Malaysia	Malaysia	RM	RM	
<b>2025</b>												
<b>Financial Assets</b>												
Trade receivables	7,762,820		-	7,962	-					8,513,444		16,284,226
Other receivables and deposits	12,963		-	-	-					448,389		461,352
Short-term investments	2,016,850		-	-	-					3,741,673		5,758,523
Cash and bank balances	1,558,920		2,521	-	-			56		4,084,360		5,645,857
	11,351,553		2,521	7,962				56		16,787,866		28,149,958
<b>Financial Liabilities</b>												
Trade payables	172,926		600,529	-	-					4,003,325		4,776,780
Other payables and accruals	2,090,330		-	-	-					3,977,576		6,067,906
Bankers' acceptances	-		-	-	-					5,182,000		5,182,000
Post-shipment buyer loans	-		-	-	-					2,224,039		2,224,039
Revolving credits	-		-	-	-					1,200,000		1,200,000
Term loans	-		-	-	-					4,596,341		4,596,341
	2,263,256		600,529	-	-					21,183,281		24,047,066
Net financial assets/(liabilities)	9,088,297		(598,008)	7,962				56		(4,395,415)		4,102,892
Add: Net financial liabilities denominated in the entity's functional currency	-		-	-	-			-		4,395,415		4,395,415
Currency exposure	9,088,297		(598,008)	7,962				56		-		8,498,307

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2025 (Cont'd)

#### 31. FINANCIAL INSTRUMENTS (CONT'D)

##### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (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 Assets</u>						
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
Cash and bank balances	2,504,482	2,927	-	48	4,982,756	7,490,213
	12,662,644	2,927	15,559	48	19,516,043	32,197,221
<u>Financial Liabilities</u>						
Trade payables	-	647,062	-	-	5,156,503	5,803,565
Other payables and accruals	5,036,988	479,631	-	-	2,869,474	8,386,093
Bankers' acceptances	-	-	-	-	4,825,000	4,825,000
Post-shipment buyer loans	-	-	-	-	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)	7,625,656	(1,123,766)	15,559	48	783,733	7,301,230
Less: Net financial assets denominated in the entity's functional currency	-	-	-	-	(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 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 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:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on (Loss)/Profit After Taxation</b>		
USD/RM		
- strengthened by 5%	-345,355	+289,775
- weakened by 5%	+345,355	-289,775
CNY/RM		
- strengthened by 5%	+22,724	-42,703
- weakened by 5%	-22,724	+42,703
SGD/RM		
- strengthened by 5%	-303	+591
- weakened by 5%	+303	-591
AUD/RM		
- strengthened by 5%	-2	+2
- weakened by 5%	+2	-2

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 15 and 20 to the financial statements.

The Company does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

###### (ii) Interest Rate Risk (Cont'd)

###### *Interest Rate Risk Sensitivity Analysis*

An increase of 50 basis points in interest rates of floating rate borrowings amounting to RM13,202,380 (2024 - RM10,706,333) at the end of the reporting period would have increased/ (decreased) the Group's (loss)/profit after taxation by RM50,169 (2024 - RM40,684). The analysis assumes that all other variables remain constant. A decrease of 50 basis points in the interest rates would have had an equal but opposite effect on the Group's (loss)/profit after taxation. There is no impact on the Group's equity.

###### (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 and other 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 and the Company minimise 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

The Group determines the concentration of credit risk by monitoring the geographical distribution of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Malaysia	8,513,444	8,727,334
India	6,665,546	5,897,845
Others	1,105,236	385,305
	16,284,226	15,010,484

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2024 - 1) customers which constituted approximately 27% (2024 - 22%) of its trade receivables.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (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).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM13,202,380 (2024 - RM10,706,333), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

###### (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 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.

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 difficulty 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; or
- 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 patterns.

##### 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.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### Trade Receivables (Cont'd)

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

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 (2024 - 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.

###### *Allowance for Impairment Losses*

The information about the credit exposure and the loss allowances recognised for trade receivables is as follows:-

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
<b>The Group</b>				
<b>2025</b>				
Current (not past due)	10,841,587	-	-	10,841,587
1 to 30 days past due	4,126,911	-	-	4,126,911
31 to 60 days past due	893,740	-	-	893,740
61 to 90 days past due	183,837	-	-	183,837
More than 90 days past due	238,151	-	-	238,151
Trade receivables	16,284,226	-	-	16,284,226

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 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 (Cont'd)*

The information about the credit exposure and the loss allowances recognised for trade receivables is as follows (Cont'd):-

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
<b>2024</b>				
Current (not past due)	10,201,300	-	-	10,201,300
1 to 30 days past due	3,457,546	-	-	3,457,546
31 to 60 days past due	781,516	-	-	781,516
61 to 90 days past due	168,840	-	-	168,840
More than 90 days past due	401,282	-	-	401,282
Trade receivables	15,010,484	-	-	15,010,484

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.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. The remaining receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### Other Receivables (Cont'd)

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

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.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

###### *Allowance for Impairment Losses*

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

###### Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, 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 Company uses 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

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 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)*

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.

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.

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

##### 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>2025</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	-	4,776,780	4,776,780	4,776,780	-
Other payables and accruals	-	6,067,906	6,067,906	6,067,906	-
Bankers' acceptances	3.79 - 3.94	5,182,000	5,182,000	5,182,000	-
Post-shipment buyer loans	3.91 - 3.96	2,224,039	2,224,039	2,224,039	-
Revolving credits	4.22 - 4.26	1,200,000	1,200,000	1,200,000	-
Term loans	4.40 - 4.70	4,596,341	5,039,215	1,280,198	3,759,017
Lease liabilities	4.45 - 5.82	1,059,521	1,109,740	557,620	552,120
		25,106,587	25,599,680	21,288,543	4,311,137
<b>2024</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	-	5,803,565	5,803,565	5,803,565	-
Other payables and accruals	-	8,386,093	8,386,093	8,386,093	-
Bankers' acceptances	4.00 - 4.20	4,825,000	4,825,000	4,825,000	-
Post-shipment buyer loans	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

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 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>2025</b>			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	42,688	42,688	42,688
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	-	13,202,380	13,202,380
	42,688	13,245,068	13,245,068
<b>2024</b>			
<u>Non-derivative 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

\* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not materials.

#### 31.2 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 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.2 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 net debts divided by total equity. The Group includes within net debts, interest bearing loans and borrowings from financial institutions, less cash and cash equivalents. 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:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Bankers' acceptances	5,182,000	4,825,000
Post-shipment buyer loans	2,224,039	1,740,910
Revolving credits	1,200,000	-
Term loans	4,596,341	4,140,423
	<hr/>	<hr/>
	13,202,380	10,706,333
Less: Cash and bank balances (Note 26(d))	(5,645,857)	(7,490,213)
	<hr/>	<hr/>
Net debt	7,556,523	3,216,120
	<hr/>	<hr/>
Total equity	69,465,149	73,366,274
	<hr/>	<hr/>
Debt-to-equity ratio	0.11	0.04
	<hr/>	<hr/>

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.

#### 31.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments	5,758,523	9,354,881	3,729,388	5,452,436
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Amortised Costs</u>				
Trade receivables	16,284,226	15,010,484	-	-
Other receivables and deposits	461,352	341,643	32,660	30,315
Amount owing by subsidiaries	-	-	9,886,419	7,083,332
Cash and bank balances	5,645,857	7,490,213	79,364	29,450
	<hr/>	<hr/>	<hr/>	<hr/>
	22,391,435	22,842,340	9,998,443	7,143,097
	<hr/>	<hr/>	<hr/>	<hr/>

# Notes to the Financial Statements

## For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Financial Liabilities</b>				
<u>Amortised Costs</u>				
Trade payables	4,776,780	5,803,565	-	-
Other payables and accruals	6,067,906	8,386,093	42,688	32,970
Bankers' acceptances	5,182,000	4,825,000	-	-
Post-shipment buyer loans	2,224,039	1,740,910	-	-
Revolving credits	1,200,000	-	-	-
Term loans	4,596,341	4,140,423	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	24,047,066	24,895,991	42,688	32,970

#### 31.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Net gain recognised in profit or loss by:				
- designated upon initial recognition	326,907	377,016	172,952	206,436
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	88,112	47,761	411,658	2,944
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Financial Liability</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(529,768)	(495,789)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.5 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 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2025</b>								
<u>Financial Assets</u>								
Short-term investments: - money market funds	-	5,758,523	-	-	-	-	5,758,523	5,758,523
<u>Financial Liability</u>								
Term loans	-	-	-	-	4,596,341	-	4,596,341	4,596,341
<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

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2025 (Cont'd)

#### 31. FINANCIAL INSTRUMENTS (CONT'D)

##### 31.5 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>2025</b>								
<u>Financial Asset</u>								
Amount owing by a subsidiary (non-current)	-	-	-	-	-	2,640,969	2,640,969	2,645,720
Short-term investments: - money market funds	-	3,729,388	-	-	-	-	3,729,388	3,729,388
<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 2025 (Cont'd)

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.5 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 amount owing by a subsidiary (non-current) is calculated based on present value of the projected repayment of loans.

### 32. 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):-		
Fixed deposits with licensed banks	3,808,944	-
Cash and bank balances	3,681,269	7,490,213
Merger deficit	(4,100,000)	-
Reorganisation deficit	(51,411,200)	(55,511,200)
Trade payables	5,729,349	5,803,565
Other payables and accruals	8,488,649	8,414,433
Consolidated Statement of Cash Flows (Extract):-		
Net cash for investing activities	(10,125,058)	(16,026,554)
Net cash from financing activities	7,469,248	5,246,323
Net increase/(decrease) in cash and cash equivalents	6,472,314	(1,652,107)
Cash and cash equivalents at beginning of the financial year	10,545,058	9,133,291
Effect of foreign exchange translation	(172,278)	9,029
Cash and cash equivalents at end of the financial year	16,845,094	7,490,213

## Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (Cont'd)

### 32. COMPARATIVE FIGURES (CONT'D)

The following figures have been reclassified to conform with the presentation of the current financial year (Cont'd):-

<b>The Company</b>	<b>As Previously Reported RM</b>	<b>As Restated RM</b>
Statement of Cash Flows (Extract):-		
Net cash (for)/from operating activities	3,591,999	(3,428,001)
Net cash for investing activities	(6,873,952)	(5,306,388)
Net increase in cash and cash equivalent	5,461,686	9,250
Cash and cash equivalents at end of the financial year	5,481,886	29,450

### 33. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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.

# Disclosure of Financial Data for Shariah Screening

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

## (A) Group Total Income and Total Assets

	The Group	
	2025 RM	2024 RM
<b>Total Income</b>		
Revenue	92,198,482	101,877,229
Other income	542,353	876,940
Interest income	261,475	323,214
<b>Total</b>	<b>93,002,310</b>	<b>103,077,383</b>
<b>Total Assets</b>	<b>98,807,660</b>	<b>103,889,516</b>

## (B) Business Activities

Shariah Non-Compliant Activities	Remarks	The Group	
		2025 RM	2024 RM
Interest income	Conventional	77,382	107,963
<b>Total</b>		<b>77,382</b>	<b>107,963</b>

## (C) Component of Financial Position

### (i) Cash Component

Islamic Account/Instruments	The Group	
	2025 RM	2024 RM
Cash in hand	14,893	13,238
Cash at bank (exclude cash in hand)	980	-
Unit trust funds	5,758,523	9,354,881
<b>Total</b>	<b>5,774,396</b>	<b>9,368,119</b>

Conventional Account/Instruments	The Group	
	2025 RM	2024 RM
Cash at bank (exclude cash in hand)	5,629,984	7,476,975
<b>Total</b>	<b>5,629,984</b>	<b>7,476,975</b>

## Disclosure of Financial Data for Shariah Screening (Cont'd)

### (C) Component of Financial Position (Cont'd)

#### (ii) Debt Component

	The Group	
	2025 RM	2024 RM
<b>Islamic Financing</b>		
<b>Current</b>		
Commodity Financing	788,232	570,000
<b>Non-Current</b>		
Commodity Financing	2,647,442	1,271,640
<b>Total</b>	<b>3,435,674</b>	<b>1,841,640</b>

	Remarks	The Group	
		2025 RM	2024 RM
<b>Conventional Borrowing</b>			
<b>Current</b>			
Term loans		311,367	1,295,114
Banker's acceptances		5,182,000	4,825,000
Revolving credit and loans		1,200,000	-
Other interest bearing debt	Post-shipment buyer loans	2,224,039	1,740,910
<b>Non-Current</b>			
Term loans		849,300	1,003,669
<b>Total</b>		<b>9,766,706</b>	<b>8,864,693</b>

# List of Properties

As at 31 December 2025

Registered Owner	Postal Address / Title Details	Description of Property / Existing Use	Approximate Land / Build-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 Pulai, 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>	<ul style="list-style-type: none"> <li>N/A (Land)</li> <li>9 years (Manufacturing plant)</li> <li>3 years (Hostel)</li> </ul>	11,924
Zantat Sdn Bhd	PT 21289 (Lot 335978), Kaw. Industri Batu Kapur Keramat Pulai, 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>	<ul style="list-style-type: none"> <li>N/A (Land)</li> <li>7 Years (Manufacturing plant)</li> </ul>	14,095
Zantat Sdn Bhd	PT 21294 (Lot 335983) Kaw. Industri Batu Kapur Keramat Pulai, 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	2,657
Zantat Light C.C. Sdn Bhd	PT 22565, Kaw. Industri Batu Kapur Keramat Pulai, 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	415
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>	<ul style="list-style-type: none"> <li>N/A (Land)</li> <li>24 Years (Manufacturing plant)</li> </ul>	1,501
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	8 years	394

# Analysis of Shareholdings

As at 31 March 2026

Number of Shares Issued	:	284,753,400
Voting rights	:	One vote for one ordinary share
No. of Shareholders	:	1,874

## Distribution of shareholdings

CATEGORY	NO. OF HOLDERS	%	NO. OF SHARES	%
Less than 100	1	0.053	99	0.000
100 - 1,000	262	13.981	111,900	0.039
1,001 - 10,000	735	39.221	4,456,401	1.565
10,001 - 100,000	723	38.581	24,428,000	8.579
100,001 to less than 5% of issued shares	150	8.004	113,026,400	39.693
5% and above of issued shares	3	0.160	142,730,600	50.124
<b>TOTAL</b>	<b>1,874</b>	<b>100.000</b>	<b>284,753,400</b>	<b>100.000</b>

SUBSTANTIAL SHAREHOLDERS	SHAREHOLDINGS			
	Direct Interest	%	Deemed interest	%
1. CLHF RESOURCES SDN BHD	110,506,600	38.807	-	-
2. TEH AH SOON @ TEH SOON TICK	17,648,000	6.197	-	-
3. CHAN ENG HUE	14,576,000	5.118	-	-
4. CHAN HUP OOI	8,735,500	3.067	118,242,100 <sup>(1)(2)</sup>	41.524

### Notes:

<sup>(1)</sup> Deemed interested by virtue of his shareholdings in CLHF Resources Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act 2016.

<sup>(2)</sup> Disclosure of shares held by his spouse, Lee Mei Choon who is not a director of the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS	SHAREHOLDINGS			
	Direct Interest	%	Deemed interest	%
1. YAP YOON KONG	-	-	-	-
2. CHAN BIN IUAN	10,745,500	3.773	110,506,600 <sup>#</sup>	38.807
3. CHAN JEE CHET	7,735,500	2.716	110,506,600 <sup>#</sup>	38.807
4. CHAN JEE YANG	7,735,500	2.716	110,506,600 <sup>#</sup>	38.807
5. AW EE LING	300,000	0.105	-	-
6. POO LAP TUCK	-	-	-	-
7. DR. GAN SENG KIAN	-	-	-	-
8. RIMA RAMONA BINTI MUHAMMAD ARIF	-	-	-	-
9. DR. TEH GEOK BEE	-	-	-	-

### Note:

<sup>#</sup> Deemed interested by virtue of his father, Chan Hup Ooi's shareholdings in CLHF Resources Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act 2016.

## Analysis of Shareholdings As at 31 March 2026 (Cont'd)

### THIRTY (30) LARGEST SHAREHOLDERS

NOS.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CLHF RESOURCES SDN BHD	110,506,600	38.807
2	TEH AH SOON @ TEH SOON TICK	17,648,000	6.197
3	CHAN ENG HUE	14,576,000	5.118
4	CHAN BIN IUAN	10,745,500	3.773
5	CHAN HUP OOI	8,735,500	3.067
6	CHAN JEE CHET	7,735,500	2.716
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE MEI CHOON	7,735,500	2.716
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN JEE YANG	7,735,500	2.716
9	TEH KOH TUN	6,266,000	2.200
10	TEH SU HUI	6,216,000	2.182
11	LIM GAIK LAN	5,182,400	1.819
12	CHEAH YEE LIN	3,000,000	1.053
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YOUNG CHUAN KIM (E-KTU)	2,700,000	0.948
14	CHONG JIA SHUN	2,450,600	0.860
15	TCT FARM SDN. BHD.	1,950,000	0.684
16	NG PAIK HOON	1,381,300	0.485
17	WONG CHUNG HUA	1,329,000	0.466
18	NG KHENG YEOW	1,179,000	0.414
19	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SWEE PHIN (MGN-TSP0004M)	900,000	0.316
20	NG LIM MOOI	860,900	0.302
21	CHEN THEAN SEONG	860,000	0.302
22	TAN SEOK GUAN	800,000	0.280
23	ABD GHANI BIN ABDULLAH	754,500	0.264
24	MUHAMMAD BAZLI BIN MOHD HARIS	680,000	0.238
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI EE PENG (E-TAI)	641,200	0.225
26	CHEAH YOON SIN	637,500	0.223
27	LIM CHUI HUONG	604,000	0.212
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOR BAK SENG	601,000	0.211
29	LIM CHEE CHANG	600,000	0.210
30	CHEENG SUI PING	575,000	0.201
	<b>TOTAL</b>	<b>225,586,500</b>	<b>79.221</b>

# Notice of 4<sup>th</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the 4<sup>th</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 **Thursday, 28 May 2026 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 2025 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 totalling RM820,000 for the financial year ending 31 December 2026.  | <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 2026 and up to the date of the 5 <sup>th</sup> AGM of the Company. | <b>RESOLUTION 2</b>                        |
| 4. | To re-elect Mr Chan Jee Chet, 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 Dr Gan Seng Kian, 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 Puan Rima Ramona Binti Muhammad Arif, who retires in accordance with Article 18.2 of the Company’s Constitution and being eligible, has offered herself for re-election.   | <b>RESOLUTION 5</b>                        |
| 7. | To re-elect Mr Chan Jee Yang, who retires in accordance with Article 18.9 of the Company’s Constitution and being eligible, has offered himself 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>                        |

## Notice of 4<sup>th</sup> Annual General Meeting (Cont'd)

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Special and Ordinary Resolution with or without modifications

#### 9. AUTHORITY TO ALLOT AND ISSUE SHARES BY THE DIRECTORS UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

RESOLUTION 8

“**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.

**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. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (“PROPOSED AMENDMENTS”)

SPECIAL  
RESOLUTION

“**THAT** the Proposed Amendments as set out in “Appendix A” on pages 223 to 226 of the Integrated Annual Report 2025 be and is hereby approved and adopted.

**AND THAT** the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Amendments with full power to assent to any conditions, variations, modifications and/or amendments as may be required or imposed by the relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Amendments.”

11. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

**SIEW SUET WEI (MAICSA 7011254)**

SSM Practising Certificate No. 202008001690

Company Secretary

Petaling Jaya

Date: 30 April 2026

## Notice of 4<sup>th</sup> Annual General Meeting (Cont'd)

### NOTES:

1. For the purpose of determining a member who shall be entitled to attend and vote at the 4<sup>th</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 19 May 2026**. Only a depositor whose name appears on the Record of Depositors as of 19 May 2026 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
2. 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.
3. 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.
4. 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.
5. 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.
6. The duly completed and executed Form of Proxy must be deposited at the Company's Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur 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 Form of Proxy may be submitted electronically via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at <https://srmy.vistra.com> not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
7. 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.
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 2025**

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.

## Notice of 4<sup>th</sup> Annual General Meeting (Cont'd)

### **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 2026 which have been reviewed by the Nomination and Remuneration Committee ("**NRC**") and recommended to 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 2026 and up to the date of the 5th AGM of the Company which have been reviewed by the NRC 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 2026. 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 Jee Chet, Dr Gan Seng Kian and Puan Rima Ramona Binti Muhammad Arif ("**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 4<sup>th</sup> AGM.

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the 4<sup>th</sup> AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the NRC 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 2025. The NRC 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;
- (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 NRC on the above re-election. The profiles of the Retiring Directors are set out on pages 117 to 125 of the Integrated Annual Report 2025 of the Company.

Mr Chan Jee Yang was appointed as Director on 1 January 2026. 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.

## Notice of 4<sup>th</sup> Annual General Meeting (Cont'd)

### 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 4<sup>th</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 FYE2026, 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 3rd AGM held on 30 May 2025 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.

### 6. **Special Resolution: Proposed Amendments to the Constitution of the Company**

The Proposed Amendments are mainly to ensure compliance with the relevant regulatory requirements as well as to enhance administrative efficiency. The Proposed Amendments to be made to the Constitution are listed as per Appendix A, which is circulated together with the Notice of 4<sup>th</sup> AGM dated 30 April 2026.

The Proposed Amendments shall take effect once the special resolution has been passed by a majority of not less than seventy-five percent (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

## **STATEMENT ACCOMPANYING NOTICE OF 4<sup>TH</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 4<sup>th</sup> AGM of the Company for details.

## Notice of 4<sup>th</sup> Annual General Meeting (Cont'd)

### APPENDIX A

#### PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

##### Details of the Proposed Amendments to the Constitution

This is the Appendix A referred to in Agenda 10 of the Notice of 4th Annual General Meeting of the Company dated 30 April 2026.

Article	Existing	Proposed	Page
5.1	<p><b><u>Modification of class rights</u></b></p> <p>If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to all Applicable Laws, be varied or abrogated with the consent in writing of the holders of three fourths (3/4) of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of this Constitution relating to meetings of Members shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.</p>	<p><b><u>Modification of class rights</u></b></p> <p>If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to all Applicable Laws, be varied or abrogated with the consent in writing of the holders of <b>seventy-five percent (75%)</b> of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of this Constitution relating to meetings of Members shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.</p>	6

## Notice of 4<sup>th</sup> Annual General Meeting (Cont'd)

### **Details of the Proposed Amendments to the Constitution (Cont'd)**

Article	Existing	Proposed	Page
13.2	<p><b><u>Offer of new shares</u></b></p> <p>Subject to any direction to the contrary that may be given by the Company in a meeting of Members, all new shares or other convertible securities of whatever kind shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Board, be conveniently offered under this Constitution.</p>	<p><b><u>Offer of new shares</u></b></p> <p>Subject to any direction to the contrary that may be given by the Company in a meeting of Members, all new shares or other convertible securities of whatever kind shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Board, be conveniently offered under this Constitution.</p> <p><b>For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible Securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible Securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.</b></p> <p><b>In any case and in respect of any issuance of shares or convertible Securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible Securities in proportion to the shareholdings of the existing Members.</b></p>	14
15.4	<p><b><u>Meetings of members at two or more venues</u></b></p> <p>The meeting of Members may be held at more than (1) one venue using any technology or method that enables the Members to participate and to exercise the Members' rights to speak and vote at the meeting.</p>	<p><b><u>Meetings of members at two or more venues</u></b></p> <p>The meeting of Members may be held <b>by fully virtual or hybrid</b> at more than (1) one venue using any technology or method that enables the Members to participate and to exercise the Members' rights to speak and vote at the meeting.</p>	15

## Notice of 4<sup>th</sup> Annual General Meeting (Cont'd)

### **Details of the Proposed Amendments to the Constitution (Cont'd)**

Article	Existing	Proposed	Page
15.6	<p><b><u>Business at meetings</u></b></p> <p>Subject always to all Applicable Laws, no business shall be transacted at a meeting of Members except business of which notice has been given in the notice convening the meeting. All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of declaring dividends, the laying of audited financial statements and the reports of the Directors and Auditors, the election of Directors in place of those retiring, the voting of the Directors' fees and benefits, and the appointment and fixing of the remuneration of the Auditors in accordance with the Act. The notice convening a meeting to consider a Special or Ordinary Resolution shall specify the intention to propose the resolution as a Special or Ordinary Resolution, as the case may be.</p>	<p><b><u>Business at meetings</u></b></p> <p>Subject always to all Applicable Laws, no business shall be transacted at a meeting of Members except business of which notice has been given in the notice convening the meeting. All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of the laying of audited financial statements and the reports of the Directors and Auditors, the election of Directors in place of those retiring, the voting of the Directors' fees and benefits, and the appointment and fixing of the remuneration of the Auditors in accordance with the Act. The notice convening a meeting to consider a Special or Ordinary Resolution shall specify the intention to propose the resolution as a Special or Ordinary Resolution, as the case may be.</p>	16
18.1	<p><b><u>Number of Directors</u></b></p> <p>Until otherwise determined by a meeting of Members, the number of Directors shall not be less than two (2) or more than eleven (11).</p>	<p><b><u>Number of Directors</u></b></p> <p>Until otherwise determined by a meeting of Members, the number of Directors shall not be less than two (2).</p>	22
22.1	<p><b><u>Meeting of Directors</u></b></p> <p>The Third Schedule of the Act shall not apply to the Company. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall at his requisition summon a meeting of the Directors. Directors may participate in a meeting of the Directors by means of a conference telephone or similar electronic telecommunication device by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the Directors and participation in a meeting pursuant to this Clause shall constitute presence in person at such meeting.</p>	<p><b><u>Meeting of Directors</u></b></p> <p>The Third Schedule of the Act shall not apply to the Company. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall at his requisition summon a meeting of the Directors. Directors <b>or any invitees</b> may participate in a meeting of the Directors by means of a conference telephone or similar electronic telecommunication device by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the Directors and participation in a meeting pursuant to this Clause shall constitute presence in person at such meeting.</p>	26

## Notice of 4<sup>th</sup> Annual General Meeting (Cont'd)

### **Details of the Proposed Amendments to the Constitution (Cont'd)**

Article	Existing	Proposed	Page
33.1	<p><b><u>Appointment of Auditors</u></b></p> <p>The Auditors shall be appointed for each financial year by Ordinary Resolution at the annual general meeting of the Company in accordance with Section 271 of the Act.</p>	<p><b><u>Appointment of Auditors</u></b></p> <p>The Auditors shall be appointed for each financial year in accordance with Section 271 of the Act.</p>	33
25.5	New provision	<p><b><u>Participation at Meeting of committees by way of telephone and video conference</u></b></p> <p>The committee meetings may be held by fully virtual or hybrid at more than one (1) venue using any technology or method. A committee member or any invitees may participate in a meeting of the committees by means of a conference telephone or similar electronic telecommunication device by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the meeting and participation in a meeting pursuant to this Article shall constitute presence in person at such meeting.</p>	
27.2	New provision	<p><b><u>Validity of Electronic / Digital Signature</u></b></p> <p>For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and/or electronic or digital signature of any of the following persons:</p> <p>(a) a holder of Shares;</p> <p>(b) a Director (including Alternate Director);</p> <p>(c) a committee member;</p> <p>(d) in the case of a corporation, which is a holder of shares, its director or secretary or a duly appointed attorney or duly authorised representative, shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.</p>	

# Administrative Guide

For Shareholders for the 4<sup>th</sup> Annual General Meeting (“AGM”)

<b>Date</b>	: Thursday, 28 May 2026
<b>Time</b>	: 10.00 a.m.
<b>Meeting Venue</b>	: 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**

- a) Registration will commence at 9.00 a.m. and will end at a time as directed by the Chairman of the Meeting.
- b) Kindly present your original MyKad or passport (for Non-Malaysian) to the registration personnel at the registration counter for verification.
- c) Upon verification, you are required to sign the Attendance List and will be given a wristband for entry to the meeting venue. There will be no replacement of wristband in the event you lose or misplace the wristband.
- d) Registration on behalf of another person even with his/her original MyKad or passport is strictly NOT ALLOWED.
- e) If you are attending the AGM as shareholder as well as proxy, you will be registered once and will only be given one wristband.

## 2. **ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS**

Only a shareholder whose name appears on the Record of Depositors as at 19 May 2026 shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

## 3. **APPOINTMENT OF PROXY**

Form of Proxy and/or documents relating to the appointment of proxy/corporate representative/attorney for the 4<sup>th</sup> AGM whether in hardcopy or by electronic means shall be deposited or submitted in the following manner not later than Tuesday, 26 May 2026 at 10.00 a.m.:-

- a) In hard copy form:-  
In the case of an appointment made in hard copy form, this Form of Proxy 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 box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

## Administrative Guide For Shareholders for the 4<sup>th</sup> Annual General Meeting (“AGM”)

### 3. **APPOINTMENT OF PROXY (CONT'D)**

#### b) **By electronic means:-**

The Form of Proxy can be electronically lodge via Vistra Share Registry and IPO (MY) portal (“**The Portal**”) at <https://srmy.vistra.com> and the steps to submit are summarised as follows:-

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
Register as a User at the Portal	<ul style="list-style-type: none"> <li>• Visit the website at <a href="https://srmy.vistra.com">https://srmy.vistra.com</a>.</li> <li>• Click “Register” and select “Individual Holder”, then complete the New User Registration Form.</li> <li>• For guidance, you may refer to the tutorial guide available on the homepage.</li> <li>• Once registration is completed, you will receive an email notification to verify your registered email address.</li> <li>• After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved.</li> <li>• Upon receiving the confirmation email, activate your account by creating a password.</li> </ul> <p><i>(If you are an existing user with the Portal or had registered with TIIH Online portal previously, you are not required to register again. You will automatically receive a notification once the remote participation is available for registration at the Portal.)</i></p>
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 to the Portal with your email address and password.</li> <li>• Select the corporate event: “<b>ZANTAT HOLDINGS BERHAD 4<sup>TH</sup> AGM</b>”.</li> <li>• Navigate to the 3 dots at the end of the corporate event and choose “<b>SUBMISSION OF PROXY FORM</b>”.</li> <li>• Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>• Indicate the total number of shares assigned to your proxy(ies) to vote on your behalf.</li> <li>• Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman of the meeting as your proxy.</li> <li>• Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>• Print the proxy form for your record.</li> </ul>
Procedure	Action
<b>ii. Steps for Corporation or Institutional Shareholders</b>	
Register as a User at the Portal	<ul style="list-style-type: none"> <li>• Visit the website at <a href="https://srmy.vistra.com">https://srmy.vistra.com</a>.</li> <li>• Click “Register” and select “<b>Representative of Corporate Holder</b>”, then complete the New User Registration Form.</li> <li>• Complete the registration form with your personal details and upload the required documents.</li> <li>• Once registration is completed, you will receive an email notification to verify your registered email address.</li> <li>• After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved.</li> <li>• Upon receiving the confirmation email, activate your account by creating a 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 if you need clarifications on the user registration.</i></p>

## Administrative Guide For Shareholders for the 4<sup>th</sup> Annual General Meeting (“AGM”)

### 3. **APPOINTMENT OF PROXY (CONT'D)**

#### b) **By electronic means:- (Cont'd)**

Procedure	Action
<b>ii. <u>Steps for Corporation or Institutional Shareholders</u></b>	
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>• Login to the Portal at <a href="https://srmy.vistra.com">https://srmy.vistra.com</a> with your email address and password.</li> <li>• Select the corporate event: “<b>ZANTAT HOLDINGS BERHAD 4<sup>TH</sup> AGM</b>”</li> <li>• Navigate to the icon “&gt;” at the end of the corporate event.</li> <li>• Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>• Select the corporate holder’s name.</li> <li>• Proceed to download the submission file.</li> <li>• Prepare the file for the appointment of proxy(ies) by inserting the required data.</li> <li>• Proceed to upload the duly completed proxy appointment file.</li> <li>• Select “Confirm” 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**

- a) 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.
- b) The polling processes will be managed by the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator, and Scrutineers 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 **Company Secretary** during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) at 03-77270033.



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

# FORM OF PROXY

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.*	Proportion of shareholdings	
		No. of shares	%
Full Address			
Email Address		Contact No.	

and/or (delete as appropriate)

## PROXY 2

Full name (in Block Letters)	NRIC / Passport No.*	Proportion of shareholdings	
		No. of shares	%
Full Address			
Email Address		Contact No.	

**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 4<sup>th</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 **Thursday, 28 May 2026 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 RM820,000 for the financial year ending 31 December 2026				
<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 2026 and up to the date of the 5th AGM of the Company				
<b>RESOLUTION 3</b>	To re-elect Mr Chan Jee Chet, who retires in accordance with Article 18.2 of the Company’s Constitution				
<b>RESOLUTION 4</b>	To re-elect Dr Gan Seng Kian, who retires in accordance with Article 18.2 of the Company’s Constitution				
<b>RESOLUTION 5</b>	To re-elect Puan Rima Ramona Binti Muhammad Arif, who retires in accordance with Article 18.9 of the Company’s Constitution				
<b>RESOLUTION 6</b>	To re-elect Mr Chan Jee Yang, 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				
<b>SPECIAL RESOLUTION</b>	Proposed amendments to the Constitution of the Company				

\*Delete where applicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

\_\_\_\_\_  
Signature of Member(s) / Common Seal of Member



**NOTES:**

1. For the purpose of determining a member who shall be entitled to attend and vote at the 4<sup>th</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 19 May 2026. Only a depositor whose name appears on the **Record of Depositors as of 19 May 2026** shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
2. 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.
3. 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.
4. 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.
5. 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.
6. The duly completed and executed Form of Proxy must be deposited at the Company's Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur 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 Form of Proxy may be submitted electronically via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at <https://srmy.vistra.com> not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
7. 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 the duly executed proxy form, the member (i) consents to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting, including any adjournment thereof and (ii) warrants that where the member discloses the personal data of the member's proxy(ies), attorney(s) and/or representative(s) to the Company (and/or its agents/service providers), the member has obtained the prior consent of such persons for the collection, use and disclosure by the Company (and/or its agents/service providers) of the personal data of such persons for the purpose of the Annual General Meeting, including any adjournment thereof, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Then fold here

**"4<sup>TH</sup> ANNUAL GENERAL MEETING"**

**AFFIX  
STAMP**

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)

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