



ZANTAT HOLDINGS BERHAD
(Registration No: 202101040483 (1440783-X))
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024**

ZANTAT HOLDINGS BERHAD
Registration No.: 202101040483 (1440783-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME⁽¹⁾⁽²⁾**
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	Quarter Ended		Year-To-Date Ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	28,757	N/A	28,757	N/A
Cost of sales	(16,770)	N/A	(16,770)	N/A
Gross profit	11,987	N/A	11,987	N/A
Other income	708	N/A	708	N/A
Selling and distribution expenses	(5,519)	N/A	(5,519)	N/A
Administrative expenses ⁽³⁾	(3,750)	N/A	(3,750)	N/A
Other expenses	(367)	N/A	(367)	N/A
Finance cost	(257)	N/A	(257)	N/A
Profit before taxation	2,802	N/A	2,802	N/A
Income tax expense	(871)	N/A	(871)	N/A
Profit after taxation/ total comprehensive income for the period	1,931	N/A	1,931	N/A
Profit after taxation/ total comprehensive income for the period attributable to:				
Owners of the Group	1,931	N/A	1,931	N/A
Earnings per share ("EPS")				
- Basic (sen) ⁽⁴⁾	0.9	N/A	0.9	N/A
- Diluted (sen) ⁽⁵⁾	0.9	N/A	0.9	N/A

Notes:

- (1) The above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 6 March 2024 in relation to its initial public offering ("IPO"), as well as the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding corresponding quarter and period-to-date as the Company was listed on the ACE Market of Bursa Securities on 27 March 2024 and no interim financial report was prepared for the comparative financial period concerned.

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- (3) Administrative expenses included non-recurring listing expenses of approximately RM0.9 million. For illustration purposes only, the Group's normalised financial performance after adjusting for the non-recurring listing expenses is as follows:

	Quarter Ended		Year-To-Date Ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	2,802	N/A	2,802	N/A
Add: Listing expenses	943	N/A	943	N/A
Adjusted profit before taxation	3,745	N/A	3,745	N/A

- (4) Basic EPS is calculated based on the weighted average number of ordinary shares of the Company of 227,076,923 as at 31 March 2024.
- (5) Diluted EPS is equal to the basic EPS as there is no dilutive instruments as at 31 March 2024.

N/A Not applicable.

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ZANTAT HOLDINGS BERHAD
Registration No.: 202101040483 (1440783-X)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 31 MARCH 2024

	As at 31.03.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,069	47,802
Right-of-use assets	7,194	7,338
Total non-current assets	54,263	55,140
Current assets		
Inventories	7,649	7,928
Trade receivables	19,711	20,416
Other receivables, deposits and prepayments	2,672	1,553
Current tax assets	430	283
Short-term investment	16,825	1,412
Fixed deposits with licensed banks	1,811	4,138
Cash and bank balances	4,706	4,996
Total current assets	53,804	40,726
TOTAL ASSETS	108,067	95,866
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	70,355	57,411
Merger deficit	(4,100)	(4,100)
Reorganisation deficit	(51,411)	(51,411)
Retained profits	64,199	62,268
TOTAL EQUITY	79,043	64,168
LIABILITIES		
Non-current liabilities		
Long-term borrowings	4,271	4,768
Deferred tax liabilities	3,412	3,412
Lease liabilities	337	447
Total non-current liabilities	8,020	8,627
Current liabilities		
Trade payables	6,558	7,464
Other payables and accruals	6,870	8,375
Lease liabilities	429	423
Short-term borrowings	7,136	6,809
Current tax liabilities	11	-
Total current liabilities	21,004	23,071
TOTAL LIABILITIES	29,024	31,698
TOTAL EQUITY AND LIABILITIES	108,067	95,866
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾	0.28	0.29

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Notes:

- (1) The above Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 6 March 2024 in relation to its IPO, as well as the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share as at 31 March 2024 is calculated based on the Company's share capital of 280,000,000 ordinary shares.

Net assets per ordinary share as at 31 December 2023 is calculated based on the Company's share capital of 224,000,000 ordinary shares before the IPO (refer to Note A7).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	←	Non-distributable		→	Distributable	
	Share Capital RM'000	Merger Deficit RM'000	Reorganisation deficit RM'000		Retained Profits RM'000	Total Equity RM'000
At 1 January 2024 (Audited)	57,411	(4,100)	(51,411)		62,268	64,168
Profit after taxation/total comprehensive income for the financial period	-	-	-		1,931	1,931
Transactions with owners						
Issuance of shares pursuant to IPO ⁽³⁾	14,000	-	-		-	14,000
Share issuance expenses ⁽⁴⁾	(1,056)	-	-		-	(1,056)
	12,944	-	-		-	12,944
At 31 March 2024 (Unaudited)	70,355	(4,100)	(51,411)		64,199	79,043

Notes:

- (1) The above Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 6 March 2024 in relation to its IPO, as well as the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Issuance of new shares pursuant to the IPO as disclosed in Note A7.
- (4) Listing expenses incurred pursuant to the IPO as disclosed in Note A7 that has been set-off against the equity.

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ZANTAT HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	Year-To-Date Ended 31.03.2024 Unaudited RM'000	Year-To-Date Ended 31.03.2023 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,802	N/A
Adjustments for:		
Depreciation of property, plant and equipment	1,410	N/A
Depreciation of right-of-use assets	144	N/A
Interest expense on lease liabilities	13	N/A
Interest expenses	156	N/A
Gain on disposal of plant and equipment	(104)	N/A
Fair value gain on short-term investment	(41)	N/A
Interest income	(37)	N/A
Unrealised gain on foreign exchange	(462)	N/A
Operating profit before working capital changes	3,881	N/A
Decrease in inventories	279	N/A
Increase in trade and other receivables	(59)	N/A
Decrease in trade and other payables	(2,410)	N/A
CASH FROM OPERATIONS	1,691	N/A
Net income tax paid	(1,006)	N/A
Interest paid	(169)	N/A
NET CASH FROM OPERATING ACTIVITIES	516	N/A
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest income received	37	N/A
Increase in short-term investment	41	N/A
Purchase of property, plant and equipment	(678)	N/A
Proceeds from disposal of property, plant and equipment	104	N/A
NET CASH FOR INVESTING ACTIVITIES	(496)	N/A
CASH FLOWS FOR FINANCING ACTIVITIES		
Net repayment in term loans	(618)	N/A
Net repayment in hire purchase payables	(556)	N/A
Net drawdown in post shipment buyer loan	1,068	N/A
Net repayment in bankers' acceptances	(65)	N/A
Repayment of lease liabilities	(103)	N/A
Proceeds from issuance of ordinary shares	14,000	N/A
Payment of share issuance expenses	(1,056)	N/A
NET CASH FOR FINANCING ACTIVITIES	12,670	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,690	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	10,546	N/A
EFFECT OF FOREIGN EXCHANGE TRANSLATION	106	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	23,342	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 (CONTINUED)

	31.03.2024	31.03.2023
	Unaudited	Unaudited
	RM'000	RM'000
Cash and cash equivalents at end of the financial period are represented by:		
Fixed deposits with licensed banks	1,811	N/A
Cash and bank balances	4,606	N/A
Short-term investment	16,825	N/A
	<u>23,342</u>	<u>N/A</u>

Notes:

- (1) The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 6 March 2024 in relation to its IPO, as well as the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

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A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of Listing Requirements of Bursa Securities.

This is the Company's second interim financial report on the unaudited condensed consolidated financial results for the financial period ended 31 March 2024 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 6 March 2024 in relation to its IPO, as well as the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted for the Group's audited financial statements for the financial year ended 31 December 2023.

The Group has also adopted the following amendments to MFRS and IC Interpretations that came into effect on 1 January 2024 which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application:

- Amendments to MFRS 16: Lease liability in a Sales and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The Group has not applied in advance the following accounting standards that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 December 2023.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A4. Seasonal or Cyclical Factors

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors in the current quarter and financial period-to-date under review.

A5. Unusual Items Due to Their Nature, Size or Incidence

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the current quarter and financial period-to-date under review.

A6. Material Changes in Estimates

There were no material changes in estimates in the current quarter and financial period-to-date under review.

A7. Debt and Equity Securities

Save as disclosed below, there were no issuances, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and financial period-to-date under review.

Pursuant to the Company's listing on the ACE Market of Bursa Securities ("**Listing**"), the effect of the IPO on equity structure of the Company were allocated in the following manner:

(I) Public Issue of 56,000,000 new ordinary shares in the Company ("**Shares**") at an issue price of RM0.25 per share allocated in the following manner ("**Public Issue**"):

- 14,000,000 new Shares available for application by the Malaysian public by way of balloting;
- 11,200,000 new Shares available for application by the eligible directors, employees and persons who have contributed to the success of our Group; and
- 30,800,000 new Shares by way of private placement to selected investors;

and

(II) Offer for sale of 16,800,000 existing shares by way of private placement to selected investors.

The IPO was completed and the Company was listed on the ACE Market of Bursa Securities on 27 March 2024 with the enlarged issued share capital comprised 280,000,000 Shares.

A8. Dividend Paid

There was no dividend paid by the Company during the current financial quarter under review.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A9. Segmental Information

The Group's revenue is segmented as follows:

Revenue by business activities and products

	Quarter Ended		Year-To-Date Ended	
	31.03.2024	31.03.2023⁽¹⁾	31.03.2024	31.03.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Production of:				
GCC ⁽²⁾	24,697	N/A	24,697	N/A
CC dispersion ⁽³⁾	2,882	N/A	2,882	N/A
Kaolin dispersion	315	N/A	315	N/A
Others	863	N/A	863	N/A
	28,757	N/A	28,757	N/A

Revenue by business geographical markets

	Quarter Ended		Year-To-Date Ended	
	31.03.2024	31.03.2023⁽¹⁾	31.03.2024	31.03.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Malaysia	10,431	N/A	10,431	N/A
Foreign countries				
India	14,984	N/A	14,984	N/A
Other foreign countries ⁽⁴⁾	3,342	N/A	3,342	N/A
	28,757	N/A	28,757	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) GCC is referring to ground calcium carbonate.
- (3) CC dispersion is referring to calcium carbonate dispersion.
- (4) Includes Australia, Cambodia, Fiji, Indonesia, Nepal, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.
- N/A Not applicable.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A10. Material events subsequent to the end of the reporting period

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets in the Group as at the date of this interim financial report.

A13. Related Party Transactions Disclosures

The related party transactions between the Group and related parties are as follows:

	Quarter Ended 31.03.2024 Unaudited RM'000	Year-To-Date Ended 31.03.2024 Unaudited RM'000
Transportation expenses charged by an entity controlled by close family members of certain directors	157	157
Transportation expenses charged by close family members of certain directors	41	41

A14. Capital Commitments

Save as disclosed below, there are no other material capital commitments as at the end of the current financial quarter under review.

	31.03.2024 Unaudited RM'000
Purchase of property, plant and equipment	<u>3,203</u>

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Financial Performance

	Quarter Ended		Year-To-Date Ended	
	31.03.2024	31.03.2023 ⁽¹⁾	31.03.2024	31.03.2023 ⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	28,757	N/A	28,757	N/A
Gross profit	11,987	N/A	11,987	N/A
Profit before tax	2,802	N/A	2,802	N/A
Profit after tax	1,931	N/A	1,931	N/A
Profit attributable to owners of the Company	1,931	N/A	1,931	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

The Group recorded revenue of approximately RM28.8 million for the current financial quarter under review mainly contributed from revenue from production of GCC which accounted for RM24.7 million, representing 85.8% of the total revenue.

The Group recognised profit before tax of RM2.8 million for current financial quarter under review after deducting expenses, which are mainly attributed to selling and distribution expenses of RM5.5 million and administrative expenses of RM3.8 million.

The selling and distribution expenses mainly comprise logistic costs. The administrative expenses consist of directors' fees and remuneration; staff related costs; professional fees (including IPO related expenses); office and upkeep expenses; license and certification; insurance; quit rent expenses; travelling and entertainment expenses; training fee; research and development expenses; and other general and administrative expenses.

There are no comparative figures for the preceding corresponding quarter's results as this is the second interim financial report being announced by the Company in compliance with the Listing Requirements.

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B2. Comparison with Immediate Preceding Quarter's Results

	Quarter Ended		Changes	
	31.03.2024 Unaudited RM'000	31.12.2023 Unaudited RM'000	RM'000	%
Revenue	28,757	31,707	(2,950)	(9.3)
Gross profit	11,987	13,188	(1,201)	(9.1)
Profit before tax	2,802	1,775	1,027	57.9
Profit after tax	1,931	1,098	833	75.9
Profit attributable to owners of the Company	1,931	1,098	833	75.9

The Group's revenue for the current quarter decreased by RM2.9 million or 9.3% to RM28.8 million as compared with the immediate preceding quarter of RM31.7 million. The decrease was mainly due to lower revenue contribution from production of GCC due to lower demand for GCC products, which decreased by RM3.4 million or 11.9% to RM24.7 million as compared with the immediate preceding quarter of RM28.0 million. This was partially offset by the increase in revenue contribution from production of CC dispersion and kaolin dispersion, which in total increased by RM0.3mil or 11.2% to RM3.2 million as compared with the immediate preceding quarter of RM2.9 million.

The Group recorded a profit before tax ("**PBT**") of RM2.8 million for the current quarter representing an increase of RM1.0 million or 57.9% as compared to the immediate preceding quarter. The increase in PBT was mainly due to unrealised foreign exchange gain resulted from the strengthening of US Dollars, as well as lower provision for bonus in current quarter as compared to the immediate preceding quarter.

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B3. Prospects of the Group

As we conclude the first quarter of 2024, the Group sees lights in the bioplastic segment and potential rise in the glove industry, emphasizing significant achievements and strategic directions shaping our future. We are pleased to announce the successful commercialisation of our bioplastic compound, Earthya. This milestone not only shows our commitment to sustainable product solutions but also aligns with the growing environmental awareness and regulatory landscapes in Malaysia and worldwide.

The launch of Earthya represents a crucial step in our journey towards environmental sustainability. In the first quarter of 2024, Earthya made its market debut, demonstrating its suitability for composting, which is environmentally beneficial and precisely what the world needs to combat microplastic and plastic pollution. This positions Zantat as a preferred partner for manufacturers who are seeking for eco-friendly solutions, especially in markets like Malaysia, where the demand for such innovations is exponentially expanding.

Following its market introduction, Earthya has received a favorable response from the industry, with an increasing interest observed from both current and potential clients. To further increase market awareness about our compostable products, we are collaborating with downstream strategic partners to promote Earthya in the consumer market, ensuring our products to reach a broader audience. In anticipation of this growing demand, we are dedicated to enhancing our production capabilities. Additionally, our research and development team are actively working on expanding our bioplastic product line.

Our strategic initiatives for bioplastic are closely aligned with the Malaysian government's "Roadmap Towards Zero Single-Use Plastics 2018-2030." This policy aims to eliminate single-use plastics by 2025⁽¹⁾, creating a significant opportunity for companies like ours. The governmental push towards a circular economy and sustainable practices underpins the increasing shift towards biodegradable and compostable product alternatives, further supporting our business direction and market positioning.

In the midst of our advancement in bioplastic compounds, it is also important to highlight the developments in the glove industry, which has faced challenges since the fourth quarter of 2021. However, as we look ahead, there are positive indicators for a potential recovery by third quarter of 2024. We anticipate this upturn will bolster the demand for calcium carbonate dispersion, an important component in the manufacturing of gloves. Industry forecasts are optimistic, predicting a significant resurgence in glove demand. Projections indicate a rise in demand by 30% to 390 billion pieces in 2024, following a low base effect from 2023. This recovery is expected to continue with an organic growth rate of 15% annually thereafter⁽²⁾, signaling robust market dynamics that will drive increased production and subsequently, higher demand for calcium carbonate dispersion. Seeing the potential for market recovery, our strategic focus will include cautiously enhancing the production capacity and quality of our calcium carbonate dispersion to align with expected demand trends.

Notes:

- (1) Source: <https://theedgemalaysia.com/node/701090>
- (2) Source: <https://www.thestar.com.my/business/business-news/2024/03/22/challenging-operating-outlook-for-glove-players>

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B4. Variance of actual profits from profit forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5. Income tax expense

	Quarter Ended		Year-To-Date Ended	
	31.03.2024 Unaudited RM'000	31.03.2023 ⁽¹⁾ Unaudited RM'000	31.03.2024 Unaudited RM'000	31.03.2023 ⁽¹⁾ Unaudited RM'000
Income tax expense				
- Current period	871	N/A	871	N/A
Effective tax rate ⁽²⁾ (%)	31.1	N/A	31.1	N/A
Statutory tax rate (%)	24.0	N/A	24.0	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) The Group's effective tax rate for current quarter and period-to-date was higher than the statutory tax rate mainly due to expenses incurred which were non-deductible for tax purposes.

N/A Not applicable.

B6. Status of Corporate Proposals

On 27 March 2024, the Company was admitted to the Official List of Bursa Securities and the Company's entire enlarged share capital of 280,000,000 shares was listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other corporate proposals pending completion as at the date of this interim financial report.

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B7. Utilisation of proceeds from the Public Issue

The gross proceeds of RM14.0 million raised by our Company from the Public Issue is intended to be utilised in the following manner:

Utilisation of proceeds	Proposed utilisation RM'000	Percentage of utilisation %	Actual utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for utilisation⁽¹⁾
Upgrading of R&D facilities	3,830	27.4	1,280	2,550	Within 12 months
Upgrading of Calrock Perak Plant's Infrastructure	1,000	7.2	-	1,000	Within 12 months
Investment in high efficiency machine components and industrial automation	1,350	9.6	-	1,350	Within 6 months
Repayment of bank borrowings	3,390	24.2	-	3,390	Within 12 months
Working capital	1,430	10.2	-	1,430	Within 12 months
Estimated listing expenses	3,000	21.4	3,000	-	Immediately
	14,000	100.0	4,280	9,720	

Note:

(1) From the date of listing of the Company on 27 March 2024.

B8. Group borrowings and debts securities

	31.03.2024 Unaudited RM'000	31.12.2023 Audited RM'000
Non-current:		
- Long-term borrowings	4,271	4,768
Current:		
- Short-term borrowings	7,136	6,809
Total borrowings	11,407	11,577

B9. Material Litigations

There were no material litigations by or against the Group as at 31 March 2024.

B10. Dividends

On 23 May 2024, the Board of Directors has declared the first interim single-tier dividend of 1.5 sen per share in respect of the financial year ending 31 December 2024. The entitlement date for the dividend is on 11 June 2024 and the total dividend payable of RM4.2 million will be paid on 25 June 2024.

This interim report does not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the quarter ending 30 June 2024.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B11. Earnings Per Share

The basic and diluted EPS for the current financial quarter under review and financial period-to-date are computed as follows:

	Quarter Ended		Year-To-Date Ended	
	31.03.2024	31.03.2023⁽¹⁾	31.03.2024	31.03.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	1,931	N/A	1,931	N/A
Weighted average number of ordinary shares in issue ('000)	227,077	N/A	227,077	N/A
Basic EPS (sen) ⁽²⁾	0.9	N/A	0.9	N/A
Diluted EPS (sen) ⁽³⁾	0.9	N/A	0.9	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on the weighted average number of ordinary shares of the Company of 227,076,923 as at 31 March 2024.
- (3) Diluted EPS is equal to the basic EPS as there is no dilutive instruments as at 31 March 2024.
- N/A Not applicable.

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ZANTAT HOLDINGS BERHAD
Registration No.: 202101040483 (1440783-X)
(Incorporated in Malaysia)

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B12. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following items have been charged/(credited) in arriving at the profit before taxation for the current financial quarter and the profit before taxation for the financial period-to-date:

	Quarter Ended		Year-To-Date Ended	
	31.03.2024 Unaudited RM'000	31.03.2023 ⁽¹⁾ Unaudited RM'000	31.03.2024 Unaudited RM'000	31.03.2023 ⁽¹⁾ Unaudited RM'000
After charging /(crediting):				
Auditors' remuneration:				
- audit fee	28	N/A	28	N/A
- non-audit fee	86	N/A	86	N/A
Directors' fees	131	N/A	131	N/A
Directors' non-fee emoluments	514	N/A	514	N/A
Depreciation:				
- property, plant and equipment	1,410	N/A	1,410	N/A
- right-of-use assets	144	N/A	144	N/A
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances	21	N/A	21	N/A
- post shipment buyer loan	11	N/A	11	N/A
- term loans	112	N/A	112	N/A
- hire purchase	12	N/A	12	N/A
Interest expense on lease liabilities	13	N/A	13	N/A
Staff cost:				
- short-term employee benefits	3,159	N/A	3,159	N/A
- defined contribution benefits	221	N/A	221	N/A
- others	56	N/A	56	N/A

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B12. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income (Continued)

	Quarter Ended		Year-To-Date Ended	
	31.03.2024 Unaudited RM'000	31.03.2023 ⁽¹⁾ Unaudited RM'000	31.03.2024 Unaudited RM'000	31.03.2023 ⁽¹⁾ Unaudited RM'000
After charging /(crediting):				
Fair value change on investment	(41)	N/A	(41)	N/A
Gain on disposal of property, plant and equipment	(104)	N/A	(104)	N/A
Gain on foreign exchange:				
- realised	(40)	N/A	(40)	N/A
- unrealised	(462)	N/A	(462)	N/A
Interest income on financial assets measured at amortised cost				
- fixed deposits with licensed banks	(26)	N/A	(26)	N/A
- others	(1)	N/A	(1)	N/A
Interest income on financial assets measured at fair value through profit or loss:				
- short-term investment	(10)	N/A	(10)	N/A

Notes:

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 23 May 2024.