



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

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2025**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2025**

		Quarter Ended		Year-To-Date Ended	
		30.6.2025	30.6.2024	30.6.2025	30.6.2024
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		20,602	22,540	44,561	51,297
Cost of sales		(15,016)	(13,956)	(31,704)	(30,914)
Gross profit		5,586	8,584	12,857	20,383
Other income		242	254	659	892
Selling and distribution expenses		(4,249)	(4,771)	(9,453)	(10,668)
Administrative expenses		(2,503)	(2,473)	(5,039)	(5,864)
Other expenses		(544)	(334)	(847)	(523)
Finance costs		(164)	(164)	(291)	(322)
(Loss)/Profit before tax		(1,632)	1,096	(2,114)	3,898
Tax expense	B5	177	(444)	118	(1,315)
(Loss)/Profit after tax/ Total comprehensive (expenses)/income for the financial period		(1,455)	652	(1,996)	2,583
(Loss)/Profit after tax/ Total comprehensive (expenses)/income for the financial period attributable to:					
- Owners of the Company		(1,455)	652	(1,996)	2,583
(Loss)/Earnings per share	B11				
- Basic (sen)		(0.51)	0.23	(0.70)	1.02
- Diluted (sen)		(0.51)	0.23	(0.70)	1.02

Note:

The above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

ZANTAT HOLDINGS BERHAD
Registration No.: 202101040483 (1440783-X)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 30 JUNE 2025

	Note	As at 30.6.2025 RM'000	As at 31.12.2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		53,602	52,816
Right-of-use assets		7,401	7,704
Total non-current assets		61,003	60,520
Current assets			
Inventories		8,593	8,297
Trade receivables		15,486	15,011
Other receivables, deposits and prepayments		2,027	1,482
Current tax assets		2,324	1,734
Short-term investments		7,555	9,355
Fixed deposits with licensed banks		1,722	3,809
Cash and bank balances		1,487	3,681
Total current assets		39,194	43,369
TOTAL ASSETS		100,197	103,889
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		71,913	70,355
Meger deficit		(4,100)	(4,100)
Reorganisation deficit		(51,411)	(51,411)
Retained profits		56,526	58,522
TOTAL EQUITY		72,928	73,366
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		4,087	4,225
Long-term borrowings	B8	4,031	2,275
Lease liabilities		702	930
Total non-current liabilities		8,820	7,430
Current liabilities			
Trade payables		4,800	5,729
Other payables and accruals		4,445	8,489
Contract liabilities		75	-
Short-term borrowings	B8	8,676	8,431
Lease liabilities		453	444
Total current liabilities		18,449	23,093
TOTAL LIABILITIES		27,269	30,523
TOTAL EQUITY AND LIABILITIES		100,197	103,889
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾			
		0.26	0.26

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 30 JUNE 2025 (CONTINUED)

Notes:

- (1) The above Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share as at 30 June 2025 and 31 December 2024 are calculated based on the Company's share capital of 284,753,400 and 280,000,000 ordinary shares respectively.

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ZANTAT HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2025

	<----- Non-distributable ----->			Distributable	
	Share capital	Merger deficit	Reorganisation deficit	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
2025					
At 1 January 2025	70,355	(4,100)	(51,411)	58,522	73,366
Loss after tax/ Total comprehensive expenses for the financial period	-	-	-	(1,996)	(1,996)
Transactions with owners					
Issuance of shares pursuant to Special Issue ⁽²⁾	1,592	-	-	-	1,592
Share issuance expenses ⁽³⁾	(34)	-	-	-	(34)
	1,558	-	-	-	1,558
At 30 June 2025	71,913	(4,100)	(51,411)	56,526	72,928

	<----- Non-distributable ----->			Distributable	
	Share capital	Merger deficit	Reorganisation deficit	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
2024					
At 1 January 2024	57,411	(4,100)	(51,411)	62,268	64,168
Profit after tax/ Total comprehensive income for the financial period	-	-	-	2,583	2,583
Transactions with owners					
Dividends	-	-	-	(4,200)	(4,200)
Issuance of shares pursuant to IPO	14,000	-	-	-	14,000
Share issuance expenses	(1,056)	-	-	-	(1,056)
	12,944	-	-	(4,200)	8,744
At 30 June 2024	70,355	(4,100)	(51,411)	60,651	75,495

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2025 (CONTINUED)

Notes:

- (1) The above Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Special issue of new ordinary shares in compliance with the Bumiputera Equity Requirements ("Special Issue") as disclosed in Note A7.
- (3) Listing expenses incurred pursuant to the Special Issue as disclosed in Note A7 that has been set-off against the equity.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2025

	Year-To-Date Ended 30.6.2025 RM'000	Year-To-Date Ended 30.6.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(2,114)	3,898
Adjustments:		
Depreciation of property, plant and equipment	2,904	2,823
Depreciation of right-of-use assets	304	287
Interest expense	260	298
Interest expense on lease liabilities	31	24
Plant and equipment written off	2	#
Fair value gain on short-term investments	(106)	(73)
Interest income	(146)	(146)
Net gain on disposal of plant and equipment	(101)	(104)
Net unrealised loss/(gain) on foreign exchange	610	(392)
Operating profit before working capital changes	1,644	6,615
(Increase)/Decrease in inventories	(296)	401
(Increase)/Decrease in trade and other receivables	(1,681)	6,396
Decrease in trade and other payables	(4,635)	(3,528)
Increase in contract liabilities	75	-
CASH (FOR)/FROM OPERATIONS	(4,893)	9,884
Income tax paid	(655)	(1,811)
Income tax refunded	44	-
Interest paid	(291)	(322)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(5,795)	7,751
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in short-term investments	106	73
Interest income received	146	146
Proceeds from disposal of plant and equipment	101	104
Purchase of property, plant and equipment	(3,571)	(4,381)
NET CASH FOR INVESTING ACTIVITIES	(3,218)	(4,058)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(4,200)
Drawdown of revolving credit	150	-
Net drawdown of bankers' acceptances	122	1,056
Net drawdown/(repayments) of post-shipment buyer loan	708	(588)
Payments of hire purchase payables	-	(1,244)
Payments of lease liabilities	(219)	(208)
Payment of share issuance expenses	(34)	(1,056)
Proceeds from issuance of ordinary shares	1,592	14,000
Proceeds from drawdown of term loans	3,059	-
Repayments of term loans	(2,038)	(4,445)
NET CASH FROM FINANCING ACTIVITIES	3,340	3,315

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2025 (CONTINUED)

	Year-To-Date Ended 30.6.2025 RM'000	Year-To-Date Ended 30.6.2024 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,673)	7,008
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	16,845	10,545
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(408)	125
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	10,764	17,678
	As at 30.6.2025 RM'000	As at 30.6.2024 RM'000
Cash and cash equivalents at the end of the financial period represented by:		
Short-term investments	7,555	11,474
Fixed deposits with licensed banks	1,722	3,306
Cash and bank balances	1,487	2,898
	10,764	17,678

Note:

The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

Less than RM500.

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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 interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 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 2024.

The Group has also adopted the following amendments to MFRS and IC Interpretations that came into effect on 1 January 2025 which did not have any significant impact on the unaudited condensed consolidated financial statements upon its initial application:

- Amendments to MFRS 121: Lack of Exchangeability

The Group has not applied in advance the following accounting standards that have been issued by MASB but are not yet effective for the current financial year:

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 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
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

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

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

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 2024.

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 year-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 year-to-date under review.

A6. Material Changes in Estimates

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

On 4 February 2025, a total of 4,753,400 Special Issue Shares were issued at an issue price of RM0.335 per Special Issue Share for a total consideration of RM1,592,389. 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.

A8. Dividend Paid

There was no dividend paid by the Company during the current 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	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Production of:				
- GCC ⁽¹⁾	15,034	17,666	34,078	42,363
- CC dispersion ⁽²⁾	2,886	3,347	6,299	6,229
- Kaolin dispersion	440	553	763	868
Bioplastic	11	-	16	-
Others	2,231	974	3,405	1,837
	20,602	22,540	44,561	51,297

Revenue by business geographical markets

	Quarter Ended		Year-To-Date Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	10,769	10,548	22,014	20,979
Foreign countries:				
India	7,798	10,017	17,879	25,001
Other foreign countries ⁽³⁾	2,035	1,975	4,668	5,317
	20,602	22,540	44,561	51,297

Notes:

(1) GCC refers to ground calcium carbonate.

(2) CC dispersion refers to calcium carbonate dispersion.

(3) Includes Australia, Bangladesh, Cambodia, Fiji, Indonesia, Nepal, Oman, Papua New Guinea, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.

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 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		Year-To-Date Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Transportation expenses charged by entities controlled by close family members of certain directors	-	141	-	298
Transportation expenses charged by a close family member of certain directors	-	36	-	77

A14. Capital Commitments

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

	As at 30.6.2025 RM'000	As at 31.12.2024 RM'000
Approved and contracted for:		
- Acquisition of electrical equipment and fittings	-	787
- Acquisition of forklift	-	109
- Acquisition of lab equipment	-	960
- Acquisition of plant and machinery	716	612
- Acquisition of software	25	24
- Construction of buildings	944	93
	1,685	2,585

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

B1. Review of Financial Performance

Current Quarter compared to Preceding Year Corresponding Quarter

	Quarter Ended		Changes	
	30.6.2025	30.6.2024	RM'000	%
	RM'000	RM'000		
Revenue	20,602	22,540	(1,938)	-8.6%
Gross profit	5,586	8,584	(2,998)	-34.9%
(Loss)/Profit before tax	(1,632)	1,096	(2,728)	-248.9%
(Loss)/Profit after tax	(1,455)	652	(2,107)	-323.2%
(Loss)/Profit attributable to owners of the Company	(1,455)	652	(2,107)	-323.2%

Our Group recorded revenue of RM20.60 million for the current quarter and RM22.54 million for the preceding year corresponding quarter, decreased by 8.6% or RM1.94 million.

The decrease in revenue mainly resulted from:

- lower revenue from production of GCC by 14.9% or RM2.64 million, from RM17.67 million to RM15.03 million due to lower sales tonnage; and
- lower revenue from production of CC dispersion by 13.7% or RM0.46 million, from RM3.35 million to RM2.89 million due to lower sales tonnage; mitigated by
- higher revenue from trading and processing in other industrial minerals by 129.9% or RM1.26 million, from RM0.97 million to RM2.23 million.

Our main business segment continued to be production of calcium carbonate products, which collectively contributed 89.1% of our total revenue for the current quarter. The production of GCC and CC dispersion contributed revenue of 73.0% and 14.0% respectively for the current quarter.

Our Group incurred loss before tax of RM1.63 million for the current quarter, as opposed to profit before tax of RM1.10 million for the preceding year corresponding quarter, mainly resulted from:

- lower gross profit by 34.9% or RM3.00 million, from RM8.58 million for the preceding year corresponding quarter to RM5.59 million for the current quarter, mainly due to lower gross profit margin by 11.0 percentage points, from 38.1% for the preceding year corresponding quarter to 27.1% for the current quarter; and
- unrealised loss on foreign exchange for RM0.42 million incurred for the current quarter; mitigated by
- lower freight and logistic costs by RM0.65 million as a result of decrease in export revenue.

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

B1. Review of Financial Performance (Continued)

Current Year-To-Date compared to Preceding Year-To-Date

	Year-To-Date Ended		Changes	
	30.6.2025	30.6.2024	RM'000	%
	RM'000	RM'000		
Revenue	44,561	51,297	(6,736)	-13.1%
Gross profit	12,857	20,383	(7,526)	-36.9%
(Loss)/Profit before tax	(2,114)	3,898	(6,012)	-154.2%
(Loss)/Profit after tax	(1,996)	2,583	(4,579)	-177.3%
(Loss)/Profit attributable to owners of the Company	(1,996)	2,583	(4,579)	-177.3%

Our Group recorded revenue of RM44.56 million for the current year-to-date and RM51.30 million for the preceding year-to-date, decreased by 13.1% or RM6.74 million.

The decrease in revenue mainly resulted from:

- lower revenue from production of GCC by 19.5% or RM8.28 million, from RM42.36 million to RM34.08 million due to lower sales tonnage; mitigated by
- higher revenue from trading and processing in other industrial minerals by 85.3% or RM1.57 million, from RM1.84 million to RM3.41 million.

Our Group incurred loss before tax of RM2.11 million for the current year-to-date, as opposed to profit before tax of RM3.90 million for the preceding year-to-date, mainly resulted from:

- lower gross profit by 36.9% or RM7.52 million, from RM20.38 million for the preceding year-to-date to RM12.86 million for the current year-to-date, mainly due to lower gross profit margin by 10.8 percentage points, from 39.7% for the preceding year-to-date to 28.9% for the current year-to-date; and
- unrealised loss on foreign exchange for RM0.61 million incurred for the current year-to-date; mitigated by
- lower freight and logistic costs by RM1.45 million as a result of decrease in export revenue; and
- lower professional fees in respect of corporate exercise by RM0.79 million.

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	
	30.6.2025	31.3.2025	RM'000	%
	RM'000	RM'000		
Revenue	20,602	23,959	(3,357)	-14.0%
Gross profit	5,586	7,271	(1,685)	-23.2%
Loss before tax	(1,632)	(482)	1,150	238.6%
Loss after tax	(1,455)	(541)	914	168.9%
Loss attributable to owners of the Company	(1,455)	(541)	914	168.9%

Our Group's revenue decreased by RM3.36 million or 14.0% to RM20.60 million as compared with the immediate preceding quarter of RM23.96 million, mainly resulted from:

- lower revenue from production of GCC by 21.1% or RM4.01 million, from RM19.04 million to RM15.03 million due to lower sales tonnage; and
- lower revenue from production of CC dispersion by 15.2% or RM0.52 million, from RM3.41 million to RM2.89 million due to lower sales tonnage; mitigated by
- higher revenue from trading and processing in other industrial minerals by 90.6% or RM1.06 million, from RM1.17 million to RM2.23 million.

Our Group incurred loss before tax of RM1.63 million for the current quarter, higher loss by 238.6% or RM1.15 million as compared to the loss before tax incurred for the immediate preceding quarter of RM0.48 million, mainly resulted from:

- lower gross profit by 23.1% or RM1.68 million, from RM7.27 million for the immediate preceding quarter to RM5.59 million for the current quarter, mainly attributable to slightly lower gross profit margin by 3.2 percentage points, from 30.3% for the immediate preceding quarter to 27.1% for the current quarter; and
- higher unrealised loss on foreign exchange by RM0.24 million; largely offset by
- lower freight and logistic costs by RM1.10 million as a result of decrease in export revenue.

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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 progressed through the second quarter of 2025, Our Group continued to focus on strengthening its strategic positioning amidst a cautious industrial climate. Global trade activity remained uneven, with prolonged uncertainties in freight, foreign exchange, and industrial restocking cycles influencing customer behaviour. In this environment, our Group prioritised execution on areas with clearer structural demand—particularly in sustainable packaging—while maintaining a steady course in our core material business.

In the second quarter of 2025, our Group made tangible progress in our bioplastics division. Our proprietary compostable bioplastics brand, Earthya™, is now available in retail outlets and e-commerce platforms in the form of Earthya Compostable Bags, marking a significant downstream development milestone. Public response has been encouraging, with early signs of growing consumer interest—supported in part by the heightened national attention on microplastic pollution. While volumes remain modest at this stage, these early movements reflect growing traction among environmentally conscious consumers and small businesses.

We are cautiously scaling distribution and marketing initiatives to support broader awareness and accessibility of Earthya products, in collaboration with local partners. Product education and market feedback will continue to play a key role in shaping the next phase of our bioplastics expansion.

On the industrial calcium carbonate front, market demand remained relatively soft in the second quarter of 2025. As reported by ChemAnalyst, Malaysia’s calcium carbonate market experienced a price correction early in the current quarter, primarily driven by oversupply and weakened downstream demand, especially from the plastics and coatings sectors ⁽¹⁾. Prices began to stabilise in late May, though overall sentiment remains cautious ⁽²⁾.

Domestically, demand for calcium carbonate in plastics, coatings, and glove-related applications held up better than exports. While prices dipped due to oversupply, they later stabilised—indicating continued uptake by industrial users such as glove manufacturers ⁽¹⁾. This was supported by signals of a gradual recovery in Malaysia’s glove sector, with analysts reporting improved order flow and restocking activity across selected players ⁽³⁾. Despite the global trade headwinds, this steady domestic consumption helped cushion overall calcium carbonate demand during the current quarter.

In response to these conditions, our Group continues to maintain a disciplined and prudent operational strategy. We remain focused on cost optimisation, supply chain management, and technical support for existing customers, rather than aggressive capacity expansion. Across both our business segments, we are continuing to invest selectively in product development and market education, in line with long-term trends favouring sustainable materials and responsible sourcing.

Notes:

(1) Source: <https://www.chemanalyst.com/NewsAndDeals/NewsDetails/stability-in-germany-slump-in-malaysia-calcium-carbonate-markets-split-paths-36101>

(2) Source: <https://www.chemanalyst.com/NewsAndDeals/NewsDetails/stable-ground-calcium-carbonate-market-holds-firm-in-europe-and-malaysia-36930>

(3) Source: <https://theedgemaalaysia.com/node/739793>

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 quarter under review.

B5. Tax Expense

	Quarter Ended		Year-To-Date Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Current period	(130)	444	21	1,315
Deferred tax:				
- Current period	(47)	-	(190)	-
- (Over)/Under provision in prior year	(#)	-	51	-
	(177)	444	(118)	1,315
Effective tax rate (%)	N/A	40.5	N/A	33.7
Statutory tax rate (%)	24.0	24.0	24.0	24.0

Note:

The Group's effective tax rate for the current quarter is not applicable as the Group incurred loss before tax. The negative tax expense for the current quarter was due to adjustment for over provision of income tax in the preceding quarter mainly attributable to higher loss incurred for the current quarter.

B6. Status of Corporate Proposals

There was no corporate proposal announced but not complete 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)

B7a. Utilisation of Proceeds from the Public Issue

The status of utilisation as at 30 June 2025 of the gross proceeds of RM14.00 million raised by the Company from the Public Issue is as follows:

No.	Details of utilisation ⁽¹⁾	IPO Proceeds RM'000	Re-allocation RM'000	Actual utilisation RM'000	Balance of IPO proceeds unutilised RM'000	Initial timeframe for utilisation ⁽²⁾	Revised timeframe for utilisation ⁽³⁾
1	Upgrading of R&D facilities	3,830	-	(2,291)	1,539	Within 12 months	Within 30 months
2	Upgrading of Calrock Perak Plant's Infrastructure	1,000	-	-	1,000	Within 12 months	Within 30 months
3	Investment in high efficiency machine components and industrial automation	1,350	(185)	(1,165)	-	Within 6 months	-
4	Repayment of bank borrowings	3,390	-	(3,390)	-	Within 12 months	-
5	Working capital	1,430	185	(1,039)	576	Within 12 months	Within 30 months
6	Estimated listing expenses	3,000	-	(3,000)	-	Immediately	-
		14,000	-	(10,885)	3,115		

Notes:

(1) As disclosed in the Prospectus of the Company dated 6 March 2024.

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

(3) Being an additional 18 months from the expiry date of the initial timeframe for the utilisation of IPO proceeds.

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

B7b. Utilisation of Proceeds from the Special Issue

The status of utilisation as at 30 June 2025 of the gross proceeds of RM1.59 million raised by the Company from the Special Issue is as follows:

No.	Details of utilisation	Special Issue Proceeds RM'000	Actual utilisation RM'000	Balance of IPO proceeds unutilised RM'000	Estimated timeframe for utilisation ⁽¹⁾
1	Repayment of bank borrowings	1,409	(1,409)	-	Within 12 months
2	Estimated expenses in relation to the Special Issue	183	(183)	-	Within 1 month
		1,592	(1,592)	-	

Note:

(1) From the date of listing of the Special Issue Shares on 4 February 2025.

B8. Group Borrowings and Debts Securities

	As at 30.6.2025 RM'000	As at 31.12.2024 RM'000
Non-current:		
Secured		
Term loans	4,031	2,275
Current:		
Secured		
Bankers' acceptances	4,947	4,825
Post-shipment buyer loan	2,449	1,741
Revolving credit	150	-
Term loans	1,130	1,865
	8,676	8,431
Total borrowings	12,707	10,706

The Group's borrowings are all denominated in Ringgit Malaysia.

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

B9. Material Litigations

There were no material litigations by or against the Group as at 30 June 2025.

B10. Dividends

There were no dividends proposed or declared during the current quarter under review.

B11. (Loss)/Earnings Per Share

The basic and diluted (loss)/earnings per share ("LPS")/"EPS") for the current quarter under review and for the current financial year-to-date are computed as follows:

	Quarter Ended		Year-To-Date Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to owners of the Company	(1,455)	652	(1,996)	2,583
Weighted average number of ordinary shares in issue ('000)	284,753	280,000	283,860	253,538
Basic (LPS)/EPS (sen)	(0.51)	0.23	(0.70)	1.02
Diluted (LPS)/EPS (sen)	<u>(0.51)</u>	<u>0.23</u>	<u>(0.70)</u>	<u>1.02</u>

Note:

Diluted (LPS)/EPS is equal to the basic (LPS)/EPS as there is no dilutive instrument for the current quarter and financial year-to-date.

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

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

The following items have been charged/(credited) in arriving at the (loss)/profit before tax for the current quarter under review and for the current financial year-to-date:

	Quarter Ended		Year-To-Date Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
After charging/ (crediting):				
Depreciation:				
- property, plant and equipment	1,502	1,413	2,904	2,823
- right-of-use assets	152	143	304	287
Interest expense	149	153	260	298
Interest expense on lease liabilities	15	11	31	24
Plant and equipment written off	-	#	2	#
Fair value gain on short-term investments	(45)	(32)	(106)	(73)
Interest income	(75)	(109)	(146)	(146)
Net gain on disposal of plant and equipment	(80)	(#)	(101)	(104)
Net (gain)/loss on foreign exchange:				
- realised	(34)	(64)	(124)	(106)
- unrealised	425	70	610	(392)

Note:

Less than RM500.

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 18 August 2025.