



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

**INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2023**

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 YEAR ENDED 31 DECEMBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	31,707	N/A	122,796	N/A
Cost of sales	(18,519)	N/A	(73,719)	N/A
Gross profit	13,188	N/A	49,077	N/A
Other income	-	N/A	1,279	N/A
Selling and distribution expenses	(6,464)	N/A	(25,937)	N/A
Administrative expenses	(3,961)	N/A	(12,308)	N/A
Other expenses	(733)	N/A	(1,255)	N/A
Finance cost	(255)	N/A	(1,247)	N/A
Profit before taxation	1,775	N/A	9,609	N/A
Income tax expense	(677)	N/A	(2,840)	N/A
Profit after taxation/ total comprehensive income for the period	1,098	N/A	6,769	N/A
	B5			
Profit after taxation/ total comprehensive income for the period attributable to:				
Owners of the Group	1,098	N/A	6,769	N/A
Earnings per share ("EPS")	B11			
- Basic (sen) ⁽³⁾	0.5	N/A	3.0	N/A

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and 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") and the accompanying explanatory notes attached to this interim financial report.
- (2) This 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 will only be listed on the ACE Market of Bursa Securities on 27 March 2024 and as such no interim financial report was prepared for the comparative financial period concerned.

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- (3) Basic earnings per share ("**EPS**") is calculated based on the Company's share capital of 224,000,000 ordinary shares upon completion of the acquisition of Zantat Sdn Bhd ("**Zantat**") but before the IPO (refer to Note A11).

Basic EPS of the Group is calculated by dividing the net profit by the weighted average number of ordinary shares. In determining the weighted average number of ordinary shares in issue, the issuance of shares pursuant to the changes in composition of the Group (refer to Note A11) is treated as if it had been issued since the beginning of the year.

N/A Not applicable.

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ZANTAT HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 31 DECEMBER 2023

	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,802	51,375
Right-of-use assets	7,338	7,430
Total non-current assets	55,140	58,805
Current assets		
Inventories	7,928	8,595
Trade receivables	20,416	21,250
Other receivables, deposits and prepayments	1,553	1,086
Current tax assets	283	1,503
Fixed deposits with licensed banks	4,138	3,442
Cash and bank balances	4,996	4,531
Short-term investment	1,412	-
Total current assets	40,726	40,407
TOTAL ASSETS	95,866	99,212
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	57,411	6,000
Merger deficit	(4,100)	(4,100)
Reorganisation deficit	(51,411)	-
Retained profits	62,268	55,507
TOTAL EQUITY	64,168	57,407
LIABILITIES		
Non-current liabilities		
Long-term borrowings	4,768	8,034
Deferred tax liabilities	3,412	3,024
Lease liabilities	447	413
Total non-current liabilities	8,627	11,471
Current liabilities		
Trade payables	7,458	8,039
Other payables and accruals	8,381	6,368
Lease liabilities	423	392
Short-term borrowings	6,809	15,535
Total current liabilities	23,071	30,334
TOTAL LIABILITIES	31,698	41,805
TOTAL EQUITY AND LIABILITIES	95,866	99,212
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾	0.29	0.26

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Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and 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 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's share capital of 224,000,000 ordinary shares upon completion of the acquisition of Zantat but before the IPO (refer to Note A11).

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ZANTAT HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾
FOR THE YEAR ENDED 31 DECEMBER 2023

	← 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 2023 (Audited)	6,000	(4,100)	-	55,507	57,407
Effect of group restructuring exercise	51,411	-	(51,411)	(8)	(8)
Profit after taxation/total comprehensive income for the financial period	-	-	-	6,769	6,769
At 31 December 2023 (Unaudited)	57,411	(4,100)	(51,411)	62,268	64,168

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and 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 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first 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.

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ZANTAT HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE YEAR ENDED 31 DECEMBER 2023

	CURRENT PERIOD-TO- DATE 31.12.2023 RM'000	PRECEDING PERIOD-TO- DATE 31.12.2022⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,609	N/A
Adjustments for:		
Depreciation of property, plant and equipment	5,458	N/A
Depreciation of right-of-use assets	562	N/A
Property, plant and equipment written off	23	N/A
Bad debt written off	2	N/A
Fair value gain	(9)	N/A
Interest expense on lease liabilities	36	N/A
Interest expenses	873	N/A
Unrealised gain on foreign exchange	(499)	N/A
Gain on disposal of plant and equipment	(184)	N/A
Interest income	(122)	N/A
Operating profit before changes in working capital	15,749	N/A
Changes in working capital:		
Decrease in inventories	667	N/A
Decrease in trade and other receivables	545	N/A
Increase in trade and other payables	1,423	N/A
Cash generated from operations	18,384	N/A
Net income tax paid	(1,232)	N/A
Interest paid	(914)	N/A
Net cash from operating activities	16,238	N/A
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,909)	N/A
Proceeds from disposal of property, plant and equipment	184	N/A
Interest income received	122	N/A
Increase in short-term investment	9	N/A
Net cash used in investing activities	(1,594)	N/A
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of lease liabilities	(405)	N/A
Net repayment in term loans	(2,464)	N/A
Net repayment in hire purchase payables	(2,153)	N/A
Net repayment in post shipment buyer loan	(1,501)	N/A
Net repayment in revolving credit	(1,500)	N/A
Net repayment in invoice financing	(350)	N/A
Net repayment in bankers' acceptances	(4,019)	N/A
Net cash used in financing activities	(12,392)	N/A

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NET INCREASE IN CASH AND CASH EQUIVALENTS	2,252	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	7,973	N/A
EXCHANGE RATE ADJUSTMENT	321	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	10,546	N/A
<hr/>		
Represented by:		
Fixed deposits with licensed banks	4,138	N/A
Cash and bank balances	4,996	N/A
Short-term investment	1,412	
	10,546	N/A
<hr/>		

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 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first 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 first interim financial report on the unaudited condensed consolidated financial results for the financial year ended 31 December 2023 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 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants' Report as disclosed in the Prospectus dated 6 March 2024 in relation to its IPO except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Effective for annual period beginning on or after 1 January 2024

Amendments to MFRS 16: Lease liability in a Sales and Leaseback

Amendment 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

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121: Lack of Exchangeability

Effective date yet to be confirmed

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption.

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 2022.

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.

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

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

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities by the Group during the interim financial reporting period under review, other than as reported below:

- On 23 May 2023, the Company entered into a conditional share sale agreement with the Zantat Vendors to acquire the entire equity interest in Zantat comprising 6,000,000 ordinary shares for a purchase consideration of RM57,411,200 which was satisfied by the issuance of 223,999,999 new shares to Zantat Vendors at an issue price of RM0.2563 each. Details of Zantat Vendors and the number of Shares issued to them under the acquisition of Zantat are set out in Section 6.2 of the Prospectus.
- The purchase consideration for the acquisition of Zantat of RM57,411,200 was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Zantat as at 31 December 2022.
- The acquisition of Zantat was completed on 21 November 2023. Thereafter, Zantat became our wholly-owned subsidiary. Accordingly, Calrock, Zaneco and Zantat Light became our wholly-owned subsidiaries through Zantat.

A8. Dividend Paid

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

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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

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.12.2023	31.12.2022⁽³⁾	31.12.2023	31.12.2022⁽³⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Production of:				
GCC ⁽¹⁾	28,047	N/A	107,283	N/A
CC dispersion ⁽²⁾	2,761	N/A	10,939	N/A
Kaolin dispersion	114	N/A	1,131	N/A
Others	785	N/A	3,443	N/A
	31,707	N/A	122,796	N/A

Notes:

- (1) GCC is referring to ground calcium carbonate.
- (2) CC dispersion is referring to calcium carbonate dispersion.
- (3) This is the first 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 (CONTINUED)

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

In conjunction with the Company's listing on the ACE Market of Bursa Securities ("**Listing**"), the Company proposes to undertake the IPO at an issue price of RM0.25 per share, comprising:

- (I) Public Issue of 56,000,000 new ordinary shares in the Company (the "**Shares**") 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.

Upon completion of the IPO, the issued share capital of the Company will increase to RM71,411,201 comprising 280,000,000 Shares.

Pursuant thereto, the Company's entire enlarged share capital is expected to be listed and quoted on the ACE Market of Bursa Securities on 27 March 2024.

Save as disclosed above, there were no other 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

Acquisition of Zantat

On 23 May 2023, the Company entered into a Conditional Share Sale Agreement with Zantat Vendors to acquire the entire equity interest in Zantat comprising 6,000,000 ordinary shares for a purchase consideration of RM57,411,200 which will be satisfied by the issuance of 223,999,999 new Shares to Zantat Vendors at an issue price of M0.2563 each.

The purchase consideration for the acquisition of Zantat of RM57,411,200 was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Zantat as at 31 December 2022.

The acquisition of Zantat was completed on 21 November 2023. Thereafter, Zantat became our wholly-owned subsidiary. Accordingly, Calrock, Zaneco and Zantat Light became our wholly-owned subsidiaries through Zantat.

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

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

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

	<u>QUARTER ENDED</u> 31.12.2023 Unaudited RM'000	<u>PERIOD-TO- DATE ENDED</u> 31.12.2023 Unaudited RM'000
Entities controlled by close family members of certain directors:		
- Transportation expenses	196	804
Entities controlled by close family members of certain directors:		
- Transportation expenses	51	219

A14. Capital Commitments

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

	31.12.2023 Unaudited RM'000
Purchase of property, plant and equipment	1,153

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

B1. Review of Financial Performance

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	<u>31.12.2023</u>	<u>31.12.2022⁽¹⁾</u>	<u>31.12.2023</u>	<u>31.12.2022⁽¹⁾</u>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	31,707	N/A	122,796	N/A
Profit before tax	1,775	N/A	9,609	N/A
Profit after tax	1,098	N/A	6,769	N/A
Profit attributable to owners of the Company	1,098	N/A	6,769	N/A

Notes:-

(1) This is the first 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 RM31.7 million for the current financial quarter under review mainly contributed from revenue from production of GCC which accounted for RM28.0 million, representing 88.3% of the total revenue.

The Group recognised profit before tax of RM1.8 million for current financial quarter under review after deducting expenses, which are mainly attributed to selling and distribution expenses of RM6.5 million and administrative expenses of RM4.0 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 corresponding preceding quarter's results as this is the first interim financial report being announced by the Company in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter's Results

There are no comparative figures for the immediate preceding quarter as this is the first interim financial report on the unaudited condensed consolidated financial results announced by the Company.

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

B3. Prospects of the Group

Moving forward, the Group's strategy is to leverage its core competency and strengths as a producer of calcium carbonate products to serve as a platform to address business opportunities and growth.

The Group business strategies and plans will be centered on the following areas (as disclosed in Section 7.18 of the Prospectus):

- (i) Purchase of new machinery and equipment – purchase additional GCC production line, upgrading of research and development ("R&D") facilities and invest in high efficiency machine components and industrial automation;
- (ii) Expansion to new business activity – bioplastic compounding business; and
- (iii) Upgrading and improvement of operational facilities – upgrading of Calrock Perak Plant's infrastructure and installation of roof-top solar PV system for Zantat Perak Plant 2.

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

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.12.2023	31.12.2022⁽²⁾	31.12.2023	31.12.2022⁽²⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current period	677	N/A	2,840	N/A
Effective tax rate ⁽¹⁾ (%)	38.1	N/A	29.6	N/A
Statutory tax rate (%)	24.0	N/A	24.0	N/A

Notes:

- (1) 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.
- (2) This is the first 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.

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

B6. Status of Corporate Proposals

On 6 March 2024, the Company issued its Prospectus in relation to the IPO in conjunction with the listing of the Company on the ACE Market of Bursa Securities, comprising the public issue of 56,000,000 new Shares and offer for sale of 16,800,000 existing Shares in the Company. The Listing is pending completion as the Company is expected to be listed on 27 March 2024.

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

B7. Utilisation of proceeds from the Public Issue

The gross proceeds to be raised by our Company from the Public Issue of RM14.0 million shall 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	-	3,830	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	-	14,000	

Note:

(1) From the date of listing of the Company.

B8. Group borrowings and debts securities

	31.12.2023 Unaudited RM'000	31.12.2022 Unaudited RM'000
Non-current:		
- Long-term borrowings	4,768	8,034
Current:		
- Short-term borrowings	6,809	15,535
Total borrowings	11,577	23,569

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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 31 December 2023.

B10. Dividends

No dividend was proposed by the Board of Directors for the current quarter under review.

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:

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	<u>31.12.2023</u>	<u>31.12.2022⁽²⁾</u>	<u>31.12.2023</u>	<u>31.12.2022⁽²⁾</u>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	1,098	N/A	6,769	N/A
Weighted average number of ordinary shares in issue ('000)	224,000	N/A	224,000	N/A
Basic EPS (sen) ⁽¹⁾	<u>0.5</u>	<u>N/A</u>	<u>3.0</u>	<u>N/A</u>

Notes:

- (1) Basic EPS is calculated based on the Company's issued share capital of 224,000,000 ordinary shares upon completion of the acquisition of Zantat but before the IPO.

Basic EPS of the Group is calculated by dividing the net profit by the weighted average number of ordinary shares. In determining the weighted average number of ordinary shares in issue, the issuance of shares pursuant to the changes in composition of the Group (refer to Note A11) is treated as if it had been issued since the beginning of the year.

- (2) This is the first 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.

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:

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
After charging				
/(crediting):				
Audit fees	(16)	N/A	65	N/A
Directors' fees	225	N/A	300	N/A
Directors' non-fee emoluments	1,375	N/A	3,864	N/A
Bad debts written off	-	N/A	2	N/A
Depreciation:				
- property, plant and equipment	1,422	N/A	5,458	N/A
- right-of-use assets	142	N/A	562	N/A
Property, plant and equipment written off	-	N/A	23	N/A
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances	23	N/A	131	N/A
- post shipment buyer loan	15	N/A	89	N/A
- term loans	112	N/A	489	N/A
- revolving credit	1	N/A	45	N/A
- hire purchase	20	N/A	120	N/A
Interest expense on lease liabilities	7	N/A	36	N/A
Lease expenses:				
- short-term leases	3	N/A	23	N/A
Staff cost:				
- short-term employee benefits	3,646	N/A	11,981	N/A
- defined contribution benefits	323	N/A	876	N/A
- others	34	N/A	130	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)

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
After charging /(crediting):				
Fair value change on investment	(9)	N/A	(9)	N/A
Gain on disposal of property, plant and equipment	(23)	N/A	(184)	N/A
(Gain)/loss on foreign exchange				
- realised	(61)	N/A	(341)	N/A
- unrealised	529	N/A	(499)	N/A
Interest income on financial assets measured at amortised cost				
- fixed deposits with licensed banks	(35)	N/A	(120)	N/A
- short-term investment	(1)	N/A	(1)	N/A

Notes:

(1) This is the first 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 15 March 2024.