



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

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**  
**FOR THE FOURTH QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2024**

	Note	Quarter Ended		Year-To-Date Ended	
		31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Revenue		22,752	31,707	101,877	122,796
Cost of sales		(16,270)	(18,519)	(63,849)	(73,719)
<b>Gross profit</b>		<b>6,482</b>	<b>13,188</b>	<b>38,028</b>	<b>49,077</b>
Other income		817	-	1,200	1,279
Selling and distribution expenses		(5,361)	(6,464)	(24,138)	(25,937)
Administrative expenses <sup>(2)</sup>		(2,446)	(3,961)	(10,835)	(12,308)
Other expenses		(481)	(733)	(1,247)	(1,255)
Finance costs		(113)	(255)	(537)	(1,247)
<b>(Loss)/Profit before tax</b>		<b>(1,102)</b>	<b>1,775</b>	<b>2,471</b>	<b>9,609</b>
Tax expense	B5	(427)	(677)	(2,017)	(2,840)
<b>(Loss)/Profit after tax/ Total comprehensive (expenses)/income for the financial period/year</b>		<b>(1,529)</b>	<b>1,098</b>	<b>454</b>	<b>6,769</b>
<b>(Loss)/Profit after tax/ Total comprehensive (expenses)/income for the financial period/ year attributable to:</b>					
- Owners of the Company		(1,529)	1,098	454	6,769
<b>(Loss)/Earnings per share</b>	B11				
- Basic (sen)		(0.55)	0.49	0.17	3.02
- Diluted (sen)		(0.55)	0.49	0.17	3.02

**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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**  
**FOR THE FOURTH QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2024**  
**(CONTINUED)**

**Notes:**

- (2) 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:

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit before tax	(1,102)	1,775	2,471	9,609
Add: Listing expenses	-	-	943	-
<b>Adjusted (loss)/profit before tax</b>	<b>(1,102)</b>	<b>1,775</b>	<b>3,414</b>	<b>9,609</b>

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**ZANTAT HOLDINGS BERHAD**  
**Registration No.: 202101040483 (1440783-X)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**  
**AS AT 31 DECEMBER 2024**

	Note	As at 31.12.2024 RM'000	As at 31.12.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		52,816	47,802
Right-of-use assets		7,704	7,338
<b>Total non-current assets</b>		<u>60,520</u>	<u>55,140</u>
<b>Current assets</b>			
Inventories		8,297	7,928
Trade receivables		15,011	20,416
Other receivables, deposits and prepayments		1,482	1,553
Current tax assets		1,734	283
Short-term investment		9,355	1,412
Fixed deposits with licensed banks		3,809	4,138
Cash and bank balances		3,681	4,996
<b>Total current assets</b>		<u>43,369</u>	<u>40,726</u>
<b>TOTAL ASSETS</b>		<u><u>103,889</u></u>	<u><u>95,866</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		70,355	57,411
Meger deficit		(4,100)	(4,100)
Reorganisation deficit		(51,411)	(51,411)
Retained profits		58,522	62,268
<b>TOTAL EQUITY</b>		<u>73,366</u>	<u>64,168</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		4,225	3,412
Long-term borrowings	B8	2,275	4,768
Lease liabilities		930	447
<b>Total non-current liabilities</b>		<u>7,430</u>	<u>8,627</u>
<b>Current liabilities</b>			
Trade payables		5,729	7,464
Other payables and accruals		8,489	8,375
Short-term borrowings	B8	8,431	6,809
Lease liabilities		444	423
<b>Total current liabilities</b>		<u>23,093</u>	<u>23,071</u>
<b>TOTAL LIABILITIES</b>		<u>30,523</u>	<u>31,698</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>103,889</u></u>	<u><u>95,866</u></u>
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>		<u>0.26</u>	<u>0.29</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**  
**AS AT 31 DECEMBER 2024 (CONTINUED)**

**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 December 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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**ZANTAT HOLDINGS BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>**  
**FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2024**

	<----- Non-distributable ----->			Distributable	
	Share capital RM'000	Merger deficit RM'000	Reorganisation deficit RM'000	Retained profits RM'000	Total equity RM'000
<b>2024</b>					
<b>At 1 January 2024</b>	57,411	(4,100)	(51,411)	62,268	64,168
Profit after tax/ Total comprehensive income for the financial year	-	-	-	454	454
<b>Transactions with owners</b>					
Dividends	-	-	-	(4,200)	(4,200)
Issuance of shares pursuant to IPO <sup>(2)</sup>	14,000	-	-	-	14,000
Share issuance expenses <sup>(3)</sup>	(1,056)	-	-	-	(1,056)
	12,944	-	-	(4,200)	8,744
<b>At 31 December 2024</b>	<b>70,355</b>	<b>(4,100)</b>	<b>(51,411)</b>	<b>58,522</b>	<b>73,366</b>
<b>2023</b>					
<b>At 1 January 2023</b>	6,000	(4,100)	-	55,507	57,407
Effect of group restructuring exercise	51,411	-	(51,411)	(8)	(8)
Profit after tax/ Total comprehensive income for the financial year	-	-	-	6,769	6,769
<b>At 31 December 2023</b>	<b>57,411</b>	<b>(4,100)</b>	<b>(51,411)</b>	<b>62,268</b>	<b>64,168</b>

**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) Issuance of new shares pursuant to the IPO as disclosed in Note A7.
- (3) Listing expenses incurred pursuant to the IPO as disclosed in Note A7 that has been set-off against the equity.

**ZANTAT HOLDINGS BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**  
**FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2024**

	<b>Year-To-Date Ended 31.12.2024 RM'000</b>	<b>Year-To-Date Ended 31.12.2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,471	9,609
Adjustments:		
Bad debt written off	58	2
Depreciation of property, plant and equipment	5,578	5,458
Depreciation of right-of-use assets	560	562
Interest expense	495	873
Interest expense on lease liabilities	41	36
Plant and equipment written off	17	23
Fair value gain on short-term investment	(159)	(9)
Interest income	(323)	(122)
Net gain on disposal of plant and equipment	(193)	(184)
Net unrealised gain on foreign exchange	(315)	(499)
<b>Operating profit before working capital changes</b>	<b>8,230</b>	<b>15,749</b>
(Increase)/Decrease in inventories	(369)	667
Decrease in trade and other receivables	6,473	545
(Decrease)/Increase in trade and other payables	(1,995)	1,423
<b>CASH FROM OPERATIONS</b>	<b>12,339</b>	<b>18,384</b>
Income tax paid	(2,654)	(1,232)
Interest paid	(557)	(914)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>9,128</b>	<b>16,238</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income received	323	122
Increase in short-term investment	159	9
Proceeds from disposal of plant and equipment	196	184
Purchase of property, plant and equipment	(10,803)	(1,909)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(10,125)</b>	<b>(1,594)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(4,200)	-
Net drawdown/(repayment) in bankers' acceptances	2,021	(4,019)
Net drawdown/(repayment) in post-shipment buyer loan	1,153	(1,501)
Net repayment in revolving credit	-	(1,500)
Net repayment in invoice financing	-	(350)
Net repayment in term loans	(2,761)	(2,464)
Payment of hire purchase payables	(1,265)	(2,153)
Payment of lease liabilities	(423)	(405)
Payment of share issuance expenses	(1,056)	-
Proceeds from issuance of ordinary shares	14,000	-
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>7,469</b>	<b>(12,392)</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**  
**FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2024 (CONTINUED)**

	<b>Year-To-Date Ended 31.12.2024 RM'000</b>	<b>Year-To-Date Ended 31.12.2023 RM'000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>6,472</b>	<b>2,252</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>10,545</b>	<b>7,973</b>
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(172)	321
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>16,845</b>	<b>10,546</b>
<b>Cash and cash equivalents at the end of the financial year represented by:</b>		
Fixed deposits with licensed banks	3,809	4,138
Cash and bank balances	3,681	4,996
Short-term investment	9,355	1,412
	<b>16,845</b>	<b>10,546</b>

**Note:**

- (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.

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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 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 to the unaudited condensed consolidated financial statements upon its initial application:

- Amendments to MFRS 16: Lease liability in a Sale and Leaseback
- 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 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>
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
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	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 2023.

**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.

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**

The first interim single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2024 was declared on 23 May 2024 and paid on 25 June 2024.

**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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Production of:				
- GCC <sup>(1)</sup>	18,304	28,047	83,601	107,283
- CC dispersion <sup>(2)</sup>	2,952	2,761	12,193	10,939
- Kaolin dispersion	230	114	1,522	1,131
Others	1,266	785	4,561	3,443
	<b>22,752</b>	<b>31,707</b>	<b>101,877</b>	<b>122,796</b>

**Revenue by business geographical markets**

	Quarter Ended		Year-To-Date Ended	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	11,475	12,458	43,074	41,501
<b>Foreign countries:</b>				
India	9,473	16,928	48,280	71,156
Other foreign countries <sup>(3)</sup>	1,804	2,321	10,523	10,139
	<b>22,752</b>	<b>31,707</b>	<b>101,877</b>	<b>122,796</b>

**Notes:**

- (1) GCC is referring to ground calcium carbonate.
- (2) CC dispersion is referring to calcium carbonate dispersion.
- (3) Includes Australia, Bangladesh, Cambodia, Fiji, Indonesia, Nepal, 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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Transportation expenses charged by entities controlled by close family members of certain directors	15	196	501	804
Transportation expenses charged by a close family member of certain directors	53	51	178	219

**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	As at
	31.12.2024	31.12.2023
	RM'000	RM'000
<b>Approved and contracted for:</b>		
- Acquisition of electrical equipment and fittings	787	-
- Acquisition of forklift	109	-
- Acquisition of lab equipment	960	-
- Acquisition of plant and machinery	612	2
- Acquisition of software	24	-
- Construction of buildings	93	1,151
	<b>2,585</b>	<b>1,153</b>

**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	
	31.12.2024 RM'000	31.12.2023 RM'000	RM'000	%
Revenue	22,752	31,707	(8,955)	-28.2%
Gross profit	6,482	13,188	(6,706)	-50.8%
(Loss)/Profit before tax	(1,102)	1,775	(2,877)	-162.1%
(Loss)/Profit after tax	(1,529)	1,098	(2,627)	-239.3%
(Loss)/Profit attributable to owners of the Company	(1,529)	1,098	(2,627)	-239.3%

Our Group recorded revenue of RM22.8 million for the current quarter and RM31.7 million for the preceding year corresponding quarter, decreased by 28.2% or RM9.0 million.

The decrease in revenue was mainly due to the decrease in revenue from production of GCC by 34.7% or RM9.7 million, from RM28.0 million to RM18.3 million.

Our main business segment continued to be production of GCC, which contributed 80.5% of our total revenue for the current quarter.

Our Group incurred loss before tax of RM1.1 million for the current quarter, as opposed to profit before tax of RM1.8 million for the preceding year corresponding quarter, mainly resulted from lower gross profit margin by 13.1 percentage points, from 41.6% for the preceding year corresponding quarter to 28.5% for the current quarter.

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**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	
	31.12.2024	31.12.2023	RM'000	%
Revenue	101,877	122,796	(20,919)	-17.0%
Gross profit	38,028	49,077	(11,049)	-22.5%
Profit before tax	2,471	9,609	(7,138)	-74.3%
Profit after tax	454	6,769	(6,315)	-93.3%
Profit attributable to owners of the Company	454	6,769	(6,315)	-93.3%

Our Group recorded revenue of RM101.9 million for the current year-to-date and RM122.8 million for the preceding year-to-date, decreased by 17.0% or RM20.9 million.

The decrease in revenue was mainly due to the decrease in revenue from production of GCC by 22.1% or RM23.7 million, from RM107.3 million to RM83.6 million.

Our main business segment continued to be production of GCC, which contributed 82.1% of our total revenue for the current year-to-date.

Based on the aforementioned factors, our profit before tax for the current year-to-date decreased substantially by 74.3% or RM7.1 million as compared to preceding year-to-date, from RM9.6 million for the preceding year-to-date to RM2.5 million for the current year-to-date.

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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	
	31.12.2024 RM'000	30.09.2024 RM'000	RM'000	%
Revenue	22,752	27,827	(5,075)	-18.2%
Gross profit	6,482	11,239	(4,757)	-42.3%
Loss before tax	(1,102)	(325)	777	239.1%
Loss after tax	(1,529)	(600)	929	154.8%
Loss attributable to owners of the Company	(1,529)	(600)	929	154.8%

Our Group's revenue decreased by RM5.1 million or 18.2% to RM22.8 million as compared with the immediate preceding quarter of RM27.8 million.

The decrease was mainly due to the decrease in revenue from production of GCC by 20.4% or RM4.6 million, from RM22.6 million to RM18.0 million.

Our Group incurred loss before tax of RM1.1 million for the current quarter, higher loss by 239.1% or RM0.8 million as compared to the loss before tax incurred for the immediate preceding quarter of RM0.3 million, mainly resulted from lower gross profit margin by 11.4 percentage points, from 39.9% for the immediate preceding quarter to 28.5% for the current 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 close 2024, our Group has navigated the complexities of global markets with resilience. The recent weakening of the USD has impacted our export margins, but looking ahead, a potential strengthening of the USD <sup>(1)</sup> could place us in a better position. Beyond foreign exchange, another key external factor is ocean freight. With the normalisation or reduction of freight costs, we will be well-positioned to capture a larger share of the export market, driving both revenue growth and profitability. Meanwhile, the global shift toward sustainable materials presents a significant opportunity <sup>(2)</sup>, particularly in our core markets such as plastics, paper, coatings, and paints.

The increasing integration of green materials like calcium carbonate, recognised for reducing carbon emissions <sup>(3)</sup>, is a response to stringent environmental standards and growing consumer demand for sustainable products. The market for eco-friendly additives is anticipated to expand robustly, driven by these factors.

To better meet this demand, our bioplastics division is strategically expanding into downstream products, including finished goods that will soon be featured on various marketing platforms. This move not only aims to make our sustainable products more accessible to the public but also responds to the evident market demand, as indicated by the growing number of competitors in the retail sector offering similar compostable eco-friendly products. This competitive presence reassures the market's capacity and eagerness for sustainable alternatives, positioning us to capitalise on this trend effectively.

Our Group adheres to its core values of industry leadership and innovation in the calcium carbonate industry. We are actively enhancing our R&D capabilities to stay ahead of market demands for innovative solutions, and we take pride in being the only local manufacturer with such in-house expertise. This strategic development of our research capabilities further highlights our commitment to maintain leadership but also to push the boundaries of product development to set new industry standards. Our goal is to provide our customer customised, high-quality solutions that lead the market in both innovation and environmental sustainability.

Looking ahead, our Group is committed to leveraging its market position and technical prowess to navigate these complexities. Our focus remains on enhancing operational efficiencies, managing costs strategically, and embracing innovative approaches to meet evolving market demands. Through these efforts, we aim to sustain our group development, reinforce our competitive edge, and continue our leadership in promoting sustainable manufacturing practices across industries.

**Notes:**

(1) Source: <https://www.channelnewsasia.com/commentary/us-dollar-chinese-yuan-currencies-trade-finance-business-2025-4839591#:~:text=The%20renewed%20inflationary%20risk%2C%20coupled,firm%20above%204%20per%20cent.>

(2) Source: <https://straitsresearch.com/report/green-chemicals-and-materials-market>

(3) Source: <https://blog.impactplastics.co/blog/reduced-environmental-impact-through-use-of-calcium-carbonate>



**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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
<b>Current income tax:</b>				
- Current period/year	(387)	677	1,193	2,753
- Under/(Over) provision in prior year	-	-	10	(301)
<b>Deferred tax:</b>				
- Current period/year	305	-	305	216
- Under provision in prior year	509	-	509	172
	<b>427</b>	<b>677</b>	<b>2,017</b>	<b>2,840</b>
Effective tax rate <sup>(1)</sup> (%)	N/A	38.1	81.6	29.6
Statutory tax rate (%)	24.0	24.0	24.0	24.0

**Note:**

- (1) The Group's effective tax rate for the current quarter is not applicable as the Group incurred loss before tax. The effective tax rate for the current financial year-to-date was higher than the statutory tax rate of 24% mainly due to certain expenses incurred which were not deductible for tax purposes and absence of group relief for loss incurred by a subsidiary company.

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

**B6. Status of Corporate Proposals**

On 10 September 2024, M&A Securities Sdn Bhd ("M&A Securities") on behalf of the Board of Directors of the Company had announced that the Company proposes to implement a special issue of up to 40,000,000 new ordinary shares in the Company, representing approximately 12.5% of the Company's enlarged number of issued shares to independent third-party Bumiputera investors to be identified and/or approved by the Ministry of Investment, Trade and Industry Malaysia ("Proposed Special Issue").

On 13 September 2024, M&A Securities had submitted the additional listing application in relation to the Proposed Special Issue to Bursa Securities.

On 9 October 2024, M&A Securities on behalf of the Board of Directors of the Company had announced that Bursa Securities had approved the listing of and quotation for up to 40,000,000 new ordinary shares to be issued pursuant to the Proposed Special Issue on the ACE Market of Bursa Securities, subject to conditions.

On 4 November 2024, the Company had obtained its shareholders' approval at the Extraordinary General Meeting for the Proposed Special Issue.

On 16 January 2025, M&A Securities on behalf of the Board of Directors of 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.

Further details of the Special Issue will be announced in due course. 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 status of utilisation as at 31 December 2024 of the gross proceeds of RM14.0 million raised by the Company from the Public Issue is as follows:

<b>Utilisation of proceeds</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance to be utilised RM'000</b>	<b>Estimated timeframe for utilisation <sup>(1)</sup></b>
Upgrading of R&D facilities	3,830	2,256	1,574	Within 12 months
Upgrading of Calrock Perak Plant's Infrastructure	1,000	-	1,000	Within 12 months
Investment in high efficiency machine components and industrial automation	1,350	1,165	185	Within 6 months
Repayment of bank borrowings	3,390	3,390	-	Within 12 months
Working capital	1,430	278	1,152	Within 12 months
Estimated listing expenses	3,000	3,000	-	Immediately
	<b>14,000</b>	<b>10,089</b>	<b>3,911</b>	

**Note:**

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

**B8. Group Borrowings and Debts Securities**

	<b>As at 31.12.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
<b>Non-current:</b>		
<b>Secured</b>		
Term loans	2,275	4,768
<b>Current:</b>		
<b>Secured</b>		
Bankers' acceptances	4,825	2,804
Post-shipment buyer loan	1,741	588
Term loans	1,865	2,152
Hire purchase payables	-	1,265
	8,431	6,809
<b>Total borrowings</b>	<b>10,706</b>	<b>11,577</b>

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 31 December 2024.

**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:

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit attributable to owners of the Company	(1,529)	1,098	454	6,769
Weighted average number of ordinary shares in issue ('000)	280,000	224,000	266,842	224,000
Basic (LPS)/EPS (sen)	(0.55)	0.49	0.17	3.02
Diluted (LPS)/EPS (sen) <sup>(1)</sup>	(0.55)	0.49	0.17	3.02

**Note:**

(1) 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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
<b>After charging/ (crediting):</b>				
Bad debt written off	58	-	58	2
Depreciation:				
- property, plant and equipment	1,335	1,422	5,578	5,458
- right-of-use assets	129	142	560	562
Interest expense	104	170	495	873
Interest expense on lease liabilities	8	7	41	36
Plant and equipment written off	6	-	17	23
Fair value gain on short-term investment	(38)	(9)	(159)	(9)
Interest income	(81)	(36)	(323)	(122)
Net gain on disposal of plant and equipment	(23)	(23)	(193)	(184)
Net loss/(gain) on foreign exchange:				
- realised	303	(61)	740	(341)
- unrealised	(639)	529	(315)	(499)

**B13. Authorisation for Issue**

This interim financial report was authorised for issue by the Board on 21 February 2025.