



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 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 FOURTH QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2025**

	Note	Quarter Ended		Year-To-Date Ended	
		31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Revenue		24,682	22,752	92,199	101,877
Cost of sales		(15,492)	(16,195)	(62,825)	(63,849)
Gross profit		9,190	6,557	29,374	38,028
Other income		293	817	804	1,200
Selling and distribution expenses		(6,501)	(5,361)	(21,599)	(24,138)
Administrative expenses		(2,535)	(2,521)	(9,833)	(10,835)
Other expenses		(2,964)	(481)	(3,715)	(1,247)
Finance costs		(149)	(113)	(587)	(537)
(Loss)/Profit before tax		(2,666)	(1,102)	(5,556)	2,471
Tax expense	B5	(78)	(427)	97	(2,017)
(Loss)/Profit after tax/ Total comprehensive (expenses)/income for the financial period/year		(2,744)	(1,529)	(5,459)	454
(Loss)/Profit after tax/ Total comprehensive (expenses)/income for the financial period/ year attributable to:					
- Owners of the Company		(2,744)	(1,529)	(5,459)	454
(Loss)/Earnings per share	B11				
- Basic (sen)		(0.96)	(0.55)	(1.92)	0.17
- Diluted (sen)		(0.96)	(0.55)	(1.92)	0.17

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
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 31 DECEMBER 2025

	Note	As at 31.12.2025 RM'000	As at 31.12.2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		50,864	52,816
Right-of-use assets		7,226	7,704
Total non-current assets		<u>58,090</u>	<u>60,520</u>
Current assets			
Inventories		10,133	8,297
Trade receivables		16,284	15,011
Other receivables, deposits and prepayments		1,222	1,482
Current tax assets		1,714	1,734
Short-term investments		5,758	9,355
Fixed deposits with licensed banks		-	3,809
Cash and bank balances		5,646	3,681
Total current assets		<u>40,757</u>	<u>43,369</u>
TOTAL ASSETS		<u><u>98,847</u></u>	<u><u>103,889</u></u>
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		53,063	58,522
TOTAL EQUITY		<u>69,465</u>	<u>73,366</u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		4,199	4,225
Long-term borrowings	B8	3,497	2,275
Lease liabilities		539	930
Total non-current liabilities		<u>8,235</u>	<u>7,430</u>
Current liabilities			
Trade payables		4,810	5,729
Other payables and accruals		6,111	8,489
Short-term borrowings	B8	9,705	8,431
Lease liabilities		521	444
Total current liabilities		<u>21,147</u>	<u>23,093</u>
TOTAL LIABILITIES		<u>29,382</u>	<u>30,523</u>
TOTAL EQUITY AND LIABILITIES		<u><u>98,847</u></u>	<u><u>103,889</u></u>
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾		<u>0.24</u>	<u>0.26</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 31 DECEMBER 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 31 December 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 31 DECEMBER 2025

	<----- Non-distributable ----->			Distributable	
	Share capital RM'000	Merger deficit RM'000	Reorganisation deficit RM'000	Retained profits RM'000	Total equity 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 year	-	-	-	(5,459)	(5,459)
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 31 December 2025	71,913	(4,100)	(51,411)	53,063	69,465
2024					
At 1 January 2024	57,411	(4,100)	(51,411)	62,268	64,168
Profit after tax/ Total comprehensive income for the financial year	-	-	-	454	454
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 31 December 2024	70,355	(4,100)	(51,411)	58,522	73,366

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾
FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 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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ZANTAT HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2025

	Year-To-Date Ended 31.12.2025 RM'000	Year-To-Date Ended 31.12.2024 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(5,556)	2,471
Adjustments:		
Bad debts written off	-	58
Depreciation of property, plant and equipment	6,005	5,578
Depreciation of right-of-use assets	616	560
Impairment loss on plant and equipment	2,300	-
Interest expense	530	495
Interest expense on lease liabilities	57	41
Inventories written off	31	-
Net unrealised loss/(gain) on foreign exchange	411	(315)
Plant and equipment written off	6	17
Fair value gain on short-term investments	(154)	(159)
Interest income	(261)	(323)
Net gain on disposal of plant and equipment	(115)	(193)
Operating profit before working capital changes	3,870	8,230
Increase in inventories	(1,867)	(369)
(Increase)/Decrease in trade and other receivables	(1,946)	6,473
Decrease in trade and other payables	(3,173)	(1,995)
CASH (FOR)/FROM OPERATIONS	(3,116)	12,339
Income tax paid	(657)	(2,654)
Income tax refunded	748	-
Interest paid	(587)	(557)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(3,612)	9,128
CASH FLOWS FOR INVESTING ACTIVITIES		
Increase in short-term investments	154	159
Interest income received	250	323
Proceeds from disposal of plant and equipment	115	196
Purchase of property, plant and equipment	(5,756)	(10,803)
NET CASH FOR INVESTING ACTIVITIES	(5,237)	(10,125)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(4,200)
Net drawdown of bankers' acceptances	357	2,021
Net drawdown of post-shipment buyer loans	483	1,153
Net drawdown of revolving credits	1,200	-
Payments of hire purchase payables	-	(1,265)
Payments of lease liabilities	(452)	(423)
Payments 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	2,223
Repayments of term loans	(2,603)	(4,984)
NET CASH FROM FINANCING ACTIVITIES	3,602	7,469

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2025 (CONTINUED)

	Year-To-Date Ended 31.12.2025 RM'000	Year-To-Date Ended 31.12.2024 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,247)	6,472
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	16,845	10,545
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(194)	(172)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	11,404	16,845
	As at 31.12.2025 RM'000	As at 31.12.2024 RM'000
Cash and cash equivalents at the end of the financial year represented by:		
Short-term investments	5,758	9,355
Fixed deposits with licensed banks	-	3,809
Cash and bank balances	5,646	3,681
	11,404	16,845

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.

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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
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027

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.

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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

	Quarter Ended		Year-To-Date Ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Production of:				
- GCC ⁽¹⁾	19,182	18,304	71,031	83,601
- CC dispersion ⁽²⁾	2,980	2,952	12,278	12,193
- Kaolin dispersion	528	230	1,599	1,522
- Granulated CC ⁽³⁾	572	540	2,654	1,040
Bioplastic	26	-	59	41
Others	1,394	726	4,578	3,480
	24,682	22,752	92,199	101,877

Revenue by business geographical markets

	Quarter Ended		Year-To-Date Ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	11,108	11,475	44,907	43,074
Foreign countries:				
India	10,414	9,473	38,086	48,280
Other foreign countries ⁽⁴⁾	3,160	1,804	9,206	10,523
	24,682	22,752	92,199	101,877

Notes:

- (1) GCC refers to ground calcium carbonate.
- (2) CC dispersion refers to calcium carbonate dispersion.
- (3) Granulated CC refers to granulated calcium carbonate.
- (4) Includes Australia, Bangladesh, Cambodia, Fiji, Indonesia, Nepal, New Zealand, 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 and financial year-to-date under review, except as follows:

On 8 September 2025, the Company's wholly-owned subsidiary, Zantat Sdn. Bhd., had incorporated a 100% owned subsidiary, namely Zantat Trading Sdn. Bhd. ("Zantat Trading"), a company incorporated in Malaysia with an issued and paid-up capital of RM1. The intended principal activity of Zantat Trading is trading of bioplastic and other related products.

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	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Transportation expenses charged by entities controlled by close family members of certain directors	-	15	-	501
Transportation expenses charged by a close family member of certain directors	-	53	-	178
	<u>-</u>	<u>53</u>	<u>-</u>	<u>178</u>

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

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 31.12.2025 RM'000	As at 31.12.2024 RM'000
Approved and contracted for:		
- Acquisition of electrical equipment and fittings	-	787
- Acquisition of factory tools and equipment	32	-
- Acquisition of forklift	-	109
- Acquisition of lab equipment	28	960
- Acquisition of motor vehicle	278	-
- Acquisition of plant and machinery	106	612
- Acquisition of software	69	24
- Construction of buildings	744	93
	1,257	2,585

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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	
	31.12.2025 RM'000	31.12.2024 RM'000	RM'000	%
Revenue	24,682	22,752	1,930	8.5%
Gross profit	9,190	6,557	2,633	40.2%
Loss before tax	(2,666)	(1,102)	1,564	141.9%
Loss after tax	(2,744)	(1,529)	1,215	79.5%
Loss attributable to owners of the Company	(2,744)	(1,529)	1,215	79.5%

Our Group recorded revenue of RM24.68 million for the current quarter and RM22.75 million for the preceding year corresponding quarter, increased by 8.5% or RM1.93 million.

The increase in revenue mainly resulted from:

- higher revenue from production of GCC by 4.8% or RM0.88 million, from RM18.30 million to RM19.18 million due to higher sales tonnage by 4.5% while average selling price remained fairly consistent;
- higher revenue from production of kaolin by 130.4% or RM0.30 million, from RM0.23 million to RM0.53 million due to higher sales tonnage by 144.5%, despite lower average selling price by 5.8%; and
- higher revenue from trading and processing in other industrial minerals by 90.4% or RM0.66 million, from RM0.73 million to RM1.39 million.

Our main business segment continued to be production of calcium carbonate products, which collectively contributed 89.8% of our total revenue for the current quarter. The production of GCC and CC dispersion contributed revenue of 77.7% and 12.1% respectively for the current quarter.

Our Group incurred loss before tax of RM2.67 million for the current quarter, higher loss by 141.9% or RM1.56 million as compared to the loss before tax incurred for the preceding year corresponding quarter of RM1.10 million, mainly resulted from:

- impairment loss on plant and equipment for RM2.30 million incurred for the current quarter;
- higher selling and distribution expenses, mainly attributable to increase in freight and logistic costs by RM0.90 million as a result of increase in export revenue as well as higher advertisement and marketing expenses by RM0.24 million; and
- higher realised loss on foreign exchange by RM0.21 million due to weakening United States Dollar; largely mitigated by
- higher gross profit by 40.2% or RM2.63 million, from RM6.56 million for the preceding year corresponding quarter to RM9.19 million for the current quarter, mainly due to higher gross profit margin by 8.4 percentage points, from 28.8% for the preceding year corresponding quarter to 37.2% for the current quarter.

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	
	31.12.2025	31.12.2024	RM'000	%
Revenue	92,199	101,877	(9,678)	-9.5%
Gross profit	29,374	38,028	(8,654)	-22.8%
(Loss)/Profit before tax	(5,556)	2,471	(8,027)	-324.8%
(Loss)/Profit after tax	(5,459)	454	(5,913)	-1302.4%
(Loss)/Profit attributable to owners of the Company	(5,459)	454	(5,913)	-1302.4%

Our Group recorded revenue of RM92.20 million for the current year-to-date and RM101.88 million for the preceding year-to-date, decreased by 9.5% or RM9.68 million.

The decrease in revenue mainly resulted from:

- lower revenue from production of GCC by 15.0% or RM12.57 million, from RM83.60 million to RM71.03 million due to lower sales tonnage by 7.6% as well as lower average selling price by 8.0%; partially mitigated by
- higher revenue from production of granulated CC by 154.8% or RM1.61 million, from RM1.04 million to RM2.65 million due to higher sales tonnage by 119.4% as well as higher average selling price by 16.3%; and
- higher revenue from trading and processing in other industrial minerals by 31.6% or RM1.10 million, from RM3.48 million to RM4.58 million.

Our Group incurred loss before tax of RM5.56 million for the current year-to-date, as opposed to profit before tax of RM2.47 million for the preceding year-to-date, mainly resulted from:

- lower gross profit by 22.8% or RM8.66 million, from RM38.03 million for the preceding year-to-date to RM29.37 million for the current year-to-date, mainly due to lower gross profit margin by 5.4 percentage points, from 37.3% for the preceding year-to-date to 31.9% for the current year-to-date;
- lower other income mainly attributable to absence of unrealised gain on foreign exchange of RM0.31 million recorded in the preceding year-to-date;
- higher advertisement and marketing expenses by RM0.49 million;
- higher administrative staff related expenses by RM0.46 million;
- unrealised loss on foreign exchange of RM0.41 million incurred for the current year-to-date; and
- impairment loss on plant and equipment for RM2.30 million incurred for the current year-to-date; negated by
- lower freight and logistic costs by RM3.20 million as a result of decrease in export revenue; and
- lower consultancy fees and professional fees in respect of corporate exercise by RM1.38 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	
	31.12.2025 RM'000	30.9.2025 RM'000	RM'000	%
Revenue	24,682	22,956	1,726	7.5%
Gross profit	9,190	7,327	1,863	25.4%
Loss before tax	(2,666)	(776)	1,890	243.6%
Loss after tax	(2,744)	(719)	2,025	281.6%
Loss attributable to owners of the Company	(2,744)	(719)	2,025	281.6%

Our Group's revenue increased by RM1.72 million or 7.5% to RM24.68 million as compared with the immediate preceding quarter of RM22.96 million, mainly resulted from:

- higher revenue from production of GCC by 7.9% or RM1.41 million, from RM17.77 million to RM19.18 million due to higher sales tonnage by 6.2% as well as slightly higher average selling price by 1.7%;
- higher revenue from production of kaolin by 71.0% or RM0.22 million, from RM0.31 million to RM0.53 million due to higher sales tonnage by 73.7% despite slightly lower average selling price by 1.1%; and
- higher revenue from production of granulated CC by 78.1% or RM0.25 million, from RM0.32 million to RM0.57 million due to higher sales tonnage by 37.7% as well as higher average selling price by 31.5%; partially mitigated by
- lower revenue from trading and processing in other industrial minerals by 10.3% or RM0.16 million, from RM1.55 million to RM1.39 million.

Our Group incurred loss before tax of RM2.67 million for the current quarter, higher loss by 243.6% or RM1.89 million as compared to the loss before tax incurred for the immediate preceding quarter of RM0.78 million, mainly resulted from:

- impairment loss on plant and equipment for RM2.30 million incurred for the current quarter;
- higher freight and logistic costs by RM0.56 million as a result of increase in export revenue;
- higher advertisement and marketing expenses by RM0.14 million;
- higher administrative staff related expenses by RM0.28 million; and
- higher net realised loss on foreign exchange by RM0.43 million due to weakening United States Dollar; offset by
- higher gross profit by 25.4% or RM1.86 million, from RM7.33 million for the immediate preceding quarter to RM9.19 million for the current quarter, mainly attributable to higher gross profit margin by 5.3 percentage points, from 31.9% for the immediate preceding quarter to 37.2% for the current quarter.

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

B3. Prospects of the Group

In the current operating environment, our focus remains on maintaining discipline in execution while strengthening the quality and resilience of our earnings. External factors such as foreign exchange movements, freight conditions and trade policies continue to influence market behaviour, and we remain mindful of these dynamics in managing our business.

Within our GCC segment, certain export-oriented product portfolios, particularly those serving the India market, continue to be managed at a fixed capacity. This remains aligned with our long-standing approach of maintaining controlled capacity levels rather than pursuing additional expansion in export markets. During the financial year 2025, these portfolios were impacted by foreign exchange fluctuations and trade disruptions. More recently, conditions have shown signs of stabilisation, with more consistent order flows observed entering early 2026, although we remain cautious. Separately, we have continued to progress customer qualification for selected GCC products targeted at local markets where demand requires tighter specifications and closer technical alignment. Engagements with customers have advanced through multiple rounds of testing and evaluation, with applications from key potential customers nearing initial acceptance. While these activities remain at an early commercial stage, they are being progressed in close coordination with customer requirements.

In our dispersion and kaolin segments, demand continued to be influenced by conditions in the gloves sector, which remained under pressure through much of 2025 as global oversupply and cautious customer sentiment constrained utilisation and pricing. Demand patterns in these segments, which are largely linked to local manufacturing activity, remained subdued for the period. In response, our focus has been on working closely with customers to develop enhanced product solutions aimed at improving cost efficiency and product performance as industry conditions normalise.

Beyond our core segments, we have observed increasing regional adoption of granulated CC across selected end-use applications, reflecting a gradual shift away from traditional agricultural lime as farming practices modernise. These applications currently represent a smaller part of the Group's overall portfolio. We continue to approach this segment in a measured manner, with emphasis on strengthening customer engagement as adoption progresses.

We maintain a measured presence in downstream sustainable products through our Earthya™ brand. Activities under this initiative remain focused on market learning and selective partnerships and are managed in a manner that complement our core segments.

To support product development and customer collaboration across these areas, we have continued to invest in strengthening our internal technical capabilities. Our Poly+Cal Lab, launched in October 2025, is now fully operational and increasingly embedded in customer engagement activities. The laboratory supports product development and enhancement initiatives, particularly within polymer-related applications, through close collaboration with internal business units and external customers.

In planning for the year ahead, we have continued to adopt disciplined and conservative assumptions in our budgeting process, particularly in relation to foreign exchange volatility. While global conditions are expected to remain mixed, improved visibility in certain markets combined with disciplined capacity management and strengthened technical capabilities provides a more stable operating context as we manage near-term uncertainties. We will continue to focus on execution, spending discipline and customer engagement as we work to progressively strengthen the resilience of our business.

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	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Current period/year	15	(387)	48	1,193
- (Over)/Under provision in prior year	-	-	(119)	10
Deferred tax:				
- Current period/year	63	305	(148)	305
- Under provision in prior year	#	509	122	509
	78	427	(97)	2,017
Effective tax rate (%)	N/A	N/A	N/A	81.6
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.

Less than RM500.

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 31 December 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	-	(2,326)	1,504	Within 12 months	Within 30 months
2 Upgrading of Calrock Perak Plant's Infrastructure	1,000	-	(85)	915	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	(1,174)	441	Within 12 months	Within 30 months
6 Estimated listing expenses	3,000	-	(3,000)	-	Immediately	-
	14,000	-	(11,140)	2,860		

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 31 December 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 31.12.2025 RM'000	As at 31.12.2024 RM'000
Non-current:		
Secured		
Term loans	3,497	2,275
Current:		
Secured		
Bankers' acceptances	5,182	4,825
Post-shipment buyer loans	2,224	1,741
Revolving credits	1,200	-
Term loans	1,099	1,865
	9,705	8,431
Total borrowings	13,202	10,706

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

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)

B9. Material Litigations

There were no material litigations by or against the Group as at 31 December 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 and financial year-to-date under review are computed as follows:

	Quarter Ended		Year-To-Date Ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to owners of the Company	(2,744)	(1,529)	(5,459)	454
Weighted average number of ordinary shares in issue ('000)	284,753	280,000	284,311	266,842
Basic (LPS)/EPS (sen)	(0.96)	(0.55)	(1.92)	0.17
Diluted (LPS)/EPS (sen)	<u>(0.96)</u>	<u>(0.55)</u>	<u>(1.92)</u>	<u>0.17</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 and financial year-to-date under review:

	Quarter Ended		Year-To-Date Ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
After charging/ (crediting):				
Bad debts written off	-	-	-	58
Depreciation:				
- property, plant and equipment	1,554	1,335	6,005	5,578
- right-of-use assets	161	129	616	560
Impairment loss on plant and equipment	2,300	-	2,300	-
Interest expense	137	105	530	495
Interest expense on lease liabilities	12	8	57	41
Inventories written off	2	-	31	-
Plant and equipment written off	3	6	6	17
Fair value gain on short-term investments	(20)	(38)	(154)	(159)
Interest income	(55)	(81)	(261)	(323)
Net gain on disposal of plant and equipment	-	(23)	(115)	(193)
Net loss/(gain) on foreign exchange:				
- realised	534	303	512	740
- unrealised	(140)	(639)	411	(315)

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 26 February 2026.