ZANTAT HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2026

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2026

		Quarter Ended		Year-To-Date Ended	
		30.6.2026	**30.6.2025**	**30.6.2026**	**30.6.2025**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue		29,163	20,602	55,456	44,561
Cost of sales		(18,527)	(15,016)	(35,359)	(31,704)
Gross profit		**10,636**	**5,586**	**20,097**	**12,857**
Other income		146	242	600	659
Selling and distribution expenses		(7,694)	(4,249)	(15,009)	(9,453)
Administrative expenses		(2,519)	(2,503)	(5,075)	(5,039)
Other expenses		(148)	(544)	(715)	(847)
Finance costs		(154)	(164)	(292)	(291)
Profit/(Loss) before tax		**267**	**(1,632)**	**(394)**	**(2,114)**
Tax expense	B5	(58)	177	(149)	118
Profit/(Loss) after tax/ Total comprehensive income/(expenses) for the financial period		**209**	**(1,455)**	**(543)**	**(1,996)**
Profit/(Loss) after tax/ Total comprehensive income/(expenses) for the financial period attributable to:					
- Owners of the Company		209	(1,455)	(543)	(1,996)
Earnings/(Loss) per share	B11				
- Basic (sen)		0.07	(0.51)	(0.19)	(0.70)
- Diluted (sen)		0.07	(0.51)	(0.19)	(0.70)

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 2025 and the accompanying explanatory notes attached to this interim financial report.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (1) AS AT 30 JUNE 2026

	Note	As at 30.6.2026 RM'000	As at 31.12.2025 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		51,428	50,864
Right-of-use assets		6,940	7,226
Total non-current assets		58,368	58,090
Current assets			
Inventories		9,860	10,133
Trade receivables		18,327	16,284
Other receivables, deposits and prepayments		883	1,222
Current tax assets		1,597	1,714
Short-term investments		4,351	5,758
Cash and bank balances		6,534	5,646
Total current assets		41,552	40,757
TOTAL ASSETS		99,920	98,847
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		71,913	71,913
Reorganisation deficit		(55,511)	(55,511)
Retained profits		52,520	53,063
TOTAL EQUITY		68,922	69,465
LIABILITIES			
Non-current liabilities			
Long-term borrowings	B8	3,123	3,497
Lease liabilities		302	539
Deferred tax liabilities		4,003	4,199
Total non-current liabilities		7,428	8,235
Current liabilities			
Trade payables		6,040	4,810
Other payables and accruals		7,588	6,111
Short-term borrowings	B8	9,411	9,705
Lease liabilities		531	521
Total current liabilities		23,570	21,147
TOTAL LIABILITIES		30,998	29,382
TOTAL EQUITY AND LIABILITIES		99,920	98,847
Net assets per ordinary share attributable to owners of the Company (RM) (2)		0.24	0.24

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION [(1)]
AS AT 30 JUNE 2026 (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 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per ordinary share as at 30 June 2026 and 31 December 2025 are calculated based on the Company's share capital of 284,753,400 ordinary shares.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 30 JUNE 2026

	<--- Non-distributable --->		Distributable	
	Share capital RM'000	Reorganisation deficit RM'000	Retained profits RM'000	Total equity RM'000
2026				
At 1 January 2026	71,913	(55,511)	53,063	69,465
Loss after tax/ Total comprehensive expenses for the financial period	-	-	(543)	(543)
At 30 June 2026	71,913	(55,511)	52,520	68,922
2025				
At 1 January 2025	70,355	(55,511)	58,522	73,366
Loss after tax/ Total comprehensive expenses for the financial period	-	-	(1,996)	(1,996)
Transactions with owners				
Issuance of shares pursuant to Special Issue	1,592	-	-	1,592
Share issuance expenses	(34)	-	-	(34)
	1,558	-	-	1,558
At 30 June 2025	71,913	(55,511)	56,526	72,928

Note:

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 2025 and the accompanying explanatory notes attached to this interim financial report.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2026

	Year-To-Date Ended 30.6.2026 RM'000	Year-To-Date Ended 30.6.2025 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before tax	(394)	(2,114)
Adjustments:		
Depreciation of property, plant and equipment	3,112	2,904
Depreciation of right-of-use assets	318	304
Interest expense	270	260
Interest expense on lease liabilities	21	31
Inventories written off	1	14
Plant and equipment written off	2	2
Fair value gain on short-term investments	(35)	(106)
Interest income	(94)	(146)
Net gain on disposal of plant and equipment	(16)	(101)
Net unrealised (gain)/loss on foreign exchange	(405)	610
Operating profit before working capital changes	**2,780**	**1,658**
Decrease/(Increase) in inventories	272	(310)
Increase in trade and other receivables	(1,446)	(1,681)
Increase/(Decrease) in trade and other payables	2,313	(4,635)
Increase in contract liabilities	-	75
CASH FROM/(FOR) OPERATIONS	**3,919**	**(4,893)**
Income tax paid	(229)	(655)
Income tax refunded	-	44
Interest paid	(292)	(291)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	**3,398**	**(5,795)**
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest income received	36	146
Net withdrawals of short-term investments	1,503	1,906
Proceeds from disposal of plant and equipment	16	101
Purchase of property, plant and equipment	(2,955)	(3,572)
NET CASH FOR INVESTING ACTIVITIES	**(1,400)**	**(1,419)**
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Net drawdown of bankers' acceptances	36	122
Net (repayments)/drawdown of post-shipment buyer loans	(205)	708
Net (repayments)/drawdown of revolving credits	(150)	150
Payments of hire purchase payables	(14)	-
Payments of lease liabilities	(258)	(219)
Payments of share issuance expenses	-	(34)
Proceeds from issuance of ordinary shares	-	1,592
Proceeds from drawdown of term loans	-	3,059
Repayments of term loans	(565)	(2,038)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	**(1,156)**	**3,340**

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR-TO-DATE ENDED 30 JUNE 2026 (CONTINUED)

	Year-To-Date Ended 30.6.2026 RM'000	Year-To-Date Ended 30.6.2025 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**842**	**(3,874)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	**5,646**	**7,490**
EFFECT OF FOREIGN EXCHANGE TRANSLATION	46	(407)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	**6,534**	**3,209**

	As at 30.6.2026 RM'000	As at 30.6.2025 RM'000
Cash and cash equivalents at the end of the financial period represented by:		
Short-term investments	4,351	7,555
Cash and bank balances	6,534	3,209
	10,885	10,764
Less: Fixed income trust funds	(2,293)	(4,231)
Less: Feeder income trust funds	(2,058)	(3,324)
	6,534	**3,209**

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 2025 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 2025 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 2025.

The Group has also adopted the following amendments to MFRS and IC Interpretations that came into effect on 1 January 2026 which did not have any significant impact on the unaudited condensed consolidated financial statements upon its initial application:

- Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity
- Annual Improvements to MFRS Accounting Standards – Volume 11

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 period:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
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
MFRS 20: Regulatory Assets and Regulatory Liabilities	1 January 2029

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 2025.

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

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.

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	
	30.6.2026 RM'000	**30.6.2025 RM'000**	**30.6.2026 RM'000**	**30.6.2025 RM'000**
Production of:				
- GCC [1]	22,822	15,034	43,430	34,078
- CC dispersion [2]	4,271	2,886	8,068	6,299
- Kaolin dispersion	565	440	994	763
- Granulated CC [3]	565	1,550	678	1,766
Bioplastic	132	11	213	16
Others	808	681	2,073	1,639
	29,163	**20,602**	**55,456**	**44,561**

Revenue by business geographical markets

	Quarter Ended		Year-To-Date Ended	
	30.6.2026 RM'000	**30.6.2025 RM'000**	**30.6.2026 RM'000**	**30.6.2025 RM'000**
Malaysia	12,529	10,769	23,857	22,014
Foreign countries:				
India	13,662	7,798	27,052	17,879
Other foreign countries [4]	2,972	2,035	4,547	4,668
	29,163	**20,602**	**55,456**	**44,561**

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, Indonesia, Nepal, Oman, Papua New Guinea, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.

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

A10. Material Events Subsequent to the End of the Reporting Period

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

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date 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

There were no related party transactions between the Group and related parties during the current quarter and financial year-to-date under review.

A14. Capital Commitments

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

	As at 30.6.2026 RM'000	As at 31.12.2025 RM'000
Approved and contracted for:		
- Acquisition of plant and equipment	656	513
- Construction of buildings	129	744
	785	**1,257**

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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	
	30.6.2026	**30.6.2025**		
	RM'000	**RM'000**	**RM'000**	**%**
Revenue	29,163	20,602	8,561	41.6%
Gross profit	10,636	5,586	5,050	90.4%
Profit/(Loss) before tax	267	(1,632)	1,899	116.4%
Profit/(Loss) after tax	209	(1,455)	1,664	114.4%
Profit/(Loss) attributable to owners of the Company	209	(1,455)	1,664	114.4%

Our Group recorded revenue of RM29.16 million for the current quarter and RM20.60 million for the preceding year corresponding quarter, increased by 41.6% or RM8.56 million.

The increase in revenue mainly resulted from:

- higher revenue from production of GCC by 51.8% or RM7.79 million, from RM15.03 million to RM22.82 million due to higher sales tonnage by 47.0% as well as higher average selling price by 3.3%; and
- higher revenue from production of CC dispersion by 47.8% or RM1.38 million, from RM2.89 million to RM4.27 million due to higher sales tonnage by 30.7% as well as higher average selling price by 13.2%; offset by
- lower revenue from production of granulated CC by 63.9% or RM0.99 million, from RM1.55 million to RM0.56 million due to lower sales tonnage by 71.6% despite higher average selling price by 28.1%.

Our main business segment continued to be production of calcium carbonate products, which collectively contributed 92.9% of our total revenue for the current quarter. The production of GCC and CC dispersion contributed revenue of 78.3% and 14.6% respectively for the current quarter.

Our Group recorded profit before tax of RM0.27 million for the current quarter, as opposed to loss before tax of RM1.63 million for the preceding year corresponding quarter, mainly resulted from:

- higher gross profit by 90.4% or RM5.05 million, from RM5.59 million for the preceding year corresponding quarter to RM10.64 million for the current quarter, mainly driven by the aforementioned higher revenue as well as partially contributed from higher gross profit margin by 9.4 percentage points, from 27.1% for the preceding year corresponding quarter to 36.5% for the current quarter; and
- lower other expenses by 78.4% or RM0.43 million due to absence of net unrealised loss on foreign exchange of RM0.42 million which was incurred in the preceding year corresponding quarter; largely offset by
- higher selling and distribution expenses by 81.1% or RM3.44 million, mainly attributable to increase in freight and logistic costs by RM3.42 million arising from the higher export revenue.

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

B1. Review of Financial Performance (Continued)

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

	Year-To-Date Ended		Changes	
	30.6.2026 RM'000	30.6.2025 RM'000	RM'000	%
Revenue	55,456	44,561	10,895	24.4%
Gross profit	20,097	12,857	7,240	56.3%
Loss before tax	(394)	(2,114)	(1,720)	-81.4%
Loss after tax	(543)	(1,996)	(1,453)	-72.8%
Loss attributable to owners of the Company	(543)	(1,996)	(1,453)	-72.8%

Our Group recorded revenue of RM55.46 million for the current year-to-date and RM44.56 million for the preceding year-to-date, increased by 24.4% or RM10.90 million.

The increase in revenue mainly resulted from:

- higher revenue from production of GCC by 27.4% or RM9.35 million, from RM34.08 million to RM43.43 million due to higher sales tonnage by 27.2% while average selling price remained fairly consistent; and
- higher revenue from production of CC dispersion by 28.1% or RM1.77 million, from RM6.30 million to RM8.07 million due to higher sales tonnage by 13.4% as well as higher average selling price by 12.9%; offset by
- lower revenue from production of granulated CC by 61.6% or RM1.09 million, from RM1.77 million to RM0.68 million due to lower sales tonnage by 70.0% despite higher average selling price by 27.8%.

Our Group incurred loss before tax of RM0.39 million for the current year-to-date, lower loss by 81.4% or RM1.72 million as compared to the loss before tax of RM2.11 million incurred for the preceding year-to-date, mainly resulted from:

- higher gross profit by 56.3% or RM7.24 million, from RM12.86 million for the preceding year-to-date to RM20.10 million for the current year-to-date, mainly driven by the aforementioned higher revenue as well as partially contributed from higher gross profit margin by 7.3 percentage points, from 28.9% for the preceding year-to-date to 36.2% for the current year-to-date; largely mitigated by
- higher selling and distribution expenses by 58.8% or RM5.56 million, mainly attributable to increase in freight and logistic costs by RM5.06 million arising from higher export revenue as well as higher advertisement, exhibition and marketing expenses by RM0.45 million.

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

B2. Comparison with Immediate Preceding Quarter's Results

	Quarter Ended		Changes	
	30.6.2026	31.3.2026		
	RM'000	RM'000	RM'000	%
Revenue	29,163	26,293	2,870	10.9%
Gross profit	10,636	9,461	1,175	12.4%
Profit/(Loss) before tax	267	(661)	928	140.4%
Profit/(Loss) after tax	209	(752)	961	127.8%
Profit/(Loss) attributable to owners of the Company	209	(752)	961	127.8%

Our Group's revenue increased by RM2.87 million or 10.9% to RM29.16 million as compared with the immediate preceding quarter of RM26.29 million, mainly resulted from:

- higher revenue from production of GCC by 10.7% or RM2.21 million, from RM20.61 million to RM22.82 million due to higher sales tonnage by 8.8% as well as marginally higher average selling price by 1.8%;
- higher revenue from production of CC dispersion by 12.4% or RM0.47 million, from RM3.80 million to RM4.27 million due to higher average selling price by 8.5% as well as higher sales tonnage by 3.6%; and
- higher revenue from production of granulated CC by 409.1% or RM0.45 million, from RM0.11 million to RM0.56 million due to higher sales tonnage by 413.0% despite lower average selling price by 2.2%; partially mitigated by
- lower revenue from trading and processing in other industrial minerals by 35.7% or RM0.45 million, from RM1.26 million to RM0.81 million.

Our Group recorded profit before tax of RM0.27 million for the current quarter, as opposed to loss before tax of RM0.66 million for the immediate preceding quarter, mainly resulted from:

- higher gross profit by 12.4% or RM1.18 million, from RM9.46 million for the immediate preceding quarter to RM10.64 million for the current quarter, mainly driven by the aforementioned higher revenue while gross profit margin remained fairly consistent; and
- lower other expenses by 80.3% or RM0.48 million due to absence of net realised loss on foreign exchange of RM0.47 million which was incurred in the immediate preceding quarter; offset by
- lower other income by 76.2% or RM0.37 million due to absence of net unrealised gain on foreign exchange of RM0.41 million recorded in the immediate preceding quarter; and
- higher selling and distribution expenses by 5.2% or RM0.38 million attributable to higher freight and logistic costs by RM0.68 million arising from higher export revenue, partially offset by lower advertisement, exhibition and marketing expenses by RM0.44 million.

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

B3. Prospects of the Group

The Group recorded higher revenue for the current quarter and financial year-to-date compared with the corresponding periods in 2025, driven primarily by increased GCC products volumes to the India market together with improved demand for CC dispersion products. Domestic revenue grew at a more modest rate over the same period.

The increase in revenue has not translated proportionately into earnings. The Group's products are generally priced on cost and freight terms, under which ocean freight costs form part of the delivered selling price. Ocean freight rates rose materially during the current quarter. Accordingly, a portion of the reported revenue growth therefore reflects higher freight costs embedded in selling prices rather than incremental margin. The Group does not expect revenue growth alone to restore profitability, and margin recovery rather than volume growth remains the principal focus for the remainder of the financial year.

Within our GCC segment, utilisation of the Group's production lines supporting export volumes and a portion of domestic demand have increased following higher export volumes. While this reflects improved asset productivity, it also limits the scope for further volume growth in the second half without additional investment. Progress in qualifying selected higher-specification GCC products for local markets from existing assets remains ongoing, with completion dependent on production line modifications and subsequent customer acceptance. Capacity on this line is available to support future growth should qualification be completed, although the timing and extent of its utilisation remain uncertain, and the Group has not assumed a material revenue contribution from these products in the current financial year.

In our dispersion and kaolin segments, demand conditions continue to reflect developments in the gloves sector. Industry conditions remain characterised by structural oversupply notwithstanding improved sector sentiment, and the Group remains cautious as to the pace at which this translates into sustained offtake. Efforts to develop enhanced product solutions aimed at improving customer cost efficiency and performance are ongoing.

Across our agricultural-related applications, performance during the current quarter was mixed. Overall demand from this portfolio remained resilient, supported by ongoing customer engagement in certain domestic and regional markets. Revenue from granulated CC products declined during the current quarter, reflecting changes in customer and regional order patterns. The Group continues to develop demand for these products across a broader range of customers and regions, and the timing of orders in these markets remains variable.

Our limestone quarry is progressing towards recommissioning within the third quarter, with equipment procured and commissioning activities underway.

While revenue has grown, the Group expects the margin pressures described above to persist through the remaining period and does not anticipate a material improvement in operating performance for the financial year. Our focus for the second half remains on margin recovery, cost discipline, pricing management and completion of product qualification activities.

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

B4. Variance of Actual Profits from Profit Forecast

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

B5. Tax Expense

	Quarter Ended		Year-To-Date Ended	
	30.6.2026	**30.6.2025**	**30.6.2026**	**30.6.2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current income tax:				
- Current period	168	(130)	346	21
Deferred tax:				
- Current period	(101)	(47)	(174)	(190)
- (Over)/Under provision in prior year	(9)	(#)	(23)	51
	58	**(177)**	**149**	**(118)**
Effective tax rate (%)	21.8	N/A	N/A	N/A
Statutory tax rate (%)	24.0	24.0	24.0	24.0

Note:

The Group's effective tax rate for the current financial year-to-date is not applicable as the Group incurred loss before tax. The effective tax rate for the current quarter is lower than the statutory tax rate of 24% primarily attributable to utilisation of green investment tax allowance.

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.

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 30 June 2026 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	-	(2,370)	1,460	Within 12 months	Within 30 months
2	Upgrading of Calrock Perak Plant's Infrastructure	1,000	-	(841)	159	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	(1,362)	253	Within 12 months	Within 30 months
6	Estimated listing expenses	3,000	-	(3,000)	-	Immediately	-
		14,000	**-**	**(12,128)**	**1,872**		

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)

B8. Group Borrowings and Debts Securities

	As at 30.6.2026 RM'000	As at 31.12.2025 RM'000
Non-current:		
Secured		
Term loans	2,968	3,497
Hire purchase payable	155	-
	3,123	3,497
Current:		
Secured		
Bankers' acceptances	5,218	5,182
Post-shipment buyer loans	2,019	2,224
Revolving credits	1,050	1,200
Term loans	1,063	1,099
Hire purchase payable	61	-
	9,411	9,705
Total borrowings	**12,534**	**13,202**

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

B9. Material Litigations

There were no material litigations by or against the Group as at 30 June 2026.

B10. Dividends

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

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

B11. Earnings/(Loss) Per Share

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

	Quarter Ended		Year-To-Date Ended	
	30.6.2026 RM'000	30.6.2025 RM'000	30.6.2026 RM'000	30.6.2025 RM'000
Profit/(Loss) attributable to owners of the Company	209	(1,455)	(543)	(1,996)
Weighted average number of ordinary shares in issue ('000)	284,753	284,753	284,753	283,860
Basic EPS/(LPS) (sen)	0.07	(0.51)	(0.19)	(0.70)
Diluted EPS/(LPS) (sen)	0.07	(0.51)	(0.19)	(0.70)

Note:

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

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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 profit/(loss) before tax for the current quarter and financial year-to-date under review:

	Quarter Ended		Year-To-Date Ended	
	30.6.2026 RM'000	30.6.2025 RM'000	30.6.2026 RM'000	30.6.2025 RM'000
After charging/ (crediting):				
Depreciation of:				
- property, plant and equipment	1,562	1,502	3,112	2,904
- right-of-use assets	159	152	318	304
Interest expense	144	149	270	260
Interest expense on lease liabilities	10	15	21	31
Inventories written off	-	12	1	14
Plant and equipment written off	2	-	2	2
Fair value gain on short-term investments	(1)	(6)	(1)	(16)
Interest income	(61)	(114)	(128)	(236)
Net gain on disposal of plant and equipment	(16)	(80)	(16)	(101)
Net (gain)/loss on foreign exchange:				
- realised	(28)	(34)	439	(124)
- unrealised	4	425	(405)	610

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 27 August 2026.