



MALAYSIA SMELTING CORPORATION BERHAD

INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024



Malaysia Smelting Corporation Berhad (197801006055 (43072-A))
Interim Financial Report
For the Fourth Quarter ended 31 December 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	As at 31.12.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
Assets			
Non-current assets			
Property, plant and equipment		183,246	171,415
Right-of-use assets		4,175	4,546
Land held for development		78,654	78,654
Mining rights		141,874	142,005
Corporate club memberships		417	425
Investments in associate and joint venture		30,517	30,756
Investment securities		26,981	36,243
Mining assets		13,191	13,685
Deferred tax assets		4,125	5,349
		<u>483,180</u>	<u>483,078</u>
Current assets			
Inventories		615,844	595,240
Trade receivables	B5	23,033	6,885
Other receivables		8,854	2,965
Trade prepayments		3,015	31,659
Other prepayments		3,238	2,184
Tax recoverable		14,789	5,391
Derivative financial instruments		37	-
Cash, bank balances and deposits		211,848	264,222
		<u>880,658</u>	<u>908,546</u>
Total assets		<u>1,363,838</u>	<u>1,391,624</u>
Equity and liabilities			
Current liabilities			
Provisions		16,529	1,641
Borrowings	B6	343,236	317,543
Trade and other payables		124,579	127,692
Lease liabilities		273	319
Current tax payable		4,385	5,350
		<u>489,002</u>	<u>452,545</u>
Net current assets		<u>391,656</u>	<u>456,001</u>
Non-current liabilities			
Provisions		59,303	70,165
Deferred tax liabilities		8,212	5,952
Borrowings	B6	27,778	42,222
Lease liabilities		4,003	4,283
		<u>99,296</u>	<u>122,622</u>
Total liabilities		<u>588,298</u>	<u>575,167</u>
Net assets		<u>775,540</u>	<u>816,457</u>
Equity attributable to owners of the Company			
Share capital		237,194	237,194
Other reserves		42,326	46,558
Retained earnings		429,624	470,378
		<u>709,144</u>	<u>754,130</u>
Non-controlling interests		66,396	62,327
Total Equity		<u>775,540</u>	<u>816,457</u>
Total equity and liabilities		<u>1,363,838</u>	<u>1,391,624</u>
Net assets per share attributable to owners of the Company (RM)		<u>1.69</u>	<u>1.80</u>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	4 th Quarter		Year to Date	
		3 months ended		12 months ended	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	448,451	404,632	1,691,774	1,435,725
Operating profit		55,605	18,610	151,479	145,895
Finance costs		(5,121)	(4,058)	(19,243)	(17,934)
Share of results of associate and joint venture		(520)	(176)	(233)	672
Profit before tax	B2	49,964	14,376	132,003	128,633
Income tax expense	B3	(16,921)	(2,009)	(38,469)	(31,417)
Profit net of tax		33,043	12,367	93,534	97,216
Attributable to:					
Owners of the Company		30,176	9,368	79,423	85,051
Non-controlling interests		2,867	2,999	14,111	12,165
		33,043	12,367	93,534	97,216
Earnings per share attributable to owners of the Company (sen):					
Basic and diluted	B12	7.2	2.2	18.9	20.3

The unaudited condensed consolidated statement of profit or loss should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	4 th Quarter		Year to Date	
	3 months ended		12 months ended	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	33,043	12,367	93,534	97,216
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Revaluation reserves on properties, net	2,912	5,176	2,912	5,176
Net fair value changes in quoted investments at Fair Value through Other Comprehensive Income ("FVOCI")	(2,364)	1,194	2,883	3,358
	<u>548</u>	<u>6,370</u>	<u>5,795</u>	<u>8,534</u>
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	(10)	3	5	(6)
Share of foreign currency translation of associate and joint venture	24	25	22	185
	<u>14</u>	<u>28</u>	<u>27</u>	<u>179</u>
Other comprehensive income for the year, net of tax	562	6,398	5,822	8,713
Total comprehensive income for the year	<u>33,605</u>	<u>18,765</u>	<u>99,356</u>	<u>105,929</u>
Total comprehensive income attributable to:				
Owners of the Company	30,707	15,752	85,214	93,750
Non-controlling interests	2,898	3,013	14,142	12,179
	<u>33,605</u>	<u>18,765</u>	<u>99,356</u>	<u>105,929</u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Report.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	12 months ended	
	31.12.2024	31.12.2023
	RM'000	RM'000
Operating activities		
Operating cash flows before changes in working capital	159,056	155,084
Increase in inventories	(20,604)	(24,531)
(Increase)/Decrease in receivables	(23,009)	22,848
Decrease in trade prepayments	28,644	34,844
Increase in other prepayments	(1,017)	(420)
Increase in payables	5,454	15,372
(Decrease)/Increase in amount due to an associate	(1,155)	517
Cash generated from operations	147,369	203,714
Income tax paid	(46,267)	(20,003)
Interest paid	(16,065)	(15,881)
Payment for retrenchment compensation	(1,139)	-
Net cash generated from operating activities	83,898	167,830
Investing activities		
Dividend received from an associate	28	75
Dividend received from investment securities	3,364	2,303
Interest received	6,679	5,612
Payment for deferred mine exploration and evaluation expenditures and mine properties	(413)	(1,044)
Proceeds from disposal of investment securities	12,145	-
Purchase of property, plant and equipment	(18,952)	(15,301)
Net cash generated from/(used in) investing activities	2,851	(8,355)
Financing activities		
Dividend paid to shareholders	(130,200)	(58,800)
Dividend paid to a non-controlling shareholder of a subsidiary	(18,241)	(8,168)
Drawdown of short term trade borrowings	36,619	33,070
Repayment of term loan	(26,667)	(11,111)
Payment of lease liabilities	(326)	(371)
Net cash used in financing activities	(138,815)	(45,380)
Net (decrease)/increase in cash and cash equivalents	(52,066)	114,095
Effect of changes in foreign exchange rates	(308)	(1,094)
Cash and cash equivalents as at 1 January	264,222	151,221
Cash and cash equivalents as at 31 December	211,848	264,222

Reconciliation of liabilities arising from financing activities:

	← Non-cash changes →					
	Carrying amount as at 1 January 2024	Cash flows	Additions	Remeasure -ment	Foreign exchange movement	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities	4,602	(326)	-	-	-	4,276
Short term trade borrowings	290,876	36,619	-	-	1,297	328,792
Term loan	68,889	(26,667)	-	-	-	42,222
Total liabilities from financing activities	364,367	9,626	-	-	1,297	375,290

	← Non-cash changes →					
	Carrying amount as at 1 January 2023	Cash flows	Additions	Remeasure -ment	Foreign exchange movement	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities	4,914	(371)	601	(542)	-	4,602
Short term trade borrowings	257,865	33,070	-	-	(59)	290,876
Term loan	80,000	(11,111)	-	-	-	68,889
Total liabilities from financing activities	342,779	21,588	601	(542)	(59)	364,367

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Report.



PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

This condensed consolidated Interim Financial Report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023.

These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

A2. Changes in Accounting Policies

i) **Amendments and Annual Improvements adopted by the Group**

The significant accounting policies adopted in the preparation of the Interim Financial Report are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2023 except for the adoption of the pronouncements that became effective from 1 January 2024.

Description

Amendments to MFRS 16 Leases (*Lease Liability in a Sale and Leaseback*)
Amendments to MFRS 101 Presentation of Financial Statements (*Non-current Liabilities with Covenants*)
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (*Supplier Finance Arrangements*)

The adoption of the above pronouncements did not have a material impact on the financial statements of the Group.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. Changes in Accounting Policies (cont'd)

ii) Standards, Amendments and Annual Improvements issued but not yet effective

The Group has not adopted the following pronouncements that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (<i>Lack of Exchangeability</i>)	1 January 2025
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (<i>Amendments to the Classification and Measurement of Financial Instruments</i>)	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11: <ul style="list-style-type: none"> • MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards • MFRS 7 Financial Instruments: Disclosures • MFRS 9 Financial Instruments • MFRS 10 Consolidated Financial Statements • MFRS 107 Statement of Cash Flows 	1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (<i>Contracts Referencing Nature-dependent Electricity</i>)	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 10 and MFRS 128 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A3. Seasonal or Cyclical Factors

There were no significant seasonal or cyclical factors affecting the business operations of the Group.

A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter and financial year ended 31 December 2024.

A5. Significant Changes in Estimates

There were no significant changes in estimates that have had a material effect during the current quarter and financial year ended 31 December 2024.

A6. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities during the current quarter and financial year ended 31 December 2024.



PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. Dividend Paid

The following dividends were declared and paid by the Company.

	31.12.2024	31.12.2023
Second interim single-tier special dividend:		
For financial year ended	31 December 2024	-
Date paid	23 December 2024	-
Number of ordinary shares on which dividends were paid ('000)	420,000	-
Dividend per share	17.0 sen	-
Dividend paid	RM71,400,000	-
Interim single-tier dividend:		
For financial year ended	31 December 2024	31 December 2023
Date paid	24 October 2024	29 September 2023
Number of ordinary shares on which dividends were paid ('000)	420,000	420,000
Dividend per share	7.0 sen	7.0 sen
Dividend paid	RM29,400,000	RM29,400,000
Final single-tier dividend:		
For financial year ended	31 December 2023	31 December 2022
Date paid	28 June 2024	27 June 2023
Number of ordinary shares on which dividends were paid ('000)	420,000	420,000
Dividend per share	7.0 sen	7.0 sen
Dividend paid	RM29,400,000	RM29,400,000

A8. Revenue

Disaggregation of revenue

The following table illustrates the Group's revenue as disaggregated by major products or services and provides a reconciliation of the disaggregated revenue with the Group's two business segments as disclosed in Note A9. The Group's timing of revenue recognition is at a point in time.

	Tin Smelting RM'000	Tin Mining RM'000	Sub-total RM'000	Eliminations RM'000	Total RM'000
For 3 months ended 31 December 2024					
Major products or services:					
Sale of tin	445,547	84,046	529,593	(84,046)	445,547
Smelting revenue	2,575	-	2,575	-	2,575
Others	329	-	329	-	329
	448,451	84,046	532,497	(84,046)	448,451

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A8. Revenue (cont'd)

	Tin Smelting RM'000	Tin Mining RM'000	Sub-total RM'000	Eliminations RM'000	Total RM'000
For 3 months ended 31 December 2023					
Major products or services:					
Sale of tin	395,874	67,734	463,608	(67,734)	395,874
Smelting revenue	8,339	-	8,339	-	8,339
Others	419	-	419	-	419
	<u>404,632</u>	<u>67,734</u>	<u>472,366</u>	<u>(67,734)</u>	<u>404,632</u>
For 12 months ended 31 December 2024					
Major products or services:					
Sale of tin	1,664,600	319,226	1,983,826	(319,226)	1,664,600
Smelting revenue	16,067	-	16,067	-	16,067
Sale of tin bearing slag	9,754	-	9,754	-	9,754
Others	1,353	-	1,353	-	1,353
	<u>1,691,774</u>	<u>319,226</u>	<u>2,011,000</u>	<u>(319,226)</u>	<u>1,691,774</u>
For 12 months ended 31 December 2023					
Major products or services:					
Sale of tin	1,388,226	284,903	1,673,129	(284,903)	1,388,226
Smelting revenue	33,419	-	33,419	-	33,419
Sale of by-products	12,344	-	12,344	-	12,344
Others	1,736	-	1,736	-	1,736
	<u>1,435,725</u>	<u>284,903</u>	<u>1,720,628</u>	<u>(284,903)</u>	<u>1,435,725</u>

A9. Segmental Reporting

The revenue of the Group is derived from tin mining and smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal and the sale and delivery of refined tin metal and by-products.

For management purposes, the Group is organised into three reportable operating segments as follows:

(a) Tin Smelting

Tin smelting includes the smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal and the sale and delivery of refined tin metal and by-products.

(b) Tin Mining

Tin mining includes activities involving exploration for and mining of tin.

(c) Others

These include investments in other metal and mineral resources to form a reportable operating segment.



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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (cont'd)

The following tables provide an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments:

	Tin Smelting RM'000	Tin Mining RM'000	Others RM'000	Sub-total RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
Results for 3 months ended 31 December 2024						
Revenue						
Sales to external customers	448,451	-	-	448,451	-	448,451
Inter-segment sales	-	84,046	-	84,046	(84,046)	-
Total revenue	448,451	84,046	-	532,497	(84,046)	448,451
Results						
Operating profit/(loss)	31,082	27,660	(7)	58,735	(3,130)	55,605
Finance costs	(4,522)	(578)	(21)	(5,121)	-	(5,121)
Share of results of associate and joint venture	-	-	(520)	(520)	-	(520)
Profit/(Loss) before tax	26,560	27,082	(548)	53,094	(3,130)	49,964
Income tax (expense)/credit	(7,410)	(10,262)	-	(17,672)	751	(16,921)
Profit/(Loss) net of tax	19,150	16,820	(548)	35,422	(2,379)	33,043
Results for 3 months ended 31 December 2023						
Revenue						
Sales to external customers	404,632	-	-	404,632	-	404,632
Inter-segment sales	-	67,734	-	67,734	(67,734)	-
Total revenue	404,632	67,734	-	472,366	(67,734)	404,632
Results						
Operating (loss)/profit	(2,423)	17,043	(3)	14,617	3,993	18,610
Finance costs	(3,317)	(562)	(179)	(4,058)	-	(4,058)
Share of results of associate and joint venture	-	-	(176)	(176)	-	(176)
(Loss)/Profit before tax	(5,740)	16,481	(358)	10,383	3,993	14,376
Income tax credit/(expense)	3,550	(4,601)	-	(1,051)	(958)	(2,009)
(Loss)/Profit net of tax	(2,190)	11,880	(358)	9,332	3,035	12,367



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A9. Segmental Reporting (cont'd)

	Tin Smelting RM'000	Tin Mining RM'000	Others RM'000	Sub-total RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
Results for 12 months ended 31 December 2024						
Revenue						
Sales to external customers	1,691,774	-	-	1,691,774	-	1,691,774
Inter-segment sales	-	319,226	-	319,226	(319,226)	-
Total revenue	1,691,774	319,226	-	2,011,000	(319,226)	1,691,774
Results						
Operating profit/(loss)	48,667	112,755	(35)	161,387	(9,908)	151,479
Finance costs	(16,320)	(2,311)	(612)	(19,243)	-	(19,243)
Share of results of associate and joint venture	-	-	(233)	(233)	-	(233)
Profit/(Loss) before tax	32,347	110,444	(880)	141,911	(9,908)	132,003
Income tax (expense)/credit	(8,912)	(31,935)	-	(40,847)	2,378	(38,469)
Profit/(Loss) net of tax	23,435	78,509	(880)	101,064	(7,530)	93,534
Results for 12 months ended 31 December 2023						
Revenue						
Sales to external customers	1,435,725	-	-	1,435,725	-	1,435,725
Inter-segment sales	-	284,903	-	284,903	(284,903)	-
Total revenue	1,435,725	284,903	-	1,720,628	(284,903)	1,435,725
Results						
Operating profit/(loss)	60,506	89,504	(19)	149,991	(4,096)	145,895
Finance costs	(14,940)	(2,276)	(718)	(17,934)	-	(17,934)
Share of results of associate and joint venture	-	-	672	672	-	672
Profit/(Loss) before tax	45,566	87,228	(65)	132,729	(4,096)	128,633
Income tax (expense)/credit	(9,525)	(22,782)	-	(32,307)	890	(31,417)
Profit/(Loss) net of tax	36,041	64,446	(65)	100,422	(3,206)	97,216

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (cont'd)

	Tin Smelting RM'000	Tin Mining RM'000	Others RM'000	Sub-total RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
Assets and Liabilities as at 31 December 2024						
Assets						
Segment assets	962,302	356,088	26,989	1,345,379	(12,058)	1,333,321
Investments in associate and joint venture	-	-	30,517	30,517	-	30,517
Total assets	962,302	356,088	57,506	1,375,896	(12,058)	1,363,838
Liabilities						
Segment liabilities	492,498	95,641	159	588,298	-	588,298
Assets and Liabilities as at 31 December 2023						
Assets						
Segment assets	956,073	373,070	36,252	1,365,395	(4,527)	1,360,868
Investments in associate and joint venture	-	-	30,756	30,756	-	30,756
Total assets	956,073	373,070	67,008	1,396,151	(4,527)	1,391,624
Liabilities						
Segment liabilities	483,219	91,784	164	575,167	-	575,167

A10. Property, Plant and Equipment

The land and buildings have been revalued in December 2024, giving a net revaluation surplus of approximately RM2.9 million.

A11. Event After the Reporting Period

There was no material event subsequent to financial year ended 31 December 2024.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year ended 31 December 2024.



PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets during the current quarter and financial year ended 31 December 2024 except for the following:

- i. In respect of the suit against the Company with claim amount of RM2,152,533 for the purported breach of a sale and purchase agreement to supply 60,000 MT of tin slag, the trial was vacated on 11 September 2024. On 12 September 2024, the Court was informed that the lead counsel for the Plaintiff was unable to continue representing the Plaintiff due to a conflict of interest. As the Plaintiff was unable to appoint another solicitor before the next trial date on 18 September 2024, the trial could not proceed. The Court fixed new trial dates on 27-28 August 2025.

The Company's legal counsel is of the view that the Company has an arguable case to contend that it did not breach the Agreement and a sufficiently reliable estimate of the financial effect cannot be made due to the lack of particulars and evidence in respect of the claim.

- ii. On 27 June 2024, the Inland Revenue Board ("IRB") issued Notices of Additional Assessment with penalties for YA 2019, YA 2021 and YA 2022 ("Notices") totalling RM31,327,414.69 to Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), an 80% owned subsidiary of the Company. The Notices were raised pursuant to the disallowance of past tribute payments incurred from YA 2010 to YA 2017, and related legal and professional fees incurred by RHT in YA 2021 and YA 2022.

The subsidiary company has lodged the Notice of Appeal (Form Q) to the Special Commissioners of IRB on 25 July 2024. The matter has also been referred to IRB's Dispute Resolution Panel for both parties to try to reach an amicable settlement. Negotiations between the parties are currently ongoing.

Up to 31 December 2024, the subsidiary company has paid tax instalments totalling RM9.0 million to IRB, pending resolution of the above matter.

In the Directors' opinion, disclosure of additional information about the above matter would be prejudicial to the interests of the Group.

A14. Capital Commitments

Capital commitments of the Group as at 31 December 2024 are as follows:

	31.12.2024 RM'000	31.12.2023 RM'000
Approved and contracted for	7,853	7,680
Approved but not contracted for	4,074	7,061
	11,927	14,741

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A15. Related Party Transactions

There were no significant transactions with related party in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2023.

A16. Fair Value of Assets and Liabilities

The Group classified fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices), and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Group held the following financial assets and liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2024				
Assets measured at fair value:				
Land and buildings	-	-	76,708	76,708
Investment securities	26,981	-	-	26,981
Derivative financial instruments - current	-	37	-	37
At 31 December 2023				
Assets measured at fair value:				
Land and buildings	-	-	65,908	65,908
Investment securities	36,243	-	-	36,243

There has been no transfer between any levels of the fair value hierarchy and there was no change in the purpose of any financial assets/liabilities that may subsequently result in a different classification of those assets/liabilities during the current quarter and financial year ended 31 December 2024.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B1. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2023 was unqualified.

B2. Profit/(Loss) Before Tax

The following items have been included in arriving at the profit/(loss) before tax:

	4 th Quarter ended 31.12.2024 RM'000	4 th Quarter ended 31.12.2023 RM'000	12 months ended 31.12.2024 RM'000	12 months ended 31.12.2023 RM'000
After charging/(crediting):				
Bad debts recovered	-	-	(3,807)	-
Depreciation and amortisation	3,975	2,749	13,649	12,903
Dividend income	(2,183)	-	(3,364)	(2,303)
Interest income	(1,484)	(2,006)	(6,679)	(5,612)
Net fair value gain in forward currency contracts	(37)	-	(37)	(153)
Net foreign exchange (gain)/loss	(1,089)	2,779	2,329	(2,928)
Other income	(315)	(566)	(6,295)	(2,075)
Property, plant and equipment written off	-	-	296	61
Provision for retrenchment compensation	971	1,680	971	1,680

Save as disclosed above, there was no material impairment of assets recognised as a loss during the current quarter and financial year ended 31 December 2024.

B3. Income Tax (Expense)/Credit

Income tax (expense)/credit comprises the following:

	4 th Quarter ended 31.12.2024 RM'000	4 th Quarter ended 31.12.2023 RM'000	12 months ended 31.12.2024 RM'000	12 months ended 31.12.2023 RM'000
Income tax				
- Current provision	(12,414)	(1,184)	(33,330)	(29,455)
- (Under)/Over provision in prior years	(3,181)	-	(2,574)	450
	(15,595)	(1,184)	(35,904)	(29,005)
Deferred tax				
- Relating to origination and reversal of temporary differences	(1,483)	(802)	(2,633)	(2,714)
- Over/(Under) provision in prior years	157	(23)	68	302
	(1,326)	(825)	(2,565)	(2,412)
Total income tax expense	(16,921)	(2,009)	(38,469)	(31,417)



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B3. Income Tax (Expense)/Credit (cont'd)

For the current financial year ended 31 December 2024, the effective tax rate for the Group was higher than the statutory tax rate in Malaysia mainly due to certain non-tax deductible expenses and the absence of Group tax relief.

B4. Corporate Proposal

There was no corporate proposal announced but not completed as at 21 February 2025, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report.

B5. Trade Receivables

The age analysis of trade receivable of the Group as at 31 December 2024 is as follows:

	Not past due	← Past due →		→		Total	
	RM'000	< 30 days RM'000	30 to 60 days RM'000	61 to 90 days RM'000	91 to 120 days RM'000	>120 days RM'000	RM'000
Trade receivables as at 31.12.2024	23,033	-	-	-	-	-	23,033
Trade receivables as at 31.12.2023	6,875	-	9	1	-	-	6,885

The Group's normal trade credit terms granted to related and non-related parties range from cash term to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
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B6. Loans and Borrowings

Details of the Group's loans and borrowings as at 31 December 2024 are as follows:

	As at 31.12.2024 RM'000	As at 31.12.2023 RM'000
Short Term Borrowings		
Unsecured:		
Short term trade financing	86,962	1,476
Bankers' acceptances / Trust receipts	241,830	279,400
Revolving credit	-	10,000
Secured term loan	14,444	26,667
	343,236	317,543
Long Term Borrowings		
Secured term loan	27,778	42,222
	371,014	359,765

Amount denominated in foreign currency	'000	'000
Short term trade financing (US dollars)	19,498	321

During the financial year, the Group increased its total borrowings by approximately 3% from RM359.8 million as at 31 December 2023 to RM371.0 million as at 31 December 2024. The gearing ratio of the Group are 0.48 as at 31 December 2024 and 0.44 as at 31 December 2023 respectively. Gearing ratio is defined as total bank borrowings over total equity.

The weighted average interest rate of short term borrowings excluding revolving credit and term loan as at 31 December 2024 for the Group was 4.4% (2023: 4.0%) per annum.

The secured term loan as at 31 December 2024 bears interest rate of 5.1% (2023: 5.2%) per annum.



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
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B7. Derivative Financial Instrument

Foreign Exchange

The Group has exposure to fluctuations in foreign exchange rates in both the investment in foreign entities and business transactions. The Group's foreign exchange risk exposure is mainly in United States Dollar.

Due to the concentration of its purchases and sales in United States Dollar, there is a natural hedge and the exposure to United States Dollar foreign exchange risk for business transactions is minimised. The Group also uses forward currency contracts to manage foreign exchange risk.

The outstanding forward currency contracts as at 31 December 2024 are as follows:

Derivative Financial Instruments	Contract Value RM'000	Fair Value RM'000	Fair Value – Financial Assets RM'000
At 31 December 2024			
Forward Currency Contracts - Less than 1 year	5,847	5,810	37

As at 31 December 2023, there was no outstanding forward currency contract.

B8. Material Litigation

There was no material litigation as at 21 February 2025, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report, except as disclosed in Note A13.

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B9. Material Change in the Quarterly Results as Compared with the Preceding Quarter

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31.12.2024 RM'000	Immediate Preceding Quarter 30.09.2024 RM'000	Changes %
Revenue	448,451	470,053	(5%)
Operating Profit	55,605	32,441	71%
Profit Before Interest and Tax	55,085	32,695	68%
Profit Before Tax	49,964	27,538	81%
Profit After Tax	33,043	20,414	62%
Profit Attributable to Owners of the Company	30,176	14,293	> 100%

4Q 2024 vs. 3Q 2024 (QoQ)

The Group recorded revenue of RM448.5 million in 4Q 2024 as compared with RM470.1 million in 3Q 2024. This was mainly due to lower average tin price of RM133,700 (4Q 2024) as compared with RM141,500 (3Q 2024) per metric tonne.

The Group recorded a profit before tax of RM50.0 million in 4Q 2024 as compared with RM27.5 million in 3Q 2024.

The tin smelting segment recorded a profit before tax of RM26.6 million in 4Q 2024 as compared with a loss before tax of RM13.7 million in 3Q 2024. The better performance in 4Q 2024 was mainly due to higher sales of refined tin derived from the processed tin intermediates, while 3Q 2024 performance was affected by trading and foreign exchange losses from the impact of the strengthened Ringgit against the US Dollar in August and September 2024.

The tin mining segment recorded a profit before tax of RM27.1 million in 4Q 2024 as compared with RM30.5 million in 3Q 2024. This was mainly due to lower average tin price as stated above.

The Group's share of results of associate and joint venture recorded a net share loss of RM0.5 million in 4Q 2024 as compared with a net share profit of RM0.3 million in 3Q 2024.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
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B10. Review of Performance

Financial review for current quarter and financial year to date

	Cumulative Period (12 months)		Changes %	Individual Period (4 th quarter)		Changes %
	Current Year To- date	Preceding Year Corresponding Period		Current Year Quarter	Preceding Year Corresponding Quarter	
	31.12.2024 RM'000	31.12.2023 RM'000		31.12.2024 RM'000	31.12.2023 RM'000	
Revenue	1,691,774	1,435,725	18%	448,451	404,632	11%
Operating Profit	151,479	145,895	4%	55,605	18,610	> 100%
Profit Before Interest and Tax	151,246	146,567	3%	55,085	18,434	> 100%
Profit Before Tax	132,003	128,633	3%	49,964	14,376	> 100%
Profit After Tax	93,534	97,216	(4%)	33,043	12,367	> 100%
Profit Attributable to Owners of the Company	79,423	85,051	(7%)	30,176	9,368	> 100%

12M 2024 vs. 12M 2023 (YoY)

Group revenue was RM1.7 billion for the year ended 31 December 2024 as compared with RM1.4 billion in 2023. This was mainly due to higher average tin price of RM138,500 (2024) as compared with RM118,100 (2023) per metric tonne and higher sales quantity of refined tin in 2024.

The Group recorded a profit before tax of RM132.0 million in 2024 as compared with RM128.6 million in 2023.

The tin smelting segment recorded a profit before tax of RM32.3 million in 2024 as compared with RM45.6 million in 2023. This was mainly due to the lower incoming feed because of China's accumulation and stockpiling of tin ore, trading and foreign exchange losses from the impact of the strengthened Ringgit against the US Dollar in August and September 2024, and lower sales of refined tin derived from the processed tin intermediates.

The tin mining segment recorded a profit before tax of RM110.4 million in 2024 as compared with RM87.2 million in 2023. This was mainly due to higher average tin price in 2024 as stated above, despite lower tin production.

The Group's share of results of associate and joint venture recorded a net share loss of RM0.2 million in 2024 as compared with a net share profit of RM0.7 million in 2023.



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
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B10. Review of Performance (cont'd)

4Q 2024 vs. 4Q 2023 (YoY)

Group revenue was RM448.5 million in 4Q 2024 as compared with RM404.6 million in 4Q 2023. This was mainly due to higher average tin price of RM133,700 (4Q 2024) as compared with RM116,000 (4Q 2023) per metric tonne.

The Group recorded a profit before tax of RM50.0 million in 4Q 2024 as compared with RM14.4 million in 4Q 2023.

The tin smelting segment recorded a profit before tax of RM26.6 million in 4Q 2024 as compared with a loss before tax of RM5.7 million in 4Q 2023. The better performance in 4Q 2024 was mainly due to sales of refined tin derived from the processed tin intermediates, while 4Q 2023 performance was affected by foreign exchange loss and no sales of refined tin derived from the processed tin intermediates.

The tin mining segment recorded a profit before tax of RM27.1 million in 4Q 2024 as compared with RM16.5 million in 4Q 2023. This was mainly due to higher average tin price as stated above and higher tin production quantity in 4Q 2024.

The Group's share of results of associate and joint venture recorded a net share loss of RM0.5 million in 4Q 2024 as compared with a net share loss of RM0.2 million in 4Q 2023.

B11. Prospects

Heightened policy uncertainty, adverse trade policy, sanctions and tariffs imposed by major economies of the world remain key downside risks to the economic outlook, apart from escalating conflicts, geopolitical tensions and inflationary concerns. These factors have affected the tin supply chain in 2024, and it remains to be seen what the effect will be moving forward.

The Group remains cautious, with emphasis placed on business competitiveness, operational efficiencies, improvements on operations, technology, manpower, logistics and potential new business developments in its smelting and mining segments.

Having successfully commissioned the Pulau Indah ("PI") plant operation, the Group will now focus on the planned closure of its old plant at Butterworth in the near term. The Group expects approximately 30% cost savings from the planned closure, while benefiting from higher efficiencies of the PI plant with lower operational and manpower costs, and energy saving initiatives, while reducing overall carbon footprint.

For the tin mining segment, the Group continues to focus on improving and increasing daily mining output and overall mining productivity. This includes expanding its mining activities and mine resources, adopting new cost-effective mining and processing methodology and participating in potential new mining joint ventures.



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B12. Earnings/(Loss) Per Share Attributable to Owners of the Company

	4 th Quarter ended 31.12.2024	4 th Quarter ended 31.12.2023	12 months ended 31.12.2024	12 months ended 31.12.2023
Profit net of tax attributable to owners of the Company (RM'000)	30,176	9,368	79,423	85,051
Weighted average number of ordinary shares in issue ('000)	420,000	420,000	420,000	420,000
Basic and diluted earnings per share (sen)	7.2	2.2	18.9	20.3

B13. Dividend

The Board of Directors has recommended, for approval at the forthcoming Annual General Meeting, payment of a final single tier dividend of 7.0 sen per share amounting to RM29,400,000 for the financial year ended 31 December 2024. The book closure date and the date of the payment of the dividend will be determined and announced at a later date.

For the financial year ended 31 December 2024, the Board declared a total dividend of 31.0 sen per share.

Authorised for Issue

The Interim results was authorised for issue by the Board in accordance with a resolution of the Directors on 27 February 2025.