



MALAYSIA SMELTING CORPORATION BERHAD

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

MALAYSIA SMELTING CORPORATION BERHAD (197801006055 (43072-A))

12 AUGUST 2025

Malaysia Smelting Corporation Berhad (197801006055 (43072-A))
Interim Financial Report
For the Second Quarter ended 30 June 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		As at 30.06.2025 Unaudited RM'000	As at 31.12.2024 Audited RM'000
Assets	Note		
Non-current assets			
Property, plant and equipment		190,559	183,246
Right-of-use assets		3,992	4,175
Land held for development		78,654	78,654
Mining rights		141,812	141,874
Corporate club memberships		413	417
Investments in associate and joint venture		31,398	30,517
Investment securities		21,558	26,981
Mining assets		13,455	13,191
Deferred tax assets		6,823	4,125
		488,664	483,180
Current assets			
Inventories		739,052	615,844
Trade receivables	B5	18,975	8,137
Other receivables		28,390	23,750
Trade prepayments		2,886	3,015
Other prepayments		4,669	3,238
Tax recoverable		11,723	14,789
Derivative financial instruments		121	37
Cash, bank balances and deposits		185,692	211,848
		991,508	880,658
Total assets		1,480,172	1,363,838
Equity and liabilities			
Current liabilities			
Provisions		15,862	16,529
Borrowings	B6	448,829	343,236
Trade and other payables		144,539	124,579
Lease liabilities		234	273
Current tax payable		8,744	4,385
		618,208	489,002
Net current assets		373,300	391,656
Non-current liabilities			
Provisions		60,447	59,303
Deferred tax liabilities		8,292	8,212
Borrowings	B6	21,111	27,778
Lease liabilities		3,794	4,003
		93,644	99,296
Total liabilities		711,852	588,298
Net assets		768,320	775,540
Equity attributable to owners of the Company			
Share capital		237,194	237,194
Other reserves		37,021	42,326
Retained earnings		421,893	429,624
		696,108	709,144
Non-controlling interests		72,212	66,396
Total Equity		768,320	775,540
Total equity and liabilities		1,480,172	1,363,838
Net assets per share attributable to owners of the Company (RM)		1.66	1.69

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 2024 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2025**

		2 nd Quarter		Year to Date	
		3 months ended		6 months ended	
	Note	30.06.2025	30.06.2024	30.06.2025	30.06.2024
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	<u>378,960</u>	<u>410,787</u>	<u>748,731</u>	<u>773,270</u>
Operating profit		30,221	31,990	61,155	63,433
Finance costs		(6,249)	(4,566)	(10,837)	(8,965)
Share of results of associate and joint venture		<u>472</u>	<u>(406)</u>	<u>779</u>	<u>33</u>
Profit before tax	B2	<u>24,444</u>	<u>27,018</u>	<u>51,097</u>	<u>54,501</u>
Income tax expense	B3	(5,510)	(7,175)	(23,612)	(14,424)
Profit net of tax		<u>18,934</u>	<u>19,843</u>	<u>27,485</u>	<u>40,077</u>
Attributable to:					
Owners of the Company		13,948	16,719	21,669	34,954
Non-controlling interests		4,986	3,124	5,816	5,123
		<u>18,934</u>	<u>19,843</u>	<u>27,485</u>	<u>40,077</u>
Earnings per share attributable to owners of the Company (sen):					
Basic and diluted	B12	<u>3.3</u>	<u>4.0</u>	<u>5.2</u>	<u>8.3</u>

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 2024 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2025**

	2 nd Quarter		Year to Date	
	3 months ended		6 months ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	18,934	19,843	27,485	40,077
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Net fair value changes in quoted investments at Fair Value through Other Comprehensive Income ("FVOCI")	9,234	4,943	(5,423)	5,966
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	6	-	7	(4)
Share of foreign currency translation of associate and joint venture	51	(3)	111	56
	57	(3)	118	52
Other comprehensive income/(loss) for the period, net of tax	9,291	4,940	(5,305)	6,018
Total comprehensive income for the period	28,225	24,783	22,180	46,095
Total comprehensive income attributable to:				
Owners of the Company	23,239	21,659	16,364	40,972
Non-controlling interests	4,986	3,124	5,816	5,123
	28,225	24,783	22,180	46,095

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 2024 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025**

Attributable to owners of the Company										
← Non - Distributable → Distributable										
RM'000	Note	Share capital	Revaluation reserves	Foreign currency translation reserves	FVOCI reserves	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2025		237,194	22,255	1,248	17,117	1,706	429,624	709,144	66,396	775,540
Profit for the period		-	-	-	-	-	21,669	21,669	5,816	27,485
Other comprehensive income/(loss)		-	-	118	(5,423)	-	-	(5,305)	-	(5,305)
Total comprehensive income/(loss)		-	-	118	(5,423)	-	21,669	16,364	5,816	22,180
Transaction with owners:										
Dividend on ordinary shares	A7	-	-	-	-	-	(29,400)	(29,400)	-	(29,400)
At 30 June 2025		237,194	22,255	1,366	11,694	1,706	421,893	696,108	72,212	768,320
At 1 January 2024		237,194	19,426	1,221	24,205	1,706	470,378	754,130	62,327	816,457
Profit for the period		-	-	-	-	-	34,954	34,954	5,123	40,077
Other comprehensive income		-	-	52	5,966	-	-	6,018	-	6,018
Total comprehensive income		-	-	52	5,966	-	34,954	40,972	5,123	46,095
Transaction with owners:										
Dividend on ordinary shares	A7	-	-	-	-	-	(29,400)	(29,400)	-	(29,400)
At 30 June 2024		237,194	19,426	1,273	30,171	1,706	475,932	765,702	67,450	833,152

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited annual financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the Interim Financial Report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2025

	6 months ended	
	30.06.2025	30.06.2024
	RM'000	RM'000
Operating activities		
Operating cash flows before changes in working capital	63,296	65,279
Increase in inventories	(123,208)	(20,562)
Increase in receivables	(17,664)	(25,977)
Decrease/(Increase) in trade prepayments	129	(20,982)
Increase in other prepayments	(942)	(1,035)
Increase in payables	18,484	2,754
Increase/(Decrease) in amount due to an associate	520	(1,758)
Cash used in operations	(59,385)	(2,281)
Income tax paid	(18,808)	(20,884)
Interest paid	(9,199)	(7,550)
Payment for retrenchment compensation	(667)	(818)
Net cash used in operating activities	(88,059)	(31,533)
Investing activities		
Dividend received from an associate	9	28
Dividend received from investment securities	-	1,181
Interest received	2,572	3,493
Payment for deferred mine exploration and evaluation expenditures and mine properties	(655)	(80)
Purchase of property, plant and equipment	(13,845)	(8,143)
Net cash used in investing activities	(11,919)	(3,521)
Financing activities		
Dividend paid to shareholders	(29,400)	(29,400)
Dividend paid to a non-controlling shareholder of a subsidiary	-	(8,168)
Drawdown of short term trade borrowings	111,300	30,217
Repayment of term loan	(7,778)	(13,333)
Payment of lease liabilities	(259)	(259)
Net cash generated from/(used in) financing activities	73,863	(20,943)
Net decrease in cash and cash equivalents	(26,115)	(55,997)
Effect of changes in foreign exchange rates	(41)	12
Cash and cash equivalents as at 1 January	211,848	264,222
Cash and cash equivalents as at 30 June	185,692	208,237

Reconciliation of liabilities arising from financing activities:

	← Non-cash changes →			
	Carrying amount as at 1 January 2025 RM'000	Cash flows RM'000	Accrued interests RM'000	Carrying amount as at 30 June 2025 RM'000
Lease liabilities	4,276	(259)	11	4,028
Short term trade borrowings	328,792	111,300	-	435,496
Term loan	42,222	(7,778)	-	34,444
Total liabilities from financing activities	375,290	103,263	11	473,968

	← Non-cash changes →			
	Carrying amount as at 1 January 2024 RM'000	Cash flows RM'000	Accrued interests RM'000	Carrying amount as at 30 June 2024 RM'000
Lease liabilities	4,602	(259)	14	4,357
Short term trade borrowings	290,876	30,217	-	321,183
Term loan	68,889	(13,333)	-	55,556
Total liabilities from financing activities	364,367	16,625	14	381,096

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 2024 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 2024.

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 2024.

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 2024 except for the adoption of the pronouncement that became effective from 1 January 2025.

Description

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (*Lack of Exchangeability*)

The adoption of the above pronouncement 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 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:	1 January 2026
<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 	
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-to-date ended 30 June 2025.

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-to-date ended 30 June 2025.

A6. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities during the current quarter and financial year-to-date ended 30 June 2025.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. Dividend Paid

The following dividends were paid during the current and previous corresponding financial periods ended:

	30.06.2025	30.06.2024
Final single-tier dividend:		
For financial year ended	31 December 2024	31 December 2023
Date paid	26 June 2025	28 June 2024
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 30 June 2025					
Major products or services:					
Sale of tin	339,387	82,153	421,540	(82,153)	339,387
Smelting revenue	1,636	-	1,636	-	1,636
Sale of tin bearing slag	28,509	-	28,509	-	28,509
Sale of by-products	9,152	-	9,152	-	9,152
Others	276	-	276	-	276
	<u>378,960</u>	<u>82,153</u>	<u>461,113</u>	<u>(82,153)</u>	<u>378,960</u>
For 3 months ended 30 June 2024					
Major products or services:					
Sale of tin	406,025	83,917	489,942	(83,917)	406,025
Smelting revenue	4,406	-	4,406	-	4,406
Others	356	-	356	-	356
	<u>410,787</u>	<u>83,917</u>	<u>494,704</u>	<u>(83,917)</u>	<u>410,787</u>

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 6 months ended 30 June 2025					
Major products or services:					
Sale of tin	700,413	161,470	861,883	(161,470)	700,413
Smelting revenue	3,585	-	3,585	-	3,585
Sale of tin bearing slag	34,957	-	34,957	-	34,957
Sale of by-products	9,152	-	9,152	-	9,152
Others	624	-	624	-	624
	<u>748,731</u>	<u>161,470</u>	<u>910,201</u>	<u>(161,470)</u>	<u>748,731</u>
For 6 months ended 30 June 2024					
Major products or services:					
Sale of tin	763,561	152,384	915,945	(152,384)	763,561
Smelting revenue	9,014	-	9,014	-	9,014
Others	695	-	695	-	695
	<u>773,270</u>	<u>152,384</u>	<u>925,654</u>	<u>(152,384)</u>	<u>773,270</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.

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	Tin Mining	Others	Sub-total	(Eliminations)/ Adjustments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results for 3 months ended 30 June 2025						
Revenue						
Sales to external customers	378,960	-	-	378,960	-	378,960
Inter-segment sales	-	82,153	-	82,153	(82,153)	-
Total revenue	378,960	82,153	-	461,113	(82,153)	378,960
Results						
Operating (loss)/profit	(4,170)	29,685	(7)	25,508	4,713	30,221
Finance costs	(5,442)	(622)	(185)	(6,249)	-	(6,249)
Share of results of associate and joint venture	-	-	472	472	-	472
(Loss)/Profit before tax	(9,612)	29,063	280	19,731	4,713	24,444
Income tax credit/(expense)	3,283	(7,662)	-	(4,379)	(1,131)	(5,510)
(Loss)/Profit net of tax	(6,329)	21,401	280	15,352	3,582	18,934
Results for 3 months ended 30 June 2024						
Revenue						
Sales to external customers	410,787	-	-	410,787	-	410,787
Inter-segment sales	-	83,917	-	83,917	(83,917)	-
Total revenue	410,787	83,917	-	494,704	(83,917)	410,787
Results						
Operating profit/(loss)	9,981	34,083	(13)	44,051	(12,061)	31,990
Finance costs	(3,793)	(577)	(196)	(4,566)	-	(4,566)
Share of results of associate and joint venture	-	-	(406)	(406)	-	(406)
Profit/(Loss) before tax	6,188	33,506	(615)	39,079	(12,061)	27,018
Income tax (expense)/credit	(1,476)	(8,594)	-	(10,070)	2,895	(7,175)
Profit/(Loss) net of tax	4,712	24,912	(615)	29,009	(9,166)	19,843

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
Results for 6 months ended 30 June 2025						
Revenue						
Sales to external customers	748,731	-	-	748,731	-	748,731
Inter-segment sales	-	161,470	-	161,470	(161,470)	-
Total revenue	748,731	161,470	-	910,201	(161,470)	748,731
Results						
Operating profit/(loss)	5,457	59,650	(10)	65,097	(3,942)	61,155
Finance costs	(9,320)	(1,244)	(273)	(10,837)	-	(10,837)
Share of results of associate and joint venture	-	-	779	779	-	779
(Loss)/Profit before tax	(3,863)	58,406	496	55,039	(3,942)	51,097
Income tax credit/(expense)	1,660	(26,218)	-	(24,558)	946	(23,612)
(Loss)/Profit net of tax	(2,203)	32,188	496	30,481	(2,996)	27,485
Results for 6 months ended 30 June 2024						
Revenue						
Sales to external customers	773,270	-	-	773,270	-	773,270
Inter-segment sales	-	152,384	-	152,384	(152,384)	-
Total revenue	773,270	152,384	-	925,654	(152,384)	773,270
Results						
Operating profit/(loss)	26,894	54,065	(22)	80,937	(17,504)	63,433
Finance costs	(7,441)	(1,155)	(369)	(8,965)	-	(8,965)
Share of results of associate and joint venture	-	-	33	33	-	33
Profit/(Loss) before tax	19,453	52,910	(358)	72,005	(17,504)	54,501
Income tax (expense)/credit	(4,861)	(13,764)	-	(18,625)	4,201	(14,424)
Profit/(Loss) net of tax	14,592	39,146	(358)	53,380	(13,303)	40,077

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 30 June 2025						
Assets						
Segment assets	1,078,460	363,801	21,566	1,463,827	(15,053)	1,448,774
Investments in associate and joint venture	-	-	31,398	31,398	-	31,398
Total assets	1,078,460	363,801	52,964	1,495,225	(15,053)	1,480,172
Liabilities						
Segment liabilities	613,955	97,740	157	711,852	-	711,852
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

A10. Property, Plant and Equipment

The same valuation of land and buildings has been brought forward from the previous audited financial statements for the year ended 31 December 2024.

A11. Event After the Reporting Period

There was no material event subsequent to the end of the current quarter except that on 15 July 2025, the number of ordinary shares of the Company was increased from 420,000,000 shares to 840,000,000 shares, following the completion of Bonus Issue, as disclosed in Note B4.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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-to-date ended 30 June 2025.

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-to-date ended 30 June 2025 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, trial dates are fixed 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 RM31.3 million 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 had earlier lodged the Notice of Appeal (Form Q) to the Special Commissioners of IRB on 25 July 2024, and the matter was referred to IRB's Dispute Resolution Panel for both parties to negotiate for an amicable settlement.

Subsequently, IRB issued Notices of Reduced Assessment for YA 2019, YA 2021 and YA 2022 on 21 May 2025, effectively reducing the additional tax from RM31.3 million to RM14.1 million. The tax impact has been adjusted to the Interim Financial Report in 1Q 2025.

The Notices of Reduced Assessment for YA 2019, YA 2021 and YA 2022 has been fully settled and the Notice of Appeal (Form Q) has been withdrawn.

A14. Capital Commitments

Capital commitments of the Group as at 30 June 2025 are as follows:

	30.06.2025 RM'000	31.12.2024 RM'000
Approved and contracted for	6,777	7,853
Approved but not contracted for	12,165	4,074
	18,942	11,927

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 2024.

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 30 June 2025				
Assets measured at fair value:				
Land and buildings	-	-	75,733	75,733
Investment securities	21,558	-	-	21,558
Derivative financial instruments - current	-	121	-	121
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

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-to-date ended 30 June 2025.

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 2024 was unqualified.

B2. Profit/(Loss) Before Tax

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

	2 nd Quarter ended 30.06.2025 RM'000	2 nd Quarter ended 30.06.2024 RM'000	6 months ended 30.06.2025 RM'000	6 months ended 30.06.2024 RM'000
After charging/(crediting):				
Bad debts recovered	-	(3,807)	-	(3,807)
Depreciation and amortisation	3,481	3,184	7,000	6,254
Dividend income	-	(1,181)	-	(1,181)
Interest income	(1,287)	(1,681)	(2,572)	(3,493)
Net fair value gain in forward currency contracts	(121)	-	(84)	-
Net foreign exchange (gain)/loss	(5,006)	35	(2,730)	(2,097)
Other income	(175)	(4,686)	(1,272)	(5,083)
Property, plant and equipment written off	173	-	173	-

Save as disclosed above, there was no material impairment of assets recognised as a loss during the current quarter and financial year-to-date ended 30 June 2025.

B3. Income Tax (Expense)/Credit

Income tax (expense)/credit comprises the following:

	2 nd Quarter ended 30.06.2025 RM'000	2 nd Quarter ended 30.06.2024 RM'000	6 months ended 30.06.2025 RM'000	6 months ended 30.06.2024 RM'000
Income tax				
- Current provision	(6,253)	(9,363)	(15,285)	(17,126)
- Under provision in prior years	-	-	(10,948)	-
	(6,253)	(9,363)	(26,233)	(17,126)
Deferred tax				
- Relating to origination and reversal of temporary differences	743	2,188	2,621	2,702
Total income tax expense	(5,510)	(7,175)	(23,612)	(14,424)

For the current financial year-to-date ended 30 June 2025, the effective tax rate for the Group was higher than the statutory tax rate in Malaysia mainly due to additional tax from RHT as disclosed in Note A13(ii), certain non-tax deductible expenses, and the absence of Group tax relief.

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

B4. Corporate Proposal

There was no corporate proposal announced but not completed as at 6 August 2025, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report.

The Bonus Issue of new ordinary shares on the basis of 1 Bonus Share for every 1 existing MSC Share was approved by the shareholders at the Annual General Meeting held on 29 May 2025.

Subsequently the Bonus Shares was issued on 15 July 2025 and the number of ordinary shares of the Company was increased from 420,000,000 shares to 840,000,000 shares. The Bonus Issue was completed following the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities and the Main Board of SGX on 16 July 2025.

B5. Trade Receivables

The age analysis of trade receivable of the Group as at 30 June 2025 is as follows:

	Not past due RM'000	< 30 days RM'000	30 to 60 days RM'000	Past due 61 to 90 days RM'000	91 to 120 days RM'000	>120 days RM'000	Total RM'000
Trade receivables as at 30.06.2025	18,973	-	1	-	-	1	18,975
Trade receivables as at 31.12.2024	8,137	-	-	-	-	-	8,137

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.

The Group has trade receivables amounting to RM2,000 that are past due at the reporting date but not impaired. Although these balances are unsecured in nature, they are from creditworthy customers.

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

B6. Loans and Borrowings

Details of the Group's loans and borrowings as at 30 June 2025 are as follows:

	As at 30.06.2025 RM'000	As at 31.12.2024 RM'000
Short Term Borrowings		
Unsecured:		
Short term trade financing	151,413	86,962
Bankers' acceptances / Trust receipts	284,083	241,830
Secured term loan	13,333	14,444
	448,829	343,236
Long Term Borrowings		
Secured term loan	21,111	27,778
	469,940	371,014

Amount denominated in foreign currency	'000	'000
Short term trade financing (US dollars)	35,803	19,498

During the 6 months ended 30 June 2025, the Group's total borrowings increased by approximately 27% from RM371.0 million as at 31 December 2024 to RM469.9 million as at 30 June 2025. The gearing ratio of the Group are 0.61 as at 30 June 2025 and 0.48 as at 31 December 2024 respectively. Gearing ratio is defined as total bank borrowings over total equity.

The weighted average interest rate of short term borrowings excluding term loan as at 30 June 2025 for the Group was 4.5% (2024: 4.4%) per annum.

The secured term loan as at 30 June 2025 bears interest rate of 5.0% (2024: 5.1%) per annum.

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

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 30 June 2025 are as follows:

Derivative Financial Instruments	Contract Value RM'000	Fair Value RM'000	Fair Value – Financial Assets RM'000
At 30 June 2025			
Forward Currency Contracts			
- Less than 1 year	9,180	9,059	121

B8. Material Litigation

There was no material litigation as at 6 August 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.

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

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 30.06.2025 RM'000	Immediate Preceding Quarter 31.03.2025 RM'000	Changes %
Revenue	378,960	369,771	2%
Operating Profit	30,221	30,934	(2%)
Profit Before Interest and Tax	30,693	31,241	(2%)
Profit Before Tax	24,444	26,653	(8%)
Profit After Tax	18,934	8,551	121%
Profit Attributable to Owners of the Company	13,948	7,721	81%

2Q 2025 vs. 1Q 2025 (QoQ)

The Group recorded revenue of RM379.0 million in 2Q 2025 as compared with RM369.8 million in 1Q 2025. This was mainly due to higher sales of tin bearing slag and by-products in 2Q 2025, despite lower sales quantity of refined tin in 2Q 2025 and lower average tin price of RM139,800 (2Q 2025) as compared with RM142,000 (1Q 2025) per metric tonne.

The Group recorded a profit before tax of RM24.4 million in 2Q 2025 as compared with RM26.7 million in 1Q 2025.

The tin smelting segment recorded a loss before tax of RM9.6 million in 2Q 2025 as compared with a profit before tax of RM5.7 million in 1Q 2025. Lower ore intake from suppliers and the disruption of production at the Pulau Indah Smelter as a result of the interruption of gas supply, arising from the gas pipeline fire incident at Putra Heights negatively affected the results of the tin smelting segment.

The tin mining segment recorded a profit before tax of RM29.1 million in 2Q 2025 as compared with RM29.3 million in 1Q 2025 despite higher tin sales quantity in 2Q 2025. 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 profit of RM0.5 million in 2Q 2025 as compared with RM0.3 million in 1Q 2025.

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

B10. Review of Performance

Financial review for current quarter and financial year to date

	Cumulative Period (6 months)		Changes %	Individual Period (2 nd quarter)		Changes %
	Current Year To- date	Preceding Year Corresponding Period		Current Year Quarter	Preceding Year Corresponding Quarter	
	30.06.2025 RM'000	30.06.2024 RM'000		30.06.2025 RM'000	30.06.2024 RM'000	
Revenue	748,731	773,270	(3%)	378,960	410,787	(8%)
Operating Profit	61,155	63,433	(4%)	30,221	31,990	(6%)
Profit Before Interest and Tax	61,934	63,466	(2%)	30,693	31,584	(3%)
Profit Before Tax	51,097	54,501	(6%)	24,444	27,018	(10%)
Profit After Tax	27,485	40,077	(31%)	18,934	19,843	(5%)
Profit Attributable to Owners of the Company	21,669	34,954	(38%)	13,948	16,719	(17%)

1H 2025 vs. 1H 2024 (YoY)

Group revenue was RM748.7 million in the first 6 months of the current financial year (1H 2025) as compared with RM773.3 million in 1H 2024. This was mainly due to lower sales quantity of refined tin in 1H 2025, despite slightly higher average tin price of RM140,900 (1H 2025) as compared with RM139,100 (1H 2024) per metric tonne and higher sales of tin bearing slag and by-products.

The Group recorded a profit before tax of RM51.1 million in 1H 2025 as compared with RM54.5 million in 1H 2024.

The tin smelting segment recorded a loss before tax of RM3.9 million in 1H 2025 as compared with a profit before tax of RM19.5 million in 1H 2024. The tin smelting segment's performance for 1H 2025 was affected by the factors as explained in Note B9.

The tin mining segment recorded a profit before tax of RM58.4 million in 1H 2025 as compared with RM52.9 million in 1H 2024. This was mainly due to higher tin production quantity and average tin price as stated above.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.8 million in 1H 2025 as compared with RM0.03 million in 1H 2024.

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

B10. Review of Performance (cont'd)

2Q 2025 vs. 2Q 2024 (YoY)

Group revenue was RM379.0 million in 2Q 2025 as compared with RM410.8 million in 2Q 2024. This was mainly due to lower sales quantity of refined tin in 2Q 2025 and lower average tin price of RM139,800 (2Q 2025) as compared with RM153,400 (2Q 2024) per metric tonne, despite higher sales of tin bearing slag and by-products.

The Group recorded a profit before tax of RM24.4 million in 2Q 2025 as compared with RM27.0 million in 2Q 2024.

The tin smelting segment recorded a loss before tax of RM9.6 million in 2Q 2025 as compared with a profit before tax of RM6.2 million in 2Q 2024. The tin smelting segment's performance for 2Q 2025 was affected by the factors as explained in Note B9.

The tin mining segment recorded a profit before tax of RM29.1 million in 2Q 2025 as compared with RM33.5 million in 2Q 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 profit of RM0.5 million in 2Q 2025 as compared with a net share loss of RM0.4 million in 2Q 2024.

B11. Prospects

Global economic outlook remains soft due to rise in trade barriers and tariffs, and uncertainty surrounding global policies environment. Inflationary pressure is still prevalent with shifts in global trade and investment flows resulting in overall increased costs for businesses and consumers. Ongoing geopolitical tensions have further exacerbated the already subdued global economy.

Higher energy cost arising from the changes in the electricity tariffs domestically will have some effect on the Group's performance moving forward. The Group remains cautious and continues to emphasize 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's near-term focus will be on the planned closure of its old plant at Butterworth. The Group expects 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, modernised processing methodology, and participating in potential new mining joint ventures.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
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B12. Earnings/(Loss) Per Share Attributable to Owners of the Company

	2nd Quarter ended 30.06.2025	2nd Quarter ended 30.06.2024	6 months ended 30.06.2025	6 months ended 30.06.2024
Profit net of tax attributable to owners of the Company (RM'000)	13,948	16,719	21,669	34,954
Weighted average number of ordinary shares in issue ('000)	420,000	420,000	420,000	420,000
Basic and diluted earnings per share (sen)	3.3	4.0	5.2	8.3

B13. Dividend

The Board of Directors is pleased to declare an interim single-tier dividend of 4.0 sen per share amounting to RM33,600,000 for the financial year ending 31 December 2025.

The interim dividend will be paid to shareholders on 9 September 2025. The entitlement date for the interim dividend is 26 August 2025.

Total dividend declared for the current financial period is 4.0 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 12 August 2025.