



MALAYSIA SMELTING CORPORATION BERHAD

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025

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

23 FEBRUARY 2026



Malaysia Smelting Corporation Berhad (197801006055 (43072-A))
Interim Financial Report
For the Fourth Quarter ended 31 December 2025

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

		As at 31.12.2025 Unaudited RM'000	As at 31.12.2024 Audited RM'000
Assets	Note		
Non-current assets			
Property, plant and equipment		193,383	183,246
Right-of-use assets		3,867	4,175
Land held for development		78,654	78,654
Mining rights		141,750	141,874
Corporate club memberships		409	417
Investments in associate and joint venture		31,937	30,517
Investment securities		28,581	26,981
Mining assets		13,486	13,191
Other receivables		5,782	-
Deferred tax assets		5,003	4,125
		502,852	483,180
Current assets			
Inventories		678,601	615,844
Trade receivables	B5	10,164	8,137
Other receivables		74,997	23,750
Trade prepayments		-	3,015
Other prepayments		3,327	3,238
Tax recoverable		6,622	14,789
Derivative financial instruments		-	37
Cash, bank balances and deposits		226,125	211,848
		999,836	880,658
Non-current assets classified as held for sale	A10	8,355	-
		1,008,191	880,658
Total assets		1,511,043	1,363,838
Equity and liabilities			
Current liabilities			
Provisions		6,134	16,529
Borrowings	B6	365,888	343,236
Trade and other payables		233,674	124,579
Lease liabilities		192	273
Current tax payable		6,315	4,385
		612,203	489,002
Net current assets		395,988	391,656
Non-current liabilities			
Provisions		67,478	59,303
Deferred tax liabilities		11,167	8,212
Borrowings	B6	14,445	27,778
Lease liabilities		3,815	4,003
		96,905	99,296
Total liabilities		709,108	588,298
Net assets		801,935	775,540
Equity attributable to owners of the Company			
Share capital		237,194	237,194
Other reserves		41,959	42,326
Retained earnings		448,598	429,624
Reserves of non-current assets classified as held for sale	A10	3,449	-
		731,200	709,144
Non-controlling interests		70,735	66,396
Total Equity		801,935	775,540
Total equity and liabilities		1,511,043	1,363,838
Net assets per share attributable to owners of the Company (RM)		0.87	0.84

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 YEAR ENDED 31 DECEMBER 2025**

	Note	4 th Quarter		Year to Date	
		3 months ended		12 months ended	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	480,702	448,451	1,758,969	1,691,774
Operating profit		57,027	55,605	157,722	151,479
Finance costs		(5,303)	(5,121)	(20,841)	(19,243)
Share of results of associate and joint venture		212	(520)	1,449	(233)
Profit before tax	B2	51,936	49,964	138,330	132,003
Income tax expense	B3	(8,855)	(16,921)	(41,968)	(38,469)
Profit net of tax		43,081	33,043	96,362	93,534
Attributable to:					
Owners of the Company		39,905	30,176	81,974	79,423
Non-controlling interests		3,176	2,867	14,388	14,111
		43,081	33,043	96,362	93,534
Earnings per share attributable to owners of the Company (sen):					
Basic and diluted	B12	4.8	3.6	9.8	9.5

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 CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

RM'000	Note	Attributable to owners of the Company						Non-Distributable	Total	Non-controlling interests	Total equity
		Non - Distributable			Distributable						
		Share capital	Revaluation reserves	Foreign currency translation reserves	FVOCI reserves	Other reserve	Retained earnings				
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 year		-	-	-	-	-	81,974	-	81,974	14,388	96,362
Other comprehensive income		-	1,415	67	1,600	-	-	-	3,082	24	3,106
Total comprehensive income		-	1,415	67	1,600	-	81,974	-	85,056	14,412	99,468
Transfer of revaluation reserves to reserves of non-current assets classified as held for sale	A10	-	(3,449)	-	-	-	-	3,449	-	-	-
Transactions with owners:											
Dividend on ordinary shares	A7	-	-	-	-	-	(63,000)	-	(63,000)	-	(63,000)
Dividend to non-controlling interests		-	-	-	-	-	-	-	-	(10,073)	(10,073)
Total transactions with owners		-	-	-	-	-	(63,000)	-	(63,000)	(10,073)	(73,073)
At 31 December 2025		237,194	20,221	1,315	18,717	1,706	448,598	3,449	731,200	70,735	801,935
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 year		-	-	-	-	-	79,423	-	79,423	14,111	93,534
Other comprehensive income		-	2,881	27	2,883	-	-	-	5,791	31	5,822
Total comprehensive income		-	2,881	27	2,883	-	79,423	-	85,214	14,142	99,356
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities		-	-	-	(9,971)	-	9,971	-	-	-	-
Transfer of share of associate's revaluation reserves to retained earnings upon disposal of the associate's property		-	(52)	-	-	-	52	-	-	-	-
Transaction with owners:											
Dividend on ordinary shares	A7	-	-	-	-	-	(130,200)	-	(130,200)	-	(130,200)
Dividend to non-controlling interests		-	-	-	-	-	-	-	-	(10,073)	(10,073)
Total transactions with owners		-	-	-	-	-	(130,200)	-	(130,200)	(10,073)	(140,273)
At 31 December 2024		237,194	22,255	1,248	17,117	1,706	429,624	-	709,144	66,396	775,540

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.



Malaysia Smelting Corporation Berhad (197801006055 (43072-A))

Interim Financial Report

For the Fourth Quarter ended 31 December 2025

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	12 months ended	
	31.12.2025	31.12.2024
	RM'000	RM'000
Operating activities		
Operating cash flows before changes in working capital	160,669	159,056
Increase in inventories	(62,757)	(20,604)
Increase in receivables	(56,231)	(23,009)
Decrease in trade prepayments	3,015	28,644
Decrease/(Increase) in other prepayments	33	(1,017)
Increase in payables	102,018	5,454
Increase/(Decrease) in amount due to an associate	67	(1,155)
Cash generated from operations	146,814	147,369
Income tax paid	(30,248)	(46,267)
Interest paid	(18,561)	(16,065)
Payment for mine restoration fund	(5,782)	-
Payment for retrenchment compensation	(9,545)	(1,139)
Net cash generated from operating activities	82,678	83,898
Investing activities		
Dividend received from an associate	84	28
Dividend received from investment securities	2,636	3,364
Interest received	4,792	6,679
Payment for deferred mine exploration and evaluation expenditures and mine properties	(1,118)	(413)
Proceeds from disposal of investment securities	-	12,145
Proceeds from disposal of property, plant and equipment	7	-
Purchase of property, plant and equipment	(23,714)	(18,952)
Net cash (used in)/generated from investing activities	(17,313)	2,851
Financing activities		
Dividend paid to shareholders	(63,000)	(130,200)
Dividend paid to a non-controlling shareholder of a subsidiary	-	(18,241)
Drawdown of short term trade borrowings	26,606	36,619
Repayment of term loan	(14,444)	(26,667)
Payment of lease liabilities	(269)	(326)
Net cash used in financing activities	(51,107)	(138,815)
Net increase/(decrease) in cash and cash equivalents	14,258	(52,066)
Effect of changes in foreign exchange rates	19	(308)
Cash and cash equivalents as at 1 January	211,848	264,222
Cash and cash equivalents as at 31 December	226,125	211,848

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at		Non-cash changes	
	1 January 2025	Cash flows	Foreign exchange movement	Carrying amount as at
	RM'000	RM'000	RM'000	31 December 2025
	RM'000	RM'000	RM'000	RM'000
Lease liabilities	4,276	(269)	-	4,007
Short term trade borrowings	328,792	26,606	(2,843)	352,555
Term loan	42,222	(14,444)	-	27,778
Total liabilities from financing activities	375,290	11,893	(2,843)	384,340

	Carrying amount as at		Non-cash changes	
	1 January 2024	Cash flows	Foreign exchange movement	Carrying amount as at
	RM'000	RM'000	RM'000	31 December 2024
	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

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: <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 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (<i>Translation to a Hyperinflationary Presentation Currency</i>)	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 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 ended 31 December 2025.

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 2025 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 by way of bonus issue of new ordinary shares on the basis of 1 bonus share for every 1 existing MSC share.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. Dividend Paid

The following dividends were paid by the Company

	31.12.2025	31.12.2024
Interim single-tier dividend:		
For financial year ended	31 December 2025	31 December 2024
Date paid	9 September 2025	24 October 2024
Number of ordinary shares on which dividends were paid ('000)	840,000	420,000
Dividend per share	4.0 sen	7.0 sen
Dividend paid	RM33,600,000	RM29,400,000
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
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

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 2025					
Major products or services:					
Sale of tin	481,526	77,545	559,071	(77,545)	481,526
Smelting revenue	2,086	-	2,086	-	2,086
Sale of tin bearing slag	(8,267)	-	(8,267)	-	(8,267)
Sale of by-products	5,325	-	5,325	-	5,325
Others	32	-	32	-	32
	<u>480,702</u>	<u>77,545</u>	<u>558,247</u>	<u>(77,545)</u>	<u>480,702</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 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
	<u>448,451</u>	<u>84,046</u>	<u>532,497</u>	<u>(84,046)</u>	<u>448,451</u>
For 12 months ended 31 December 2025					
Major products or services:					
Sale of tin	1,664,904	327,009	1,991,913	(327,009)	1,664,904
Smelting revenue	6,994	-	6,994	-	6,994
Sale of tin bearing slag	71,711	-	71,711	-	71,711
Sale of by-products	14,477	-	14,477	-	14,477
Others	883	-	883	-	883
	<u>1,758,969</u>	<u>327,009</u>	<u>2,085,978</u>	<u>(327,009)</u>	<u>1,758,969</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>

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 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 2025						
Revenue						
Sales to external customers	480,702	-	-	480,702	-	480,702
Inter-segment sales	-	77,545	-	77,545	(77,545)	-
Total revenue	480,702	77,545	-	558,247	(77,545)	480,702
Results						
Operating profit/(loss)	35,763	25,981	(10)	61,734	(4,707)	57,027
Finance costs	(4,434)	(622)	(247)	(5,303)	-	(5,303)
Share of results of associate and joint venture	-	-	212	212	-	212
Profit/(Loss) before tax	31,329	25,359	(45)	56,643	(4,707)	51,936
Income tax (expense)/credit	(4,260)	(5,725)	-	(9,985)	1,130	(8,855)
Profit/(Loss) net of tax	27,069	19,634	(45)	46,658	(3,577)	43,081
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

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 12 months ended 31 December 2025						
Revenue						
Sales to external customers	1,758,969	-	-	1,758,969	-	1,758,969
Inter-segment sales	-	327,009	-	327,009	(327,009)	-
Total revenue	1,758,969	327,009	-	2,085,978	(327,009)	1,758,969
Results						
Operating profit/(loss)	43,675	119,127	(27)	162,775	(5,053)	157,722
Finance costs	(17,670)	(2,488)	(683)	(20,841)	-	(20,841)
Share of results of associate and joint venture	-	-	1,449	1,449	-	1,449
Profit/(Loss) before tax	26,005	116,639	739	143,383	(5,053)	138,330
Income tax (expense)/credit	(2,719)	(40,462)	-	(43,181)	1,213	(41,968)
Profit/(Loss) net of tax	23,286	76,177	739	100,202	(3,840)	96,362
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

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 2025						
Assets						
Segment assets	1,070,470	395,945	28,589	1,495,004	(15,898)	1,479,106
Investments in associate and joint venture	-	-	31,937	31,937	-	31,937
Total assets	1,070,470	395,945	60,526	1,526,941	(15,898)	1,511,043
Liabilities						
Segment liabilities	595,789	113,173	146	709,108	-	709,108
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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A10. Property, Plant and Equipment

As at 31 December 2025, non-current assets classified as held for sale are as follows:

a. 80 units of flats in Bukit Mertajam

In October 2025, the Company entered into Sale and Purchase agreements to dispose of 80 units of flats in Bukit Mertajam, for a total cash consideration of RM6,380,000. The sale is expected to be completed by first quarter of 2026.

The asset classified as held for sale and the related asset's revaluation reserves as at 31 December 2025 are as follows:

	RM'000
Assets:	
Property	<u>6,345</u>
Reserves:	
Revaluation reserves	<u>3,449</u>

b. Plant, machinery and factory equipment at Butterworth plant

In September 2025, the Company has awarded a contract to a contractor for the comprehensive decommissioning and dismantling of its smelter plant at Butterworth. The contractor agreed to acquire certain assets at the Butterworth plant for a total cash consideration of RM6,000,000. The project is expected to be completed by third quarter of 2026.

The asset classified as held for sale as at 31 December 2025 is as follows:

	RM'000
Assets:	
Plant, machinery and factory equipment	<u>2,010</u>

Other than the above, the land and buildings have been revalued in December 2025, giving a net revaluation surplus of approximately RM1.2 million.

A11. Event After the Reporting Period

There was no material event subsequent to financial year ended 31 December 2025.

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 2025.

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 2025 except for the following:

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 hearing took place on 4 and 5 February 2026. Further trial dates are required for the continuation of the proceedings, and a case management has been fixed on 5 March 2026 to obtain further directions from the Court.

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.

A14. Capital Commitments

Capital commitments of the Group as at 31 December 2025 are as follows:

	31.12.2025 RM'000	31.12.2024 RM'000
Approved and contracted for	8,260	7,853
Approved but not contracted for	4,261	4,074
	12,521	11,927

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.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 2025				
Assets measured at fair value:				
Land and buildings	-	-	70,298	70,298
Investment securities	28,581	-	-	28,581
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 ended 31 December 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:

	4 th Quarter ended 31.12.2025 RM'000	4 th Quarter ended 31.12.2024 RM'000	12 months ended 31.12.2025 RM'000	12 months ended 31.12.2024 RM'000
After charging/(crediting):				
Bad debts recovered	-	-	-	(3,807)
Depreciation and amortisation	3,872	3,975	14,765	13,649
Dividend income	(2,636)	(2,183)	(2,636)	(3,364)
Gain on disposal of property, plant and equipment	(1)	-	(7)	-
Interest income	(1,104)	(1,484)	(4,792)	(6,679)
Net fair value (gain)/loss in forward currency contracts	-	(37)	37	(37)
Net foreign exchange (gain)/loss	(2,686)	(1,089)	(7,084)	2,329
Other income	(903)	(315)	(2,295)	(6,295)
Property, plant and equipment written off (Reversal of)/Provision for retrenchment compensation	184	-	494	296
	(1,879)	971	(1,879)	971

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 2025.

B3. Income Tax (Expense)/Credit

Income tax (expense)/credit comprises the following:

	4 th Quarter ended 31.12.2025 RM'000	4 th Quarter ended 31.12.2024 RM'000	12 months ended 31.12.2025 RM'000	12 months ended 31.12.2024 RM'000
Income tax				
- Current provision	(7,792)	(12,414)	(31,699)	(33,330)
- Over/(Under) provision in prior years	1,285	(3,181)	(8,646)	(2,574)
	(6,507)	(15,595)	(40,345)	(35,904)
Deferred tax				
- Relating to origination and reversal of temporary differences	(2,429)	(1,483)	(1,481)	(2,633)
- Over/(Under) provision in prior years	81	157	(142)	68
	(2,348)	(1,326)	(1,623)	(2,565)
Total income tax expense	(8,855)	(16,921)	(41,968)	(38,469)

**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 2025, the effective tax rate for the Group was higher than the statutory tax rate in Malaysia mainly due to RHT additional tax, 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 17 February 2026, 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 2025 is as follows:

	Not past due	← Past due →		→		Total
	< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	>120 days	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables as at 31.12.2025	10,163	-	-	-	1	10,164
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 RM1,000 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 31 December 2025 are as follows:

	As at 31.12.2025 RM'000	As at 31.12.2024 RM'000
Short Term Borrowings		
Unsecured:		
Short term trade financing	109,023	86,962
Bankers' acceptances / Trust receipts	243,532	241,830
Secured term loan	13,333	14,444
	365,888	343,236
Long Term Borrowings		
Secured term loan	14,445	27,778
	380,333	371,014

Amount denominated in foreign currency	'000	'000
Short term trade financing (US dollars)	26,899	19,498

During the financial year, the Group's total borrowings increased by approximately 2.5% from RM371.0 million as at 31 December 2024 to RM380.3 million as at 31 December 2025. The gearing ratio of the Group are 0.47 as at 31 December 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 31 December 2025 for the Group was 4.1% (2024: 4.4%) per annum.

The secured term loan as at 31 December 2025 bears interest rate of 4.8% (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 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.

As at 31 December 2025, there was no outstanding forward currency contract.

B8. Material Litigation

There was no material litigation as at 17 February 2026, 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 31.12.2025 RM'000	Immediate Preceding Quarter 30.09.2025 RM'000	Changes %
Revenue	480,702	529,536	(9%)
Operating Profit	57,027	39,540	44%
Profit Before Interest and Tax	57,239	39,998	43%
Profit Before Tax	51,936	35,297	47%
Profit After Tax	43,081	25,796	67%
Profit Attributable to Owners of the Company	39,905	20,400	96%

4Q 2025 vs. 3Q 2025 (QoQ)

The Group recorded revenue of RM480.7 million in 4Q 2025 as compared with RM529.5 million in 3Q 2025. This was mainly due to lower sales quantity of refined tin and tin bearing intermediates, despite higher average tin price per metric tonne of RM158,100 (4Q 2025) as compared with RM143,500 (3Q 2025).

The Group recorded a profit before tax of RM51.9 million in 4Q 2025 as compared with RM35.3 million in 3Q 2025.

The tin smelting segment recorded a profit before tax of RM31.3 million in 4Q 2025 as compared with a loss before tax of RM1.5 million in 3Q 2025. The better smelting performance in 4Q 2025 was mainly contributed from higher sales and encashment of tin intermediates with higher margin, higher profit from sales of tantalum slag, foreign exchange gain, and cost savings from the closure of Butterworth plant, despite lower ore intake from suppliers.

The tin mining segment recorded a profit before tax of RM25.4 million in 4Q 2025 as compared with RM32.9 million in 3Q 2025. The lower profit was mainly due to lower tin production quantity as a result of the temporary suspension of mining operations for 3 weeks, from 13 November 2025 to 3 December 2025, despite higher average tin price as stated above.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.2 million in 4Q 2025 as compared with RM0.5 million in 3Q 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 (12 months)		Changes %	Individual Period (4 th quarter)		Changes %
	Current Year To- date	Preceding Year Corresponding Period		Current Year Quarter	Preceding Year Corresponding Quarter	
	31.12.2025 RM'000	31.12.2024 RM'000		31.12.2025 RM'000	31.12.2024 RM'000	
Revenue	1,758,969	1,691,774	4%	480,702	448,451	7%
Operating Profit	157,722	151,479	4%	57,027	55,605	3%
Profit Before Interest and Tax	159,171	151,246	5%	57,239	55,085	4%
Profit Before Tax	138,330	132,003	5%	51,936	49,964	4%
Profit After Tax	96,362	93,534	3%	43,081	33,043	30%
Profit Attributable to Owners of the Company	81,974	79,423	3%	39,905	30,176	32%

12M 2025 vs. 12M 2024 (YoY)

Group revenue was RM1.76 billion for the year ended 31 December 2025 as compared with RM1.69 billion in 2024. This was mainly due to sales of tin bearing intermediates and by-products, and higher average tin price per metric tonne of RM146,100 (2025) as compared with RM138,500 (2024), despite lower sales quantity of refined tin in 2025.

The Group recorded a profit before tax of RM138.3 million in 2025 as compared with RM132.0 million in 2024.

The tin smelting segment recorded a profit before tax of RM26.0 million in 2025 as compared with RM32.3 million in 2024. The performance was affected by lower ore intake from suppliers and the disruption of production arising from the gas pipeline fire incident at Putra Heights in 2Q 2025, offset by the positive contribution from higher encashment of tin intermediates with higher margin.

The tin mining segment recorded a profit before tax of RM116.6 million in 2025 as compared with RM110.4 million in 2024. This was mainly due to higher average tin price as stated above, despite slightly lower tin production quantity.

The Group's share of results of associate and joint venture recorded a net share profit of RM1.4 million in 2025 as compared with a net share loss of RM0.2 million in 2024.

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

B10. Review of Performance (cont'd)

4Q 2025 vs. 4Q 2024 (YoY)

Group revenue was RM480.7 million in 4Q 2025 as compared with RM448.5 million in 4Q 2024. This was mainly due to higher average tin price per metric tonne of RM158,100 (4Q 2025) as compared with RM133,700 (4Q 2024), despite lower sales quantity of refined tin in 4Q 2025.

The Group recorded a profit before tax of RM51.9 million in 4Q 2025 as compared with RM50.0 million in 4Q 2024.

The tin smelting segment recorded a profit before tax of RM31.3 million in 4Q 2025 as compared with RM26.6 million in 4Q 2024. The better smelting performance in 4Q 2025 was mainly contributed from higher sales and encashment of tin intermediates with higher margin, higher profit from sales of tantalum slag, foreign exchange gain, and cost savings from the closure of Butterworth plant, despite lower ore intake from suppliers.

The tin mining segment recorded a profit before tax of RM25.4 million in 4Q 2025 as compared with RM27.1 million in 4Q 2024. The relatively lower profit was mainly due to lower tin production quantity as a result of the temporary suspension of mining operations for 3 weeks, from 13 November 2025 to 3 December 2025, despite higher average tin price as stated above.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.2 million in 4Q 2025 as compared with a net share loss of RM0.5 million in 4Q 2024.

B11. Prospects

Demand for tin from electronics, clean energy, artificial intelligence and data centre infrastructures remains supportive. Although there are signs of recovery in the supply chain especially from Myanmar and Indonesia, the risk of tin metal output being constrained by sudden regulatory changes and policy shifts, and geopolitical tensions is still imminent.

The Group remains steadfast to emphasize on business competitiveness and operational efficiencies in its smelting and mining segments.

The closure and decommissioning of its old smelter plant at Butterworth is ongoing. The Group expects cost savings from the closure, while benefiting from higher efficiencies of the PI plant with lower operational and manpower costs. In addition, the PI smelter plant has an overall smaller carbon footprint as it uses natural gas and generates renewal energy from its rooftop solar panels.

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 to scavenge tin from low grade materials, and participating in potential new mining joint ventures.

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

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

Pursuant to the requirements of MFRS 133 *Earnings per Share*, the weighted average number of ordinary shares used in the calculation of basic and diluted EPS for the current and previous quarters and financial year ended 31 December 2025 and 31 December 2024 have been retrospectively adjusted to reflect the bonus issue.

	4 th Quarter ended 31.12.2025	4 th Quarter ended 31.12.2024	12 months ended 31.12.2025	12 months ended 31.12.2024
Profit net of tax attributable to owners of the Company (RM'000)	39,905	30,176	81,974	79,423
Weighted average number of ordinary shares in issue ('000)	840,000	840,000	840,000	840,000
Basic and diluted earnings per share (sen)	4.8	3.6	9.8	9.5

B13. Dividend

The Board of Directors has recommended, for approval at the forthcoming Annual General Meeting, payment of a final single tier dividend of 4.0 sen per share amounting to RM33,600,000 for the financial year ended 31 December 2025. 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 2025, total dividend declared is 8.0 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 23 February 2026.