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

ANNUAL REPORT 2024

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VISION

To be a successful world-class organisation in its integrated core businesses of mining, smelting, manufacturing and global marketing for tin and tin-based products delivering sustainable shareholder value through quality operations.

MISSION

Whether in the upstream or downstream sectors of the world tin industry, the name MSC will be synonymous with creativity, value, service and quality.

MSC Group will be a creative organisation, caring about its employees and its customers.

- We will provide the highest levels of service to all the Group's suppliers and customers by participating and contributing solutions and values in all stages of the world tin supply chain - mining, smelting, refining, recycling, products transformation, engineering and marketing;
- We will respond quickly and sensitively to the changing needs of the Group's suppliers and customers; and
- We aim to nurture an atmosphere of continuous self-development by emphasising on training and development while adhering to the highest standard of integrity.

MSC Group's growth strategy is to leverage on its core competencies to focus on organic growth as well as on strategic acquisitions that will broaden the Group's core businesses and strengthen its global leadership position in both upstream and downstream sectors of the world tin industry.

CORE VALUES

- Intellectual, honesty and integrity
- Adding value through innovation and continuous improvement
- Global perspective and competitive spirit
- Respect for the environment and the health and safety of its employees
- Creating sustainable shareholder value through quality operations

SECTION 1

OVERVIEW

Embracing A Vibrant Work Culture

We believe that our people shape our success, which is why we make every effort to ensure that they are equipped with the right resources and a conducive workplace to enable them to develop holistically.

- **Conducting career development programmes**
- **Recognising employee contributions**
- **Providing rewards & incentives**
- **Cultivating a safe work environment**

The Group's niche expertise in tin is continually being strengthened in all areas over the entire global tin supply chain covering geology, mining, mineral processing, smelting, marketing, resource management and financing. Malaysia Smelting Corporation Berhad will pursue its growth strategy on its core business in tin through strategic acquisitions and organic growth where its core expertise, skills and capabilities can add value and make a difference particularly in increasing operating efficiencies, innovating products and services as well as forging global commercial and marketing networks to ensure its continued leadership position in the industry.

Investment opportunities will continue to be evaluated and the Group may in future decide to invest in selective projects that meet its investment criteria. Main emphasis will be on opportunities in regions where the country risks could be effectively managed and that the mines could be developed and operated with relatively lower cost structure.

Corporate Profile

With roots dating back to 1887 as the smelting operations arm of The Straits Trading Company Limited (STC), Malaysia Smelting Corporation Berhad ("MSC") of today continues to enjoy an unsurpassed global reputation as the world's leading custom smelter and is renowned as one of the world's largest integrated producers of tin.

With the Group's core expertise and solid foundation of over a century of smelting excellence to its credit, the Group's new smelting facility which uses Top Submerged Lance ("TSL") technology will thrust the smelter to the apex of smelting excellence. This combined with a smaller carbon footprint is expected to consolidate MSC's pole position in years to come. The Group is currently one of the world's leading integrated producers of tin metal and tin-based products. In 2024, the Group produced 16,291 tonnes of tin metal making MSC one of the largest suppliers of tin metal in the world.

MSC has played a key and prominent role in providing the world with a continuous supply of high grade tin metal. MSC has been able to combine effectively its vast experience in state-of-the-art technological innovations to improve its smelting and refining processes. It is able to effectively convert primary, secondary and complex tin-bearing ores into high purity tin metal thanks to its efficient TSL furnace and its comprehensive refining plant and equipment comprising crystallisers, Electrolysis plants and Vacuum Distillation Unit which forms the backbone of MSC's refining operation.

With a strong foundation in quality, global recognition, and sustainable practices, "Malaysia Smelting Corporation Straits Refined Tin" continues to be a benchmark in the tin industry. Backed by the expertise of MSC and produced at its advanced Pulau Indah smelting facility, this brand is registered with the London Metal Exchange (LME) and widely recognised across international markets. This brand boasts a purity ranging from Standard Grade A (99.85% Sn) to the premium-grade electrolytic tin (99.99% Sn).

In November 2004, MSC expanded upstream in mining through the acquisition of Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), Malaysia's long established and largest operating open-pit tin mine. Since the takeover, extensive work has been carried out covering mining, pit operation and improvement to the milling / concentrator circuits. This has transformed RHT to become a sustainable and a significant tin producer, incorporating international best mining and energy efficiency practices.

With the completion of the acquisition of Asas Baiduri Sdn. Bhd. ("Asas Baiduri") on 4 July 2022, MSC's immediate focus will be to further extend RHT's existing mining pit eastward which will enable the Company to increase its daily mining output. Meanwhile, MSC will embark on the exploration and mining of tin resources within Asas Baiduri's land in the next few years. The addition of Asas Baiduri's 568-acre land will provide MSC with a long-term supply of tin and further extend MSC's mining operations.

In the areas of research and development, MSC, as a cofounder and board member of International Tin Association ("ITA"), continues to support ITA's initiatives among other things to rigorously pursue research and development to thrust tin as an environmentally friendly metal. Tin has already proven its mettle in a wide range of applications including chemical, medical, energy and others.

In order to realise its vision to reduce carbon footprint, MSC is continuously expanding its solar panel capacity at its Pulau Indah smelter to harness power from renewable sources.

MSC's niche expertise in tin is continuously being strengthened in all areas over the entire global tin supply chain covering geology, mining, mineral processing, smelting and marketing.

MSC will pursue its growth strategy on its core business in tin through strategic acquisitions and organic growth where its core expertise can add value particularly in increasing operating efficiencies, innovating products and services to ensure its continued leadership position in the industry.

Corporate Information

BOARD OF DIRECTORS

1. **MS. CHEW GEK KHIM** PJG
Chairman,
Non-Independent
Non-Executive Chairman

2. **MR. YAP SENG CHONG**
Independent Non-Executive Director

3. **DATUK KAMARUDDIN BIN TAIB**
Independent Non-Executive Director

4. **DATO' ROSLINA BINTI ZAINAL**
Independent Non-Executive Director

5. **DATUK LIM HONG TAT**
Independent Non-Executive Director

6. **DATO' DR. (IR.) PATRICK YONG MIAN THONG**
Group Chief Executive Officer/
Executive Director

AUDIT & RISK MANAGEMENT COMMITTEE

Mr. Yap Seng Chong *(Chairman)*
Datuk Kamaruddin Bin Taib
Datuk Lim Hong Tat

NOMINATING & REMUNERATION COMMITTEE

Datuk Lim Hong Tat *(Chairman)*
Dato' Roslina Binti Zainal
Mr. Yap Seng Chong

EXECUTIVE COMMITTEE

Ms. Chew Gek Khim PJG *(Chairman)*
Datuk Lim Hong Tat
Dato' Dr. (Ir.) Patrick Yong Mian Thong

ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE

Dato' Roslina Binti Zainal *(Chairman)*
Datuk Kamaruddin Bin Taib
Datuk Lim Hong Tat

KEY MANAGEMENT

Dato' Dr. (Ir.) Patrick Yong Mian Thong
(Group Chief Executive Officer/Executive Director)
Mr. Nicolas Chen Seong Lee
(Deputy Chief Executive Officer (Administration))
Mr. Lam Hoi Khong
(Group Chief Financial Officer)
En. Madzlan Bin Zam
(Executive Director & Senior General Manager, Rahman Hydraulic Tin Sdn. Bhd.)

COMPANY SECRETARY

Ms. Wong Youn Kim
SSM PC No. 201908000410
(MAICSA 7018778)

REGISTERED & CORPORATE OFFICE

Lot 6, 8 & 9, Jalan Perigi Nanas 6/1
Pulau Indah Industrial Park
West Port, Port Klang
42920 Pulau Indah
Selangor
Malaysia
Tel : (603) 3102 3083
Fax : (603) 3102 3080
Website : www.msmelt.com
Email : msc@msmelt.com

SALES & TRADING OFFICE

Unit 18-13A, Level 18
East Wing, Q Sentral
2A, Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia
Tel : (603) 2276 0254

BUTTERWORTH SMELTER

27 Jalan Pantai
12000 Butterworth
Penang
Malaysia
Tel : (604) 333 3500
Fax : (604) 331 7405 / 332 6499

AUDITORS

Ernst & Young PLT
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia
Tel : (603) 7495 8000
Fax : (603) 2095 5332

SHARE REGISTRARS

- **MALAYSIA**

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Malaysia
Tel No. : (603) 7890 4700
Fax No. : (603) 7890 4670
Email : bsr.helpdesk@boardroomlimited.com

- **SINGAPORE**

Tricor Barbinder Share Registration Services
9 Raffles Place #26-01
Republic Plaza Tower I
Singapore 048619
Tel : (65) 6236 3567
Email : sg.is.enquiry@sg.tricorglobal.com

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
HSBC Bank Malaysia Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Mainboard of Singapore Exchange Securities Trading Limited

Key Financial Highlights

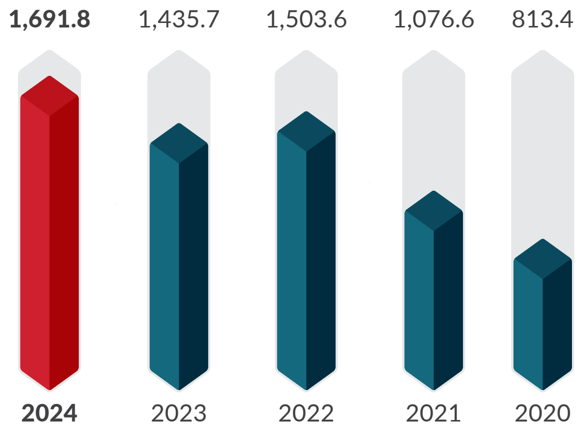
		Year ended 31 December				
		2024	**2023**	**2022**	**2021**	**2020**
Revenue	(RM Mil)	**1,691.8**	1,435.7	1,503.6	1,076.6	813.4
Profit before tax	(RM Mil)	**132.0**	128.6	143.6	158.4	24.2
Income tax expense	(RM Mil)	**(38.5)**	(31.4)	(42.2)	(39.9)	(9.5)
Profit attributable to the owners of the Company	(RM Mil)	**79.4**	85.1	98.3	118.1	15.2
Total assets	(RM Mil)	**1,363.8**	1,391.6	1,305.9	1,314.9	994.5
Net current assets	(RM Mil)	**391.7**	456.0	437.0	345.3	191.8
Equity attributable to the owners of the Company	(RM Mil)	**709.1**	754.1	719.2	580.4	393.5
Earnings per share	(sen)	**18.9**	20.3	23.4	28.3	3.6[1]
Dividend per share	(sen)	**31**[2]	14	7	7	1[1]
Net assets per share attributable to the owners of the Company	(sen)	**169**	180	171	138	94[1]
Pre-tax profit on average equity attributable to the owners of the Company	%	**18**	17	22	33	6

[1] *The figures have been adjusted to reflect the private placement exercise completed on 2 August 2021 for comparative purposes.*

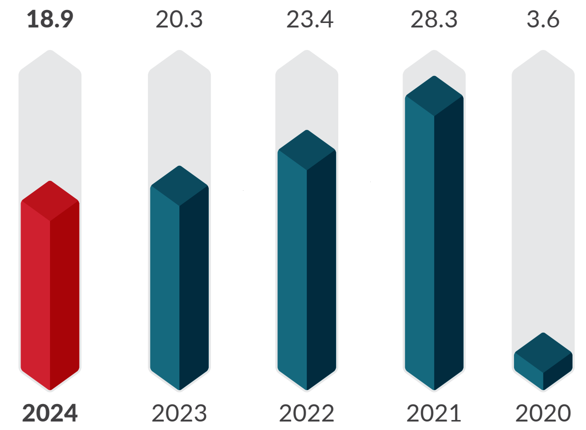
[2] *Final single-tier dividend of RM0.07 per share is subject to the approval of the members at the forthcoming Annual General Meeting.*

Key Financial Highlights

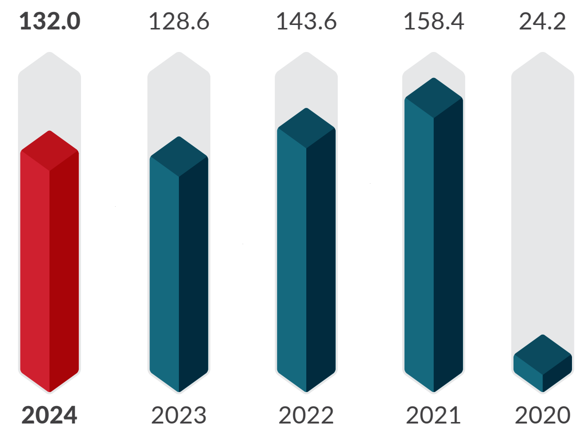
REVENUE (RM MIL)



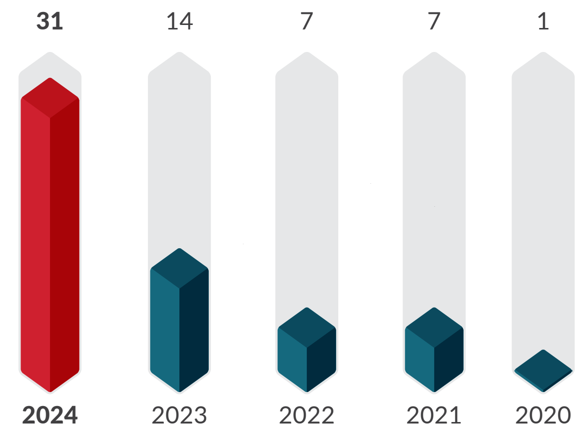
EARNINGS PER SHARE (SEN)



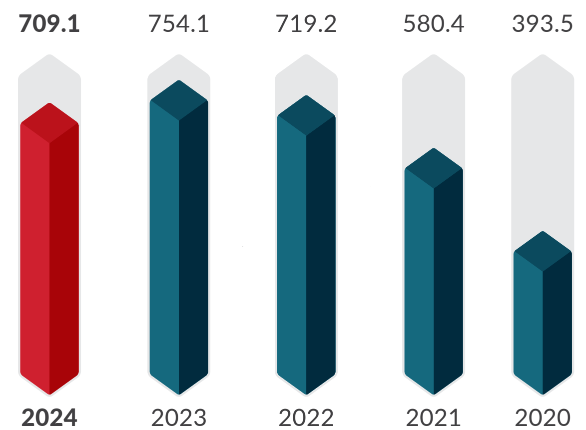
PROFIT BEFORE TAX (RM MIL)



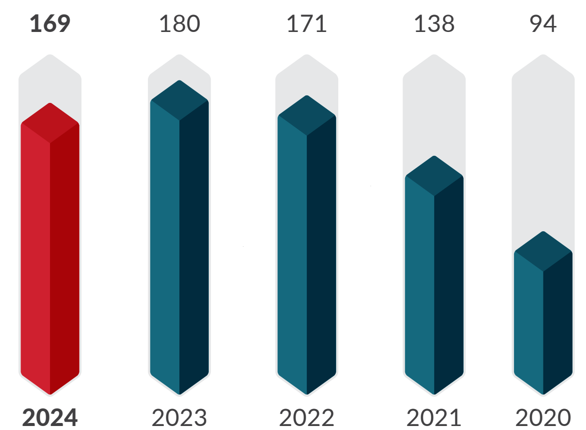
DIVIDEND PER SHARE (SEN)



EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (RM MIL)



NET ASSETS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (SEN)



Profile of Directors

MS. CHEW GEK KHIM PJG

Non-Independent
Non-Executive Chairman

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- LL.B (Hons), National University of Singapore
- Hon D. Litt, Nanyang Technological University

Ms. Chew Gek Khim PJG was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 18 March 2016. She assumed the role as Chairman of the Company with effect from 11 May 2016. She is also the Chairman of the Executive Committee of the Company since 24 March 2021.

Ms Chew is the Executive Chairman of the Tecity Group and The Straits Trading Company Limited. She is also the Non-Executive Chairman of ESR Trust Management (Suntec) Limited.

Ms Chew also serves as the Deputy Chairman of the Tan Chin Tuan Foundation and a Member of the Board of Governors of S. Rajaratnam School of International Studies, National University of Singapore Board of Trustees, Wealth Management Institute Board of Trustees and Ex-Officio Member of the Governing Board of the Lee Kuan Yew School of Public Policy.

She was awarded the Chevalier de l'Ordre National du Mérite in 2010, the Singapore Businessman of the Year 2014 and the Meritorious Service Medal in 2016. Ms Chew was conferred an Honorary Degree of Doctor of Letters (honoris causa) by the Nanyang Technology University in 2021.

Ms. Chew does not hold any other directorship in other public companies and listed issuers in Malaysia.

MR. YAP SENG CHONG

Independent Non-Executive
Director

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- Bachelor Degree in Accounting from University of Malaya
- Member of Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants

Mr. Yap Seng Chong was appointed as an Independent Non-Executive Director of the Company on 31 December 2021. He was also appointed as the Chairman of the Audit & Risk Management Committee of the Company on the same date. On 25 August 2023, he was appointed as a member of the Nominating & Remuneration Committee of the Company.

Mr. Yap had his entire career with Ernst & Young Malaysia ("EY") which spanned over 35 years, two of which were with EY London office, providing various types of assurance and business advisory services. He had previously held positions in EY as Head of Assurance Practice, Professional Practice Director and ASEAN Regional and Country Independence Leader before his retirement.

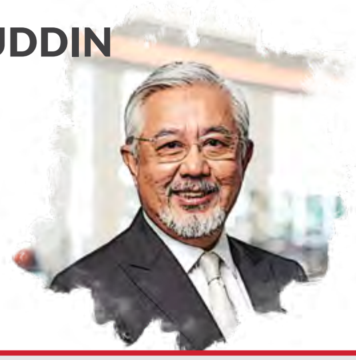
Mr. Yap was also a member of the Interpretation Committee of the Malaysian Accounting Standards Board. He had previously served as Malaysian Institute of Accountants ("MIA") Council member, Chairman of the Disciplinary Committee of MIA, Member of the Accounting and Auditing Standards Board of MIA, Chairman of the Audit and Risk Committee of MIA and Member of the Public Practice Committee of MIA.

Mr. Yap is also an Independent Non-Executive Director of United Plantations Berhad, Hartalega Holdings Berhad, Apex Healthcare Berhad and Malayan Cement Berhad. In addition, Mr. Yap also serves as a member of Board of Trustees of both Yayasan Hartalega and Yayasan Nanyang Press.

Profile of Directors

DATUK KAMARUDDIN BIN TAIB

Independent Non-Executive Director



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- Bachelor of Science in Mathematics, University of Salford, United Kingdom

Datuk Kamaruddin Bin Taib was appointed as an Independent Non-Executive Director of the Company on 16 November 2018. He was appointed as a member of the Audit & Risk Management Committee of the Company on 14 February 2022 and on 12 September 2023, he was appointed as a member of the Environmental, Social & Governance Committee of the Company.

Datuk Kamaruddin has significant experience in investment banking, corporate finance, mergers and acquisitions. His career started in 1980 with a leading merchant bank in Malaysia. Subsequently, he served as a director of several private companies, companies listed on Bursa Malaysia Securities Berhad and companies listed on the Stock Exchange of India as well as listed on Nasdaq (U.S.A.).

Datuk Kamaruddin is currently the Independent and Non-Executive Chairman of HSBC Bank Malaysia Berhad, Malaysian Life Reinsurance Group Berhad, RAM Holdings Berhad and RAM Ratings Services Berhad. He is also the Chairman of FIDE FORUM (Financial Institutions Directors Education FORUM).

Datuk Kamaruddin also serves as an Independent Non-Executive Director of Fraser & Neave Holdings Berhad and a Non-Executive Member of Asia School of Business – President's Advisory Council.

DATO' ROSLINA BINTI ZAINAL

Independent Non-Executive Director

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- Master of Business Administration, University of New England, New South Wales, Australia
- Bachelor of Electrical Engineering, Lakehead University, Canada

Dato' Roslina Binti Zainal was appointed as an Independent Non-Executive Director of the Company on 2 August 2021. She was appointed as a member of the Nominating & Remuneration Committee and Chairman of the Environmental, Social & Governance Committee of the Company on 14 February 2022.

Dato' Roslina started her career in Tenaga Nasional Berhad ("TNB"), the national utility of Malaysia, in 1985 as an engineer and has worked in the Distribution, Transmission and Generation Planning divisions and brings a wealth of experience in the energy sector with 33 years' experience. As one of the top management of TNB, Dato' Roslina has represented TNB at International Investor conferences and attended one-on-one dialogues with investors on regulations affecting the power sector. She has presented papers at international conferences and sat on panel discussions as a leading expert on energy and regulation.

She has played leading roles in the areas of Utility Economics, Regulation, Energy Procurement, Planning and Strategy. She was the lead negotiator for TNB for the Power Purchase Agreements with the Independent Power Producers (IPPs), negotiating with the Government on tariffs under the Incentive Based Regulations (IBR), negotiating gas framework and gas supply agreements. At the national level, Dato Roslina sat on many committees chaired by various Ministers on Energy, Gas and Tariff. She was a member of the National Gas Committee chaired by Dato' Seri Idris Jala to address issues pertaining to gas constraint for the power sector in 2012. She was also a member of the National Committee on Planning, Development and Electricity Tariffs which consists of The Energy Commission, PETRONAS and the Economic Planning Unit, chaired by the Minister responsible for Energy.

Recognising her contributions to the industry, Dato' Roslina was awarded ASEAN Excellence in Energy Management (Individual) during the 38th ASEAN Ministers on Energy (AMEM) on 28 October 2018 in Singapore. She was appointed as Senior Fellow of Khazanah Research & Investment Strategy (KRIS), Khazanah Nasional from 2018-2019.

Dato' Roslina was previously appointed on the Boards of TNB, Malaysia Industry-Government Group for High Technology (MIGHT), Sapura Energy Berhad, Universiti Teknikal Malaysia Melaka (UTeM), Universiti Tenaga Nasional ("UNITEN"), TNB Fuel Services Sdn. Bhd. and Prai Power Sdn. Bhd.

Dato' Roslina currently sits on the board of Cyberjaya Education Group Berhad which is a public listed company engaged in the provision of educational services. She sits on the Advisory Panel of Tan Sri Leo Moggie, Distinguished Chair in Energy Informatics, UNITEN in 2020. In September 2024, Dato' Roslina was appointed as a Senior Advisor at The Lantau Group, an international boutique strategy and economic advisory group specialising in Energy.

Profile of Directors

DATUK LIM HONG TAT

Independent Non-Executive Director

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- Bachelor of Economics in Business Administration (Honours), University of Malaya
- Diploma in Marketing & Selling Bank Services, Management Centre Kuala Lumpur
- Management Programme on Banking & Strategy, INSEAD, France
- Associate Member, International Academy of Retail Banking
- Advanced Management Program, Harvard Business School

Datuk Lim Hong Tat was appointed as an Independent Non-Executive Director of the Company on 28 January 2022. On 14 February 2022, he was appointed as a member of the Audit & Risk Management Committee of the Company. He is also a member of the Executive Committee of the Company, appointed on 26 May 2023. Recently on 22 March 2025, Datuk Lim has been appointed as Chairman of Nominating & Remuneration Committee and member of Environmental, Social & Governance Committee.

Datuk Lim joined Malayan Banking Berhad upon graduation from University of Malaya in 1981. Datuk Lim has more than 35 years of experience covering all aspects of banking, having managed branches, regional banking, credit card and international banking operations including holding senior management positions as Director/President and Chief Executive Officer ("CEO") of Maybank Philippines Incorporated, Head of International Banking, Head of Consumer Banking and Head of Community Financial Services, Malaysia.

Prior to serving on boards, Datuk Lim was the Group Head, Community Financial Services (CFS) and CEO of Malayan Banking Berhad, Singapore from 1 January 2014 until middle of 2018 and was responsible for driving and implementing the Banks community banking strategy across all geographies.

Datuk Lim was also a Member of the Visa Client Council for Asia Pacific, Member of the Board of the European Financial Management Association, Associate Member of International Academy of Retail Banking, Council Member of Association of Banks in Singapore and a Director of Maybank Philippines Inc., Maybank Kim Eng Holdings Ltd., Maybank Kim Eng Securities Pte. Ltd., Etiqa Insurance Pte. Ltd. and Mutiara Mortgage & Credit Sdn. Bhd., a wholly owned subsidiary of Ministry of Housing Sarawak.

Currently, he is serving on the Board of Commissioners of PT Bank Maybank Indonesia and also a Senior Advisor for Areca Capital Sdn. Bhd. (Asset Management). He is also an Independent Director and Chairman of the Risk Management Committee of Maybank Cambodia.

Datuk Lim does not hold any other directorship in other public companies and listed issuers in Malaysia.

DATO' DR. (IR.) PATRICK YONG MIAN THONG

Non-Independent Executive Director/ Group Chief Executive Officer

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- PhD (Electrical Engineering), United States of America
- Bachelor of Science (Honours) Degree in Electrical and Electronics Engineering, CNAA, United Kingdom
- Registered Professional Engineer Malaysia
- Member of the Institution of Engineers Malaysia

Dato' Dr. (Ir.) Patrick Yong Mian Thong was appointed as Chief Executive Officer ("CEO") of the Company on 7 October 2016. Subsequently, he was appointed to the Board of the Company as a Non-Independent Executive Director on 1 June 2018 and redesignated as Group CEO on 1 January 2019. He is also the member of the Executive Committee of the Company since 24 March 2021. He leads strategic development, policies and business operations of MSC Group.

Dato' Dr. (Ir.) Patrick Yong started his career as an engineer with the National Electricity Board of Malaysia ("LLN") in 1976, fulfilling his scholarship contractual obligations. In 1989, he left LLN to pursue his career as a consultant in the field of electrical engineering.

Dato' Dr. (Ir.) Patrick Yong founded Sulfarid Technologies in 2004 and was its Managing Director. The company was later acquired by the Hup Soon Global Corporation Group in November 2007 and renamed Borid Technologies. He joined Tai Kwang Yokohama Industries Bhd. as CEO from 2007 – 2010 and was appointed as Group CEO of Yokohama Industries involving SLI battery manufacturing and secondary lead smelting from 2010 to 2015.

Throughout his line of work, Dato' Dr. (Ir.) Patrick Yong established his proficiency in electrical engineering and pursued research specialising in the field of efficiency in energy conversion and storage leading to a PhD in Electrical Engineering.

Dato' Dr. (Ir.) Patrick Yong does not hold any other directorship in other public companies and listed issuers in Malaysia.

Notes:

1. *Save for the following, none of the Directors have any family relationship with other Directors and/or major shareholders of the Company:*

   Ms. Chew Gek Khim is the Executive Chairman of The Straits Trading Company Limited ("STC"), the major shareholder of the Company which owns 51.96% of the equity of the Company. Her mother is Dr. Tan Kheng Lian, a substantial shareholder of STC;

2. *None of the Directors have any conflict of interest with the Company; and*

3. *None of the Directors had been convicted of any offence (other than traffic offences, if any) within the past five (5) years or been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 2024.*

Profile of Key Management

MR. NICOLAS CHEN SEONG LEE

Deputy Chief Executive Officer (Administration)

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- LL.B (Hons), University of London

Mr. Nicolas Chen Seong Lee started his career in the tax division of Arthur Andersen & Co., Kuala Lumpur, in 1997. In 2000, he joined the Structured Finance, Corporate Banking division of Affin Merchant Bank. He returned to tax practice in 2002 until 2010 with KPMG Tax Services Sdn. Bhd.

In KPMG, he was primarily undertaking tax advisory and tax planning assignments covering a broad range of Malaysian and overseas tax, corporate and legal issues. From 2010 to 2017, he managed an agro-based company involved in farming and exporting a Malaysian produced fruit and downstream products.

Mr. Nicolas Chen joined MSC on 1 November 2017 as General Manager (Special Projects) of CEO's Office before being redesignated as Deputy Chief Executive Officer (Administration). His primary responsibility is to assist the Group Chief Executive Officer on matters covering legal, corporate, human resources, security, information technology, procurement and administration for the MSC Group.

MR. LAM HOI KHONG

Group Chief Financial Officer

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- Bachelor of Business Degree (Accounting), University of Southern Queensland, Australia
- Chartered Accountant (CA), Malaysian Institute of Accountants
- Member of the CPA Australia

Mr. Lam Hoi Khong was appointed as the Group Chief Financial Officer of the Company on 7 January 2019. He is responsible for the overall management and financial reporting, business support, financial planning and analysis, treasury, investor relations, and tax functions. He also leads and drives the commercial and supply chain functions at MSC.

Mr. Lam has close to 30 years of working experience in the areas of finance, accounting, corporate finance, auditing and taxation. He spent his early formative years at PricewaterhouseCoopers before assuming managerial and Financial Controller roles with a local automotive group and an international group based in Africa respectively, from 1997 to 2003.

Following that, Mr. Lam assumed the role of General Manager (Finance and Administration) at Petaling Tin Berhad, a property development company listed on the Main Market of Bursa Malaysia Securities Berhad, and was subsequently promoted to Chief Financial Officer in 2007, a position he held until January 2017.

Prior to joining MSC, Mr. Lam was the Group Chief Financial Officer of Tien Wah Press Holdings Berhad ("TWPH") from February 2017 until November 2018. He was responsible to spearhead the Finance, Corporate and Risk Management functions, and providing strategic directions on commercial aspects of the businesses of TWPH.

Profile of Key Management

EN. MADZLAN BIN ZAM

Executive Director & Senior General Manager, Rahman Hydraulic Tin Sdn. Bhd.

66

- Bachelor of Science (Honours) Degree in Geology, Universiti Kebangsaan Malaysia
- Registered Professional Geologist, Board of Geologists Malaysia
- Member of the Institute of Geology Malaysia
- Member of the Geological Society of Malaysia
- Member of the Malaysian Chamber of Mines
- Member of Ikatan Ahli Geologi, Indonesia (IAGI)
- Member of the Australasian Institute of Mining and Metallurgy

En. Madzlan Bin Zam joined MSC in 2002 and was assigned as Manager Geology at PT Koba Tin in Indonesia between 2002 and 2011, and later held the President Director's post for PT MSC Indonesia and PT SRM Indonesia. During his tenure at PT Koba Tin, he passed the examination as the Pengawas Operasional Utama at the mine, which qualifies him to be the Mine Manager in Indonesia.

He was subsequently appointed as Head of Geology & Exploration of MSC in 2011 and was promoted to Head of Resources & Investments of the Company in May 2015. In 2017, he assumed his current position as the Senior General Manager of Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), an 80% owned subsidiary of MSC and responsible to oversee the complete operation of RHT and its tin mine at Klian Intan, Perak. At present, he sits on the board of RHT and all RHT's subsidiaries i.e. SL Tin Sdn. Bhd., Asas Baiduri Sdn. Bhd. and Alaf Tenggara Sdn. Bhd.

Prior to that, he had worked with Malaysia Mining Corporation Berhad between 1981 and 2002 as a Mining Geologist responsible in monitoring tin production from the dredges. He was incharged in tin and gold exploration and mining development projects in Malaysia as well as overseas i.e. Indonesia, Australia, New Zealand, Lao People Democratic Republic, Thailand, Myanmar, Kyrgyz Republic, Europe and Democratic Republic of Congo.

En. Madzlan has vast experiences and knowledge in both primary and alluvial tin, gold, base metals and coal; and was also in charge of managing a tin mine in Indonesia. He has experiences working with consultants recognised by the World Bank for the Bankable Feasibility Study of the Taldy-Bulak Gold Project, Kyrgyz Republic.

Notes:

1. *None of the Key Management hold any directorship in public listed companies and listed issuers;*
2. *None of the Key Management have any family relationship with other Directors and/or major shareholders of the Company;*
3. *None of the Key Management have any conflict of interest with the Company; and*
4. *None of the Key Management had been convicted of any offence (other than traffic offences, if any) within the past five (5) years or been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 2024.*

SECTION 2
BUSINESS OVERVIEW

Statement by the Chairman

"On behalf of the Board of Directors (the "Board") of Malaysia Smelting Corporation Berhad ("MSC" or collectively known as the "Group"), I am pleased to present the Annual Report and Audited Financial Statements of MSC for the financial year ended 31 December 2024 ("FY2024")."

MS. CHEW GEK KHIM PJG
Non-Independent Non-Executive Chairman

REVENUE FOR FY2024
RM1.7
BILLION

NET PROFIT FOR FY2024
RM79.4
MILLION

DIVIDEND PER SHARE FOR 2024
31 SEN

Statement by the Chairman

STAYING RESILIENT AMID A CHALLENGING YEAR

In 2024, MSC navigated and thrived in a dynamic operating landscape shaped by evolving geopolitical and economic factors. High interest rates and a cautious macroeconomic outlook fuelled market volatility and pressured commodity prices, including tin. Policy shifts under the new U.S. administration ushered in heightened trade protectionism, while ongoing conflicts in Europe and the Middle East added further uncertainty. These dynamics, alongside regulatory and supply challenges across key tin-producing nations, created a year of both opportunity and adjustment for the global tin industry.

Tin prices initially surged to a peak of approximately USD35,000 per metric tonne ("MT") in April 2024, driven by robust demand, particularly from the electronics sector, a key consumer of the metal, and a recovering Chinese manufacturing base. Tin ore availability was however constrained due to ongoing pressures in major tin supply countries. Regulatory hurdles in Indonesia, prolonged mine closures in Myanmar, and logistical disruptions alongside policy uncertainties in the Democratic Republic of Congo ("DRC") continued to disrupt supply, sustaining tin prices.

In the latter half of 2024, supply conditions showed signs of stability as Indonesia's tin exports started to normalise, though global supply remained relatively tight. At the same time, easing demand from China and a slowdown in the electronics industry contributed to a moderation of tin prices to just below USD30,000/MT by end-2024.

Reflecting these market dynamics, the average tin price in 2024 rose to RM138,488/MT (USD30,254/MT), up from RM118,143/MT (USD25,908/MT) in 2023. Meanwhile, global refined tin production amounted to approximately 371,200 tonnes in 2024, of which 16,291 tonnes were produced by MSC during the year.

At MSC, the Group delivered a solid financial performance and achieved RM1.7 billion revenue in FY2024, with a profit attributable to owners of the company ("net profit") of RM79.4 million.

During the year, MSC hosted the International Tin Conference ("ITC") 2024 with the theme "Securing Sustainable Tin Supply". The conference served as a platform for industry leaders, policymakers, and experts to exchange insights. Featuring keynote addresses, panel discussions, and networking opportunities, the event covered critical topics, including future tin supply, sustainability, and emerging technologies. A highlight was the site visit to our smelter in Pulau Indah, Klang, where delegates gained first-hand insights into our state-of-the-art smelting operations.

For FY2024, the Board has declared a total interim dividend of 24 sen per share, and proposed a final dividend of 7 sen per share, subject to approval of shareholders at the upcoming annual general meeting.

MSC remains dedicated to delivering value to its shareholders. For FY2024, the Board has declared a total interim dividend of 24 sen per share, and proposed a final dividend of 7 sen per share, subject to approval of shareholders at the upcoming annual general meeting. This brings the total dividend per share for the financial year under review to 31 sen.

This translates to a dividend payout ratio of 164% of MSC's FY2024 net profit, exceeding the Group's dividend policy of delivering 30% of our net profit.

FORGING FUTURE GROWTH

As industries evolve, tin's strategic importance continues to grow. MSC remains at the forefront of this transformation, capitalising on emerging opportunities in next-generation technologies, clean energy, and electrification.

Statement by the Chairman

Technological advancements, including the rise of artificial intelligence (AI), high-performance computing, and next-generation telecommunications networks, are accelerating demand for tin. The rapid expansion of the Internet of Things (IoT) further reinforces tin's significance in automation and digital infrastructure.

At the same time, global sustainability efforts are unlocking new prospects for tin. The rapid adoption of electric vehicles ("EVs"), which require higher semiconductor content, advanced soldering materials, and lithium-ion batteries, is driving additional demand.

Beyond EVs, tin's applications in clean energy solutions are growing, particularly in solar power systems, energy storage technologies, and smart power grids, among others. As global investments in renewable energy (RE) rise, tin usage in solar photovoltaic ("PV") systems and other energy conversion technologies is also expected to strengthen.

With tin's expanding role in technology and sustainability, its long-term growth prospects remain strong. Recognising its growing significance, MSC is well-positioned to seize emerging opportunities while strengthening operational capabilities and advancing our sustainability commitments.

A key priority is enhancing smelting efficiency and cost optimisation. A major step in this direction is the planned decommissioning of the Butterworth smelter by the end of 2025, a move expected to lower operating expenses by 30% and enable the Group to redirect resources toward high-value initiatives. Additionally, the Group aims to increase the utilisation of its Top Submerged Lance ("TSL") furnace, leveraging its advanced capabilities to improve smelting performance and boost production.

MSC is also actively working to modernise extraction processes and improve cost-effectiveness within its mining operations. A new mining technique is currently undergoing the "proof-of-concept" phase, which, if successfully implemented, could enhance output while lowering production costs. Meanwhile, at Sungai Lembing, the Group is in the process of appointing a new contractor to oversee the next phase of site development.

Through these targeted measures, MSC is strengthening its position to capitalise on industry growth while reinforcing operational resilience and competitiveness in a shifting market landscape.

RESPONSIBLE GROWTH, SUSTAINABLE FUTURE

As MSC continues to strengthen its market position, sustainability remains a core focus across its operations. The Group is committed to responsible mining and smelting practices, integrating environmental, social, and governance (ESG) principles to drive long-term value.

In line with its sustainability commitments, MSC has invested approximately RM10.0 million in environmental initiatives in FY2024. This builds upon previous milestones, including the installation of a 1.26-megawatt peak ("MWp") solar PV system at the Pulau Indah smelting facility. Expanding on this effort, the Group is in the early stages of installing a 2.5 MWp solar PV system at the RHT Tin Mine in Klian Intan that will further enhance energy efficiency.

Additionally, MSC is enhancing its mine processing as well as waste management infrastructure by expanding our tailing pools and dumpsite facilities on the adjacent land, ensuring the mine's long-term sustainability.

Meanwhile, we have resumed mine rehabilitation efforts following the approval of our revised Mine Rehabilitation Plan (MRP) by relevant authorities in 2024, as we planted new seedlings of the various high-value timber in inactive post-mining areas.

Through these initiatives, MSC continues to advance its sustainability agenda, ensuring responsible growth while contributing to a greener and more ethical industry.

More information on the Group's sustainability efforts can be found in the Sustainability Statement of this Annual Report.

ACKNOWLEDGMENTS

On behalf of the Board, we wish to express our sincere gratitude to the entire MSC team for their dedication, perseverance, and commitment to excellence throughout FY2024.

We would like to extend our appreciation to Mr. John Mathew A/L Mathai who has relinquished his role as Independent Non-Executive Director, for his contribution and invaluable advice throughout his years of service.

We also thank our stakeholders—shareholders, customers, suppliers, bankers, investors, and regulatory authorities—for their invaluable support and trust in MSC.

Furthermore, I commend my fellow Board members, and the management team for their leadership, and strategic guidance during the year. Their efforts have enabled us to navigate industry challenges effectively and position the Group for future opportunities. Looking ahead, we remain committed to building on this momentum and, barring unforeseen circumstances, look forward to delivering a stronger performance in the coming year.

CHEW GEK KHIM Hon D. Litt (NTU), PJG
Non-Independent Non-Executive Chairman

15 April 2025

Management Discussion & Analysis

GROUP BUSINESS OVERVIEW

With a legacy dating back to 1887, Malaysia Smelting Corporation Berhad ("MSC" or "the Group") has established itself as one of the major players in the global tin industry, operating across the entire tin value chain. As an integrated producer, the Group is engaged in both upstream and downstream segments, refining tin ore into quality metal and tin-based products. The Group is also the world's largest custom toll smelter, providing external toll smelting services to third-party customers.

To support its smelting requirements, MSC's upstream operations are spearheaded by its subsidiary, Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), which operates Malaysia's largest hard rock open-pit tin mine in Klian Intan, Perak. Through a systematic mining process, tin ore is extracted from the deposit, refined into tin-in-concentrates, and supplied as a raw material for the Group's smelting activities. In 2024, RHT's tin concentrates accounted for approximately 16% of MSC's total smelting intake, with the balance sourced from artisanal miners, international tin ore traders, and third-party mines beyond Malaysia's borders. As part of its efforts to strengthen its upstream presence, MSC plans to recommence mining activities in Sungai Lembing through RHT's subsidiary, SL Tin Sdn. Bhd.

For its downstream operations, MSC's tin smelting activities are underpinned by two facilities: one in Pulau Indah, Port Klang, and another in Butterworth, Penang. As part of its operational transition, the Butterworth plant is undergoing decommissioning, with completion targeted by the end of 2025. Tin-bearing ores are processed at these facilities to produce high-purity tin ingots, which are then supplied to end-user markets and the London Metal Exchange ("LME").

DATO' DR. (IR.) PATRICK YONG MIAN THONG
Group Chief Executive Officer

Management Discussion & Analysis

OPERATIONAL HIGHLIGHTS

The global tin industry in FY2024 navigated a complex and uncertain landscape, shaped by regulatory and supply constraints across key tin-producing regions. The suspension of mining activities in Myanmar, along with the regulatory hurdles in Indonesia, led to restricted ore availability, while logistical disruptions in the Democratic Republic of Congo ("DRC") further strained the global tin supply chain. A recovering Chinese manufacturing sector also added pressure to ore supply, contributing to an increasingly constrained tin market.

Amid these challenges, Indonesia's tin exports began to stabilise in mid-2024, albeit at historically low levels which kept supply conditions tight. At the same time, easing demand from China and a slowdown in the electronics sector contributed to lower tin prices. Despite these industry-wide headwinds, MSC persevered through this challenging operating environment, reinforcing its market position and maintaining its role as a key player in the global tin supply chain.

TIN MINING SEGMENT OVERVIEW

During the period under review, RHT continued to ensure a stable supply of tin ore to MSC, maintaining an average daily mining output of approximately 10.6 tonnes. This resulted in a total-in-concentrates production of 2,516 tonnes in 2024, compared to 2,598 tonnes in 2023.

To support long-term growth and strengthen upstream capabilities, the Group is exploring new technologies and mining methods aimed at improving productivity and reducing operational costs. A novel mining approach is currently in the proof-of-concept stage and is expected to deliver efficiency gains upon its successful implementation.

At the same time, exploration activities at the Western Slope are ongoing, with the area forming a strategic component of MSC's long-term resource development plan. A drilling programme is expected to commence in 2026 to further evaluate its potential.

Resource Class	Ore Volume (m^3)	Grade ($KgSn/m^3$)	Contained Tin (Sn) (tonnes)
Measured	1,928,785	3.297	6,359
Indicated	3,272,151	3.855	12,613
Inferred	11,794,118	1.936	22,834
Total	**16,995,054**	**2.460**	**41,805**

These upstream initiatives are complemented by investments in processing enhancements. At the RHT Tin Mine, MSC has completed and commissioned a new ball mill and plant upgrade to increase grinding capacity and tin recovery. With the upgraded facility now in operation, tin concentrates outputs is at 11.0 tonnes per day ("tpd"), underscoring the Group's focus on operational efficiency and recovery optimisation.

Further strengthening its processing capabilities, the Group has commenced construction of a new tailing pond and *amang* processing facility at the RHT Tin Mine which will extract tin from sandy tailings and *amang* materials. With an anticipated daily processing capacity of 3,000 tpd, the plant is designed to extract tin from sandy tailings and *amang* materials, contributing to optimised tin yield and improved environmental outcomes. Completion is targeted for 2025.

In support of its sustainability agenda, the Group is also in the early-stages of planning to develop a solar photovoltaic ("PV") system at the RHT Tin Mine. This initiative will replace the aging hydropower station and ensure a stable and environmentally responsible power supply for its operations.

Management Discussion & Analysis

GLOBAL TIN SMELTING DIVISION

During the year under review, Malaysia's international tin smelting segment's Pulau Indah Facility operated at a utilisation rate of approximately 60% - 70%, consistent with the previous year. Refined tin output totalled 16,291 MT in FY2024, from 20,722 MT in FY2023. Production was temporarily impacted by the scheduled annual maintenance, which took place over a two-month period from mid-May to mid-July. In addition, the Group also faced lower feedstock availability following China's accumulating and stockpiling of tin ore, which limited ore inflows from third-party suppliers.

2,516
tonnes
Tin-in-concentrates production in 2024

16,291
tonnes
Refined tin production in 2024

MSC also continued to utilise the Butterworth facility to process tin intermediates, a work-in-progress of earlier multi-stage smelting activities. These intermediates contain residual tin that can be further recovered, presenting opportunities to unlock additional value and enhance profit margins.

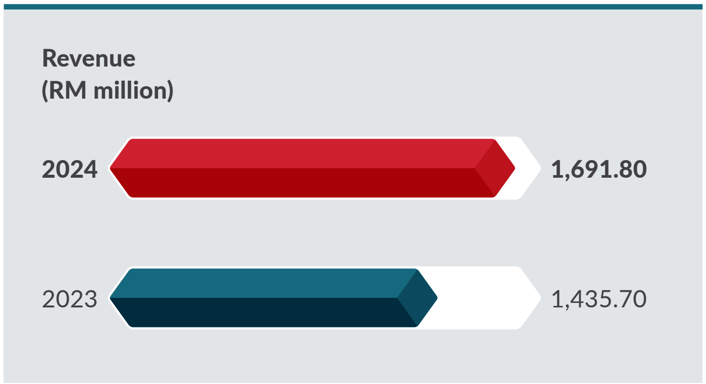
With the Butterworth smelter scheduled for decommissioning by end-2025, the remaining refinery intermediates will be redirected to the Pulau Indah smelter.

FINANCIAL PERFORMANCE REVIEW

Operating Overview	FY2024	FY2023
Group's revenue (RM million)	**1,691.8**	1,435.7
Group's profit before tax (RM million)	**132.0**	128.6
Group's net profit (RM million)	**79.4**	85.1
International Tin Smelter		
Production of refined tin	**16,291 tonnes**	20,722 tonnes
Profit/(Loss) before tax (RM million)	**32.3**	45.6
Profit/(Loss) after tax (RM million)	**23.4**	36.0
Tin Mine		
Production of tin-in concentrates	**2,516 tonnes**	2,598 tonnes
Profit before tax (RM million)	**110.4**	87.2
Profit after tax (RM million)	**78.5**	64.4
Tin Price		
Average tin market price ('000)		
- RM per tonne	**138.5**	118.1
- USD per tonne	**30.3**	25.9
USD:MYR exchange rate	**4.6**	4.6

Management Discussion & Analysis

In FY2024, the Group delivered a record-high revenue of RM1,691.8 million, driven by stronger average tin prices and higher sales volume of refined tin. The average tin price for the year stood at RM138,500/MT in FY2024, an increase from RM118,100/MT in FY2023.



In FY2024, the mining segment benefitted from the favourable tin price environment, achieving a higher Profit After Tax ("PAT") of RM78.5 million in FY2024, up from RM64.4 million in FY2023, albeit a slight decline in tin production to 2,516 tonnes in FY2024, against 2,598 tonnes in the prior year.

Meanwhile, the smelting division recorded a PAT of RM23.4 million in FY2024 (FY2023: RM36.0 million), moderated primarily due to the lower incoming feed as China ramped up tin purchases to build inventory, coupled with trading and foreign exchange losses from the Ringgit's appreciation against the US dollar in August and September 2024, as well as reduced sales of refined tin derived from the processed tin intermediates.

At the Group level, profitability was also impacted by higher tax expenses, which amounted to RM38.5 million in FY2024 (FY2023: RM31.4 million). This was primarily due to certain non-tax-deductible expenses, the absence of tax relief, and additional tax liabilities from RHT incurred during the year.

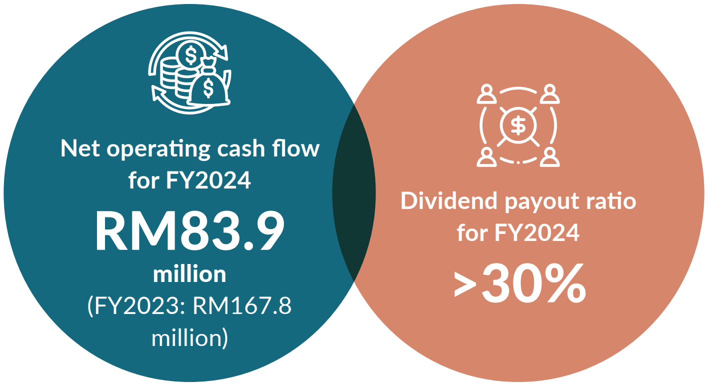
As a result, net profit attributable to owners of the Company ("net profit") stood at RM79.4 million (FY2023: RM85.1 million). This figure also reflected a higher non-controlling interests of RM14.1 million in FY2024, compared to RM12.2 million in the previous year, following higher profit recorded by RHT.

Balance Sheet

As at 31 December 2024, MSC total assets decreased to RM1,363.8 million in FY2024, compared to RM1,391.6 million in the previous year. This is primarily due to lower cash and bank balances, reflecting dividend payments, LME margin call deposits, and income tax instalments. Additionally, investment securities reduced following the partial disposal of shares in Alphamin Resources Corporation ("Alphamin Resources").

At the same time, the Group's inventories rose to RM615.8 million in FY2024, up from RM595.2 million in FY2023, reflecting higher prices during the year. Operationally, the Group continued to maintain a healthy liquidity position, with net operating cash flow amounting to RM83.9 million in FY2024 (FY2023: RM167.8 million), underscoring MSC's ongoing financial resilience.

Total borrowings stood at RM371.0 million in FY2024, compared to RM359.8 million in FY2023, due to the drawdown of short-term borrowings to support working capital requirements. However, the Group's net gearing ratio remained stable at 0.2 times (FY2023: 0.1 times).



FY2024 DIVIDEND

In line with its commitment to delivering shareholder value, MSC declared a final single-tier dividend of 7 sen per share for FY2024. This follows the first interim dividend of 7 sen per share declared on 25 September 2024 and a second interim single-tier special dividend of 17 sen per share declared on 15 November 2024. This brought the total dividend for FY2024 to 31 sen per share, amounting to a total payout of RM130.2 million. The distribution is in line with the Group's dividend policy, which targets a dividend payout ratio of 30% of the FY2024 net profit.

CORPORATE MATTERS

Proposed Bonus Issue of New Ordinary Shares in MSC

On 4 March 2025, the Board announced the proposal of a bonus issue of 420,000,000 new ordinary shares in MSC on the basis of one (1) Bonus Share for every one (1) existing share held by shareholders. Upon completion, this exercise will increase the Group's total number of issued shares to 840,000,000 shares.

Management Discussion & Analysis

This corporate exercise is intended to reward shareholders for their continued support and confidence in the Group's long-term growth.

2025 OUTLOOK

Global economic growth is anticipated to soften in 2025, largely due to the introduction of extensive US tariff measures announced on 2 April 2025. This outlook is further weighed down by escalating geopolitical tensions in Europe and the Middle East, as well as uncertainties surround the timing and direction of trade and monetary policy decisions across advanced economies. Against this backdrop, MSC remains focused on building operational resilience and driving long-term value by aligning its strategy with structural growth trends in the tin industry, while navigating near-term global uncertainties with prudence and agility.

Amid this shifting economic landscape, the global tin industry outlook remains cautiously optimistic, underpinned by structural demand growth from the technology and green sectors. Tin continues to play an essential role in electronics and electric vehicles (EVs), with over half of global tin consumption used in soldering applications are utilised for semiconductors and circuit boards.

The anticipated rebound in global semiconductor production in 2025 is expected to drive higher tin usage, while the rapid buildout of artificial intelligence (AI) computing infrastructure and machine learning centres will further support consumption, given the need for high-reliability electronic components. In parallel, tin's role in the energy transition is expanding. The metal is increasingly used in the production of solar PV panels, energy storage systems, and smart grid infrastructure—sectors that are seeing accelerated global investment.

In line with these long-term demand drivers, MSC is advancing its ambition to produce green tin—tin that is responsibly sourced and processed with lower environmental impact. This strategy aligns with increasing expectations from environment, social, and governance (ESG) focused investors, regulators, and global manufacturer seeking sustainable supply chains. By embedding cleaner technologies and energy efficient processes across its operations, MSC is strengthening its competitive positioning while gaining access to premium markets, green financing opportunities, and high-valued global supply networks.

However, while demand remains strong, the supply environment is expected to remain constrained. While Myanmar has indicated the potential resumption of operations at its Man Maw Mine, the timeline and scale of its return remain uncertain. Meanwhile, regulatory developments in other key producing regions, particularly Indonesia – could further influence global tin availability.

Further compounding supply challenges, ongoing instability in the DRC – notably the M23 insurgent militant group - has led Alphamin Resources to temporarily suspend operations at its Bisie Mine, the world's third-largest tin producer. As a result, supply-side pressures are likely to persist, contributing to price volatility and reinforcing the importance of stable, high-quality supply sources.

In response to these dynamics, MSC is advancing a series of strategic initiatives aimed at improving operational resilience, enhancing efficiency, and supporting long-term value creation. Within the tin smelting segment, MSC is transitioning to a more centralised and cost-efficient model. The planned decommissioning of the Butterworth smelter by end-2025 is expected to result in cost savings of up to 30%, with all smelting activities consolidated at the Pulau Indah facility. The Pulau Indah facility is equipped with a TSL furnace, which utilises a single-stage smelting process designed to maximise tin recovery and yield while streamlining operations for greater efficiency.

To further increase capacity and improve operational flexibility, MSC is the midst of installing a new rotary furnace at Pulau Indah, scheduled for commissioning in 2025. Once operational, the furnace will enable higher tin production while reducing disruptions to smelting operations during planned maintenance shutdowns.

Management Discussion & Analysis

MSC's strategic focus on efficiency, sustainability, and responsible growth positions the Group to navigate evolving market conditions, respond to the global shift toward a low-carbon economy, and create long-term value for its stakeholders.

In terms of MSC's mining segment, the Group is actively exploring new mining methods to improve ore recovery and operational performance. A novel mining approach, currently in the proof-of-concept stage is expected to deliver productivity gains and cost optimisation once successfully implemented. Additionally, the Group is also planning to develop a solar PV system at the RHT Tin Mine, supporting its goal of reducing reliance on conventional energy sources.

Throughout its operations, MSC remains committed to upholding responsible practices, placing a strong emphasis on the well-being of its employees, local communities, and the environment. These priorities form the foundation of MSC's broader sustainability agenda, which is further detailed in the Group's Sustainability Statement (pages 23 - 60).

Looking ahead, MSC's strategic focus on efficiency, sustainability, and responsible growth positions the Group to navigate evolving market conditions, respond to the global shift toward a low-carbon economy, and create long-term value for its stakeholders.

ANTICIPATED RISKS

Political, economic and regulatory risk

MSC operates in a globally connected tin industry and is inherently exposed to external risks arising from geopolitical tensions, economic fluctuations, and shifting regulatory landscapes. In 2024, escalating conflicts in Europe and the Middle East, regulatory constraints on tin exports in Indonesia, and logistical disruptions from unrest in the DRC posed challenges to the global tin supply. These developments illustrate the Group's risk to external disruptions that could affect our financial performance and operating conditions.

In response to these risks, MSC closely monitors changes in government policies, regulations, and trade practices across its key markets. Risks assessments are conducted prior to any major investment to ensure informed and prudent decision-making. This proactive approach enables MSC to remain agile, maintain regulatory compliance, and safeguard operations in the face of evolving global uncertainties.

Volatility in tin prices

As a player in the global tin industry, MSC is vulnerable to movements in tin prices, which may influence its financial performance and cash flow. Price fluctuations are shaped by a range of external factors, including market supply-demand conditions, shifts in trade policies, and broader macroeconomic trends. To manage this exposure, we keep a close watch on industry developments and, where appropriate, employ hedging strategies such as forward commodity contracts. These proactive measures help provide greater visibility on future selling prices and contribute to more stable financial planning.

Foreign rates fluctuations

Given that a significant portion of MSC's trading and financing activities is denominated in US Dollars, movements in foreign exchange rates may influence the Group's financial performance. While MSC benefits from a natural hedge – where both revenue and costs are largely transacted in the same currency – fluctuations in the Ringgit, notably during its appreciation between August and September 2024, had a moderating effect on profitability.

To manage this exposure, the Group continuously monitors currency trends and employs forward currency contracts where appropriate. These efforts aim to maintain exchange rate risks within an acceptable threshold while supporting financial stability.

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to the Chairman of the Board and all Board members for their continued guidance, strategic insights, and unwavering support throughout the year. I also extend my gratitude to all the employees of MSC, whose dedication, professionalism, and commitment have been instrumental in driving the Group's resilience.

Also, on behalf of MSC, I am equally grateful to our shareholders, customers, business partners, financial institutions, legal advisors, and suppliers for their continued trust and collaboration. Your confidence in MSC has been vital to our growth, and we remain committed to building long-term value for all stakeholders.

DATO' DR. (IR.) PATRICK YONG MIAN THONG
Group Chief Executive Officer

15 April 2025

Sustainability Statement FY2024

ABOUT THIS REPORT

At Malaysia Smelting Corporation Berhad ("MSC" or the "Group"), sustainability is more than a corporate responsibility—it is embedded in how we operate, innovate, and create long-term value. As one of the world's leading tin producers, we recognise the importance of balancing economic growth with environmental stewardship and social responsibility. To this end, we remain focused on integrating economic, environmental, social, and governance ("EESG") principles across our business. Our dedication to sustainable tin mining and smelting practices allows us to contribute to the tin industry, while safeguarding the planet for future generations.

Reporting Scope and Boundaries

This Sustainability Statement ("SS2024") covers MSC's financial reporting period from 1 January 2024 to 31 December 2024 ("FY2024"). This SS2024 provides insights into MSC's sustainability initiatives and performance across our tin smelting operations in Butterworth, Penang, and Pulau Indah, Port Klang, as well as our tin mining activities at the Rahman Hydraulic Tin ("RHT") Mine in Klian Intan, Perak. Comparative data from previous years is included where relevant to provide a clear view of our sustainability performance over time.

Reporting Standards and Guidelines

The SS2024 has been prepared in compliance with the Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements"), and in reference to Bursa Securities' Sustainability Reporting Guide (3rd Edition), and the Securities Commission's National Sustainability Reporting Framework ("NSRF").

As MSC is dual listed on both the Main Market of Bursa Securities, as well as the Mainboard of the Singapore Exchange ("SGX"), this statement also aligns with SGX's Mainboard Listing Requirements.

Where applicable, our reporting incorporates the United Nations ("UN") Sustainable Development Goals ("SDGs"), a universal framework aimed at fostering a sustainable future for both society and the environment.

Statement of Assurance

This SS2024 has been reviewed and approved by MSC's Board of Directors (the "Board") on 15 April 2025. Information and data disclosed in the SS2024 has been verified for accuracy by respective data owners and subsidiaries within the Group. In strengthening the creditability of this statement, selected data and indicators of this SS2024 have been subjected to external independent assurance by Crowe Governance Sdn. Bhd., with the audit scope and details on pages 59 to 60 of this statement.

Report Availability and Feedback

This SS2024 is accessible within our FY2024 Annual Report, which can be downloaded from our corporate website at www.msmelt.com. We welcome any feedback or inquiries regarding this report, which can be directed to msc@smelt.com.

ECONOMIC
Please refer to pages 32 - 34 for more information

ENVIRONMENTAL
Please refer to pages 35-43 for more information

SOCIAL
Please refer to pages 44-54 for more information

GOVERNANCE
Please refer to pages 55 - 56 for more information

Sustainability Statement FY2024

SUSTAINABILITY GOVERNANCE

MSC's sustainability agenda is underpinned by a foundation of robust governance, upholding transparency, integrity, and accountability. Our sustainability governance framework—comprising the Board; the Environmental, Social, and Governance ("ESG") Committee; and the Key Management Team—provides clear oversight and strategic direction for our sustainability efforts.

MSC's Sustainability Governance Structure

Board of Directors

Provides strategic leadership in sustainability by driving key initiatives and ensuring alignment with the Group's overall mission, vision, and values.

ESG Committee

Monitors and guides the Group's sustainability journey to reinforce steady progress towards the Group's sustainability goals.

Key Management Team

Implements sustainability initiatives, tracks performance, and establishes transparent reporting of sustainability efforts.

Blending of molten tin in refinery kettle

Membership of Associations

MSC reinforces our steadfastness to strong governance through active participation in industry bodies and associations. As a member, we adhere to their codes and regulations, upholding best practices in business ethics and ESG standards. These strategic affiliations enable collaboration, knowledge sharing, and thought leadership within the tin sector.

- International Tin Association ("ITA")
- Responsible Mineral Initiative ("RMI")
- *Jabatan Mineral & Geosains Malaysia* ("JMG")
- Tantalum and Niobium International Study Center ("TIC")
- Malaysia Chamber of Mines ("MCOM")
- Federation of Malaysian Manufacturing ("FMM")
- Malaysian Employers Federation ("MEF")
- National Institute of Occupational Safety and Health ("NIOSH")
- The Department of Atomic Energy Malaysia ("ATOM Malaysia")

MATERIALITY ASSESSMENT

Understanding material sustainability issues is critical to driving meaningful impact. MSC adopts a structured and risk-informed approach to determine key sustainability matters, aligning with Bursa Securities' Sustainability Reporting Guide and insights from our internal risk assessments through our Integrated Management System ("IMS"). This dual input ensures our sustainability agenda remains relevant and business-responsive.

For FY2024, we refined our material topics to improve categorisation and clarity, streamlining them into 14 sustainability matters under the **Economic (E)**, **Environmental (E)**, **Social (S)**, and **Governance (G)** pillars. These refinements were guided by internal benchmarking against regulatory requirements, industry peers, and emerging trends.

Sustainability Statement FY2024

MATERIALITY ASSESSMENT (CONTINUED)

Sustainability Pillars	Material Matters FY2023	Material Matters FY2024
Economic	• Corporate Governance and Ethical Practices • Economic Performance • Responsible Procurement • Data Privacy and Security	• Economic Performance • Supply Chain Management
Environmental	• Environmental Compliance • Progressive Mine Rehabilitation • Energy & Climate Change • Water Management • Waste Management • Air Emissions • Materials	• Mine Rehabilitation & Biodiversity Conservation • Waste Management • Water & Effluents Management • Climate Change & Energy Management • Air Emissions
Social	• Human Rights and Fair Labour Practices • Diversity and Equal Employment Opportunity • Talent Management • Occupational Safety and Health • Community Engagement	• Human Rights & Fair Labour Practices • Diversity & Equal Employment Opportunity • Talent Management • Occupational Safety & Health • Community Engagement
Governance	Nil	• Corporate Governance & Ethical Practices • Data Privacy & Security

Sustainability Statement FY2024

Sustainability-Related Risks and Opportunities

In addition to materiality mapping, MSC also drew insights from our Integrated Management System ("IMS") to help identify sustainability risk and opportunity ("SRO") across our operations. While the SROs are informed by the IMS, they do not represent a comprehensive extraction of all elements within the IMS. Rather, they reflect selected areas aligned with MSC's sustainability priorities and material topics. The table below outlines these SROs along with the corresponding practices currently in place. These will continue to be reviewed and refined in line with evolving ESG expectations and the NSRF.

Key Area	Sustainability Risk / Opportunity	MSC's Response
Regulatory Compliance	**Risk:** Non-compliance with key regulatory requirements—including responsible sourcing standards (e.g. RMAP), environmental and labour laws, or sectoral licensing—may result in sanctions, penalties, or market exclusion. **Opportunity:** Regulatory alignment and engagement with national policies (e.g., Dasar Mineral Negara 2021) may unlock institutional support and promote regulatory compliance.	• Regular audits and alignment with ISO certifications—ISO 14001:2015, ISO 45001:2018, and ISO 9001:2015—and national laws. • Ongoing training and monitoring sustain compliance.
Governance and Ethical Conduct	**Risk:** Weak governance systems, non-compliance with internal procedures, or unethical conduct may lead to reputational damage, regulatory scrutiny, or erosion of investor trust. **Opportunity:** Implementation of anti-bribery policies, increased integrity awareness, and revised internal SOPs improve ethical culture and compliance outcomes.	• Board oversight via ESG Committee. • Integrity Pledge, anti-corruption clauses in contracts, and internal Code of Conduct embedded across business operations.
Supply Chain Resilience	**Risk:** Disruptions in supply of critical inputs, supplier misconduct, or weak due diligence may compromise operational continuity and stakeholder expectations. **Opportunity:** Exploring alternative feed sources and aligning with international sourcing initiatives (e.g. RMAP, ITSCI) strengthen supply security.	• Conduct due diligence using Responsible Minerals Sourcing ("RMS") Policy, Responsible Minerals Assurance Process ("RMAP"), and International Tin Supply Chain Initiative ("ITSCI") frameworks. • Maintain traceability via Enterprise Resource Planning procurement system. • Ethics clauses and onboarding protocols reinforce supplier standards.

Sustainability Statement FY2024

Sustainability-Related Risks and Opportunities (Continued)

Key Area	Sustainability Risk / Opportunity	MSC's Response
Climate Change	**Risk:** Changing climate patterns and increased environmental regulations may impact site operations, infrastructure stability, and cost structures. **Opportunity:** Adoption of green technology and transition to cleaner fuels (e.g. natural gas) reduce pollution and support compliance with environmental expectations.	• Implement a decarbonisation strategy that includes solar energy, energy-efficient processes, and natural gas conversion. • Climate risks are integrated into enterprise risk assessments and site-level response planning.
Water Management	**Risk:** Inefficient water usage or contamination from effluent discharge may lead to regulatory non-compliance, environmental degradation, or community conflict. **Opportunity:** Upgrading water treatment facilities and implementing water reuse practices improve efficiency and help reduce pollution.	• Adopt closed-loop systems and water reuse processes. • Regular sampling, effluent treatment, and water-saving efforts help reduce consumption and environmental impact.
Waste and Tailings Management	**Risk:** Ineffective waste handling, hazardous material leakage, or tailings facility failure may result in environmental harm, regulatory penalties, or reputational damage. **Opportunity:** Tin-bearing material recovery and pollution control systems enhance compliance and reduce environmental impact.	• Maintain and expand Tailings Storage Facilities with geotechnical controls. • Recycle tin-bearing materials and manage hazardous waste per regulations. • Conduct environmental risk assessments and audits.
Human Rights and Labour	**Risk:** Failure to uphold fair labour practices or ensure a safe working environment may lead to legal consequences, workforce dissatisfaction, or reputational loss. **Opportunity:** Fair treatment and continuous workforce training promote morale and reduce turnover.	• Labour Policy is aligned with ITA and RMI standards. • Employee Handbook includes Harassment, Ethics, Recruitment, and Employment Practices Policies. • Periodic training and grievance mechanisms in place.

Sustainability Statement FY2024

Sustainability-Related Risks and Opportunities (Continued)

Key Area	Sustainability Risk / Opportunity	MSC's Response
Community Expectations	**Risk:** Limited community engagement or inadequate contribution to local development may undermine social licence to operate and long-term relationships. **Opportunity:** Local employment and CSR programmes reinforce positive community ties.	• Local hiring is prioritised. • CSR programmes include education, infrastructure, and health initiatives. • Maintain two-way dialogue through engagement platforms.
Occupational Safety	**Risk:** Non-compliance with occupational safety regulations or inadequate hazard management may result in workplace incidents, regulatory action, or productivity loss. **Opportunity:** Regular training, safety drills, and effective risk control measures support safe and compliant operations.	• ISO 45001 and ISO 39001 certified. • Hazard Identification, Risk Assessment, and Risk Control implementation, safety training, site inspections, and emergency response systems in place. • Proactive incident investigation and control measures.

STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is essential for shaping the Group's sustainability strategies. Our stakeholders include individuals or groups who are impacted by or have an influence on our business operations. Understanding their perspectives allows us to align our sustainability initiatives with evolving expectations while addressing key ESG matters.

In FY2024, we continued to engage with stakeholders, fostering open two-way dialogue. These engagements help us assess material issues, prioritise sustainability matters, and allocate resources effectively. The table shown below summarises our key stakeholders, our engagement methods, their areas of interest, and the outcomes of engagement.

Stakeholders	Engagement Methods	Areas of Interest	Outcome of Engagement
Investors, shareholders, bankers and analysts	• Annual General Meetings • Bursa announcements • Press releases • Corporate website • Annual reports • Investor briefings	• Business continuity • Optimisation of shareholder value • Integration of ESG-related matters • Sustainable financial and operational performance • Strategic risk management • Maximising investment returns • Corporate governance and regulatory compliance	• Provided further insights into MSC's business operations and financial performance

Sustainability Statement FY2024

STAKEHOLDER ENGAGEMENT (CONTINUED)

Stakeholders	Engagement Methods	Areas of Interest	Outcome of Engagement
Customers	• Formal and informal meetings • Engagement surveys • Site visits • Networking conferences	• Product supply chain transparency and traceability • Product quality and compliance • Timely & reliable delivery • Competitive lead times • Socio-economic impact • Regulatory & industry certifications • Incentives and financing support	• Heightened awareness of MSC's policies and commitment as a Conflict Free Smelter • Improved understanding of customers' needs • Kept abreast with changes in the tin industry in terms of demand and supply, tin technology and applications, among others
Employees	• Engagement sessions with management • Employee training and development • Social events such as Annual Dinner and Family Days • Performance appraisal	• Fair employment practices • Professional development opportunities • Freedom of association and collective bargaining • Occupational safety and health • Job security	• Increased awareness of MSC's policies, culture and core values • Enhanced morale and work environment
Local communities	• Meet-ups with the community • Corporate volunteering programmes • Charitable activities • Informative talks	• Support towards community development • Job creation for locals • Undertaking business in a responsible manner	• Improved rapport with community • Developed shared initiative and activities
Government *(Ministries, Agencies, Regulators, Industry Associations)*	• Meetings, engagements and dialogues • Visit and inspections	• Support for government policies and initiatives • Compliance with relevant regulations	• Compliance with laws and regulations

Sustainability Statement FY2024

STAKEHOLDER ENGAGEMENT (CONTINUED)

Stakeholders	Engagement Methods	Areas of Interest	Outcome of Engagement
Industry associations	• Meetings, engagements or dialogues • Industry events • Interviews • Task force • Industry reports	• Relevant issues and updates in the industry, including environmental matters • Outlook of tin industry • Conflict-free operations	• Kept abreast with changes in the tin industry in terms of supply and demand, tin technology and applications, among others
Non-governmental organisations ("NGOs")	• Site visits • Meetings, engagements or dialogues	• Sustainability-related matters • Relevant reporting	• Deeper understanding of NGO's concerns • Increased NGO's awareness of MSC's policies, operations and sustainability efforts
Suppliers and contractors	• Formal and informal meetings • Supplier assessment review and audit	• Sustainable and ethical procurement practices • Support of local businesses	• Increased awareness of MSC's policies • Committed to sustainable smelting and mining procurement

MSC's Key Stakeholder Groups

MSC's 2024 Annual Dinner

MSC's 45th Annual General Meeting

Sustainability Statement FY2024

OUR COMMITMENT TO SUSTAINABILITY

At MSC, sustainability shapes the way we operate within the tin mining and smelting industry. As a key player in the global tin industry, we endeavour to set exemplary standards of environmental stewardship, strong governance, and meaningful social impact.

Our commitment lies in achieving a balance between commercial success and EESG priorities, ensuring MSC's long-term business resilience. We endeavour to enhance efficiency and innovation in our operations, integrating sustainable technologies to minimise our carbon footprint and improve resource management.

At the same time, we place a strong emphasis on ethical business conduct, transparent governance, and social well-being, fostering a workplace culture that respects human rights, values diversity, and employee growth. Through these concerted efforts, we aim to deliver lasting value for our stakeholders while driving progress towards a more sustainable and equitable tin industry.

We align our operations with the UN SDGs, integrating relevant sustainability practices that contribute to shared global progress.

Pillars	UN SDG Supported	Material Matters
Economic	1 No Poverty; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities; 12 Responsible Consumption and Production	• Economic Performance • Supply Chain Management
Environmental	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action; 15 Life on Land	• Environmental Matters • Mine Rehabilitation and Biodiversity Conservation • Climate Change & Energy Management • Water & Effluents Management • Waste Management • Air Emissions
Social	1 No Poverty; 3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 10 Reduced Inequalities	• Human Rights & Fair Labour Practices • Diversity & Equal Employment Opportunity • Talent Management • Occupational Safety & Health • Community Engagement
Governance	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 16 Peace, Justice and Strong Institutions	• Corporate Governance & Ethical Practices • Data Privacy & Security

Sustainability Statement FY2024

ECONOMIC

MSC remains steadfast in ensuring economic sustainability through a resilient financial performance, responsible procurement practices, and adhering to the highest ethical standards. This approach enables us to generate enduring value for stakeholders, foster sustainable growth, and make a meaningful impact on the communities in which we operate.

ECONOMIC PERFORMANCE

Why is This Important?

MSC recognises that economic sustainability is the foundation upon which we build our business and create shared value for our stakeholders. Financial stability allows us to maintain our core tin mining and smelting operations, invest in innovation, and pursue growth prospects. This translates into job security for our workforce, and economic value distributed to our various stakeholders, including shareholders, investors, and suppliers.

Our Approach

In FY2024, we continued to invest in initiatives that boosts overall productivity and efficiency, which is expected to contribute positively to the Group's overall financial performance.

At the RHT Tin Mine, we are developing a new processing plant to recover tin content from sandy tailings and *amang* materials, supporting waste reduction and resource optimisation. With a processing capacity of 3,000 tonnes per day ("tpd"), the facility is expected to contribute to higher tin-in-concentrate production and improved operational efficiency. Construction has commenced, with targeted completion in 2025.

We also commissioned a new ball mill and a processing plant upgrade at Kota Bunyih Mill at the RHT Tin Mine. This enhancement is part of our ongoing efforts to increase processing efficiency and optimise tin recovery. With the new ball mill in operation, the plant now has greater ore grinding capacity and enhanced overall recovery rates, enabling tin concentrate production to exceed 11 tpd.

Furthermore, MSC has introduced an automated lime dosing system at Sungai Kepayang, ensuring consistent water quality management while reducing manpower and energy dependency.

In parallel, we are piloting a new mining method, currently in its "proof-of-concept" stage, which has the potential to improve mining yields and process performance.

New ball mill

Lime dosing station

At our smelting facility in Pulau Indah, we are expanding production capacity with the addition of a new rotary furnace. Currently in the testing phase, the furnace is scheduled for commissioning in 2025. Once operational, it is expected to boost crude metal production, while ensuring uninterrupted capacity during the TSL furnace's annual maintenance.

Sustainability Statement FY2024

Further details regarding our strategic actions for the year FY2024 can be found in the Management Discussion and Analysis ("MD&A") of this year's Annual Report.

Our Performance

In FY2024, MSC generated a total economic value of RM1,691.8 million and distributed RM1,722.1 million to stakeholders, resulting in a negative retained economic value of RM30.3 million. This outcome reflects MSC's strategic investments in operational enhancements and its commitment to fulfilling stakeholder obligations, even amidst challenging economic conditions.

(RM million)	FY2022	FY2023	FY2024
Economic Value Generated	1,503.6	1,435.7	**1,691.8**
Group revenue	1,503.6	1,435.7	**1,691.8**
Economic Value Distributed	1,421.7	1,386.2	**1,722.1**
Cost of tin mining and smelting	1,270.4	1,214.2	**1,448.1**
Employee wages and benefits	66.0	77.0	**81.2**
Payment to providers of capital	46.4	74.7	**146.3**
Tax payment to government	38.7	20.0	**46.3**
Community investment	0.2	0.3	**0.2**
Economic value retained	81.9	49.5	**(30.3)**

Note: The financial information in the table above is derived from the audited financial statements, which are available for reference from pages 87 to 202 of this Annual Report FY2024.

New rotary furnace

SUPPLY CHAIN MANAGEMENT

Why is This Important?

As a global leader in the tin industry, MSC understands the profound impact our actions have on stakeholders throughout the tin industry. The nature of tin mining and smelting inherently intersects with critical sustainability issues, including labour rights, environmental stewardship, and community well-being. Our procurement decisions, therefore, play a pivotal role in shaping these outcomes.

By prioritising ethically responsible suppliers, we minimise the risks related to labour exploitation, human rights violations, or environmental degradation. Robust supply chain management ensures compliance with applicable regulations and demonstrates our respect for communities impacted by the tin sector. Ultimately, a focus on responsible sourcing protects the Group's reputation, builds trust with customers and partners, and aligns our operations with our core values.

Where feasible, we opt for local sourcing and provide opportunities to local suppliers. This not only contributes to the socio-economic growth of the local communities but also offers commercial benefits such as faster lead times, and reduced logistics costs.

Our Approach

Ethical sourcing is fundamental to our procurement strategy, by which every stage—from supplier selection and contract negotiations to ongoing supplier relationships—aligns with the Group's values. As a conflict-free smelter, we partner with suppliers and third-party service providers who share our pledge to ethical labour standards and good governance, in line with internationally recognised frameworks.

- **Clear Policies and Standards**

  To uphold these standards, MSC adopts a systemic and risk-based approach, anchored in the Organisation for Economic Cooperation and Development ("OECD") Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risks Areas ("DDG for CAHRAs"). We implement this through the OECD 5-Step Due Diligence Framework, which serves as the foundation of our supply chain due diligence system.

Sustainability Statement FY2024

MSC's internal policies, including the Responsible Minerals Sourcing ("RMS") Policy and Conflict-Free Supply Chain Policy, set out supplier expectations and aligns with international frameworks, including the:

- OECD DDG for CAHRAs;
- UN Guiding Principles on Business and Human Rights;
- EU Conflict Minerals Regulation; and
- Responsible Minerals Assurance Process ("RMAP").

MSC is also a member of the International Tin Supply Chain Initiative ("ITSCI") which supports traceability, on-the-ground risk assessment, and incident management in sourcing from high-risk sourcing regions.

In line with our RMS Policy, MSC strictly prohibits any activity that funds armed groups, fuels conflict, or contributes to human rights violations in both CAHRA and non-CAHRA regions. We will promptly suspend or cease engagement with suppliers suspected of such links.

- **Risk-Based Due Diligence**

Thorough supplier assessments are conducted through a risk-based approach aligned with the OECD 5-Step Framework under the OECD DDG for CAHRAs. We maintain strong internal systems—including our internal policies, Know Your Supplier ("KYS") processes, and contractual safeguards—to manage supplier onboarding and compliance. All suppliers are screened and evaluated based on a structured risk assessment process. This includes red flag indicators—such as sourcing from high-risk regions or links to human rights violations—and plausibility reviews to assess whether declared mineral outputs are reasonable and consistent with known production capabilities.

When actual or potential risks are identified, MSC engages suppliers to adopt mitigation measures in accordance with OECD Annex II recommendations. Where risks cannot be resolved, we suspend or terminate the relationship. Suppliers who fail to meet our compliance standards under the RMAP and ITSCI frameworks may be removed from our list of qualified suppliers to source feed materials from.

- **Embedding Ethical Standards**

To reinforce ethical conduct across our supply chain, MSC requires all new vendors to sign a Supplier Integrity Pledge during registration and includes anti-corruption clauses in all tin-bearing contracts. These measures support our zero-tolerance stance on bribery and misconduct, ensuring that our procurement practices remain aligned with our governance values.

To strengthen these safeguards, MSC has implemented a centralised Enterprise Resource Planning ("ERP") system during the year, enabling real-time procurement visibility and streamlined sourcing processes.

Meanwhile, all contractors and external service providers are required to comply with MSC's Safety, Health & Environmental ("SHE") standards. Supplier performance is evaluated biannually, with feedback provided to drive improvement and accountability.

- **Independent Audits and Certifications**

MSC's sourcing practices are independently verified through annual Conflict-Free Smelter audits under the RMAP, and third-party assessments under the ITSCI. These audits reaffirm our commitment to responsible sourcing and provide stakeholders with confidence in the ethical origins of our materials.

In support of transparency, we publish an annual Public Due Diligence Report, which outlines our due diligence process, risk mitigation efforts, and continued alignment with international best practices. The report is publicly accessible on our corporate website at www.msmelt.com.

Our Performance

In FY2024, MSC upheld its status as a Tin Code-compliant smelter and completed the RMAP audit, demonstrating our continued commitment to responsible sourcing. The audit is currently under review by the relevant authority.

During the year, 56.3% of the Group's procurement spending was allocated to local suppliers, who comprise 94.3% of our overall supplier base.

	FY2023	FY2024
Proportion of spending on local suppliers	44.0%	**56.3%**
Percentage of local suppliers	94.2%	**94.3%**

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ENVIRONMENTAL

At MSC, we recognise the intrinsic link of our operations and the environment. As a responsible industry leader, we are taking steps to minimise our environmental impact across our tin mining and smelting activities. We aim to become a sustainable tin producer by adopting practices to reduce pollution and waste as well as optimise resource efficiency, while providing assurance of due diligence and environmental management.

Environmental compliance is a critical enabler of this commitment. MSC operates in full compliance with Malaysia's environmental laws and regulations, including the Environmental Quality Act 1974 ("EQA 1974"), along with its relevant regulations, such as the Environmental Quality (Scheduled Wastes) Regulations 2005 and the Environmental Quality (Clean Air) Regulations 2014. Our adherence extends to mining-specific legislations, including the Mineral Development Act 1994 ("MDA 1994") and the Perak State Mineral Enactment 2003. Our compliance with these frameworks ensures that we stay aligned with legal expectations and maintain our licence to operate.

Guided by our Environmental Policy, we implement a structured framework to mitigate our ecological footprint and pollution risks, as well as cultivate environmental responsibility across our workforce. This includes targeted training programmes and capacity building, proactive risk management, and alignment with international best practices. At the same time, we are progressing towards obtaining globally recognised ISO certifications for our environmental management systems.

In FY2024, MSC invested approximately RM10.0 million in environmental initiatives. We also recorded zero (0) major incidents involving fines, penalties or non-monetary sanctions for non-compliance with environmental laws and regulations in FY2024. Meanwhile, 33.3% of the Group's active sites remain covered by recognised environmental management systems (e.g., ISO 14001) during the year.

RM10.0 **million**
INVESTMENT IN ENVIRONMENTAL MANAGEMENT **IN FY2024**

	FY2022	FY2023	FY2024
Total investment in environmental management (RM million)	9.9	8.9	**10.0**
Total costs of environmental fines and penalties (RM)	0	0	**0**
Percentage of MSC sites covered by recognised environmental management system (e.g., ISO 14001)	0%	33.3%	**33.3%**

Sustainability Statement FY2024

MINE REHABILITATION & BIODIVERSITY CONSERVATION

Why is This Important?

At MSC, we recognise that all mines eventually reach the end of their operational life once the minerals have been extracted, causing all mining activities to cease. The restoration of mining land is crucial as it allows the natural ecosystem to revitalise itself and promote wildlife, as well as greenery. A successful rehabilitation strategy builds public trust and supports our ongoing social license to operate.

Our Approach

Our Mine Rehabilitation Plan ("MRP") adopts a phased approach, integrating environmental restoration efforts at every stage of the mine's lifecycle—from pre-construction to decommissioning and post-closure.

In 2024, MSC secured approval for our revised MRP from the Director of Lands and Mines Perak ("PTG"), following reviews and discussions with the Perak Menteri Besar, the Perak State Executive Council, and the State Mineral Resources Committee ("SMRC").

With the MRP now in motion, rehabilitation efforts at the RHT Mine have resumed. We continue to collaborate with environmental consultants, including a Forestry Consultant formerly with the Forest Research Institute of Malaysia ("FRIM") to support post-planting activities and long-term ecosystem recovery. We are also developing a Standard Operating Procedure ("SOP") for afforestation and reforestation on ex-mining land—believed to be the first of its kind in Malaysia—specifically tailored for the mining sector.

In parallel, MSC's RHT Tin Mine is exploring the innovative use of mining by-products to support sustainable water treatment solutions. If successfully implemented, this research could contribute to enhanced water quality and resource utilisation beyond the mine's operational life.

Our Performance

In FY2024, MSC progressed with the implementation of our approved MRP, resuming restoration works at the RHT Tin Mine. A total of 600 new seedlings were planted across various disturbed and inactive areas to support biodiversity restoration. These include high-value timber species such as *Pokok Meranti Temak Nipis*, *Pokok Batai*, *Pokok Kelat Paya*, alongside other riparian species.

Progressive mine rehabilitation

Natural gas distribution centre

CLIMATE CHANGE & ENERGY MANAGEMENT

Why is This Important?

Climate change presents a critical challenge for our planet. As a responsible organisation, MSC is cognisant of the impact of our operations on the environment. We understand that industries, including the tin sector, play a significant role in addressing climate change and transitioning to a low-carbon future. At MSC, we are committed to doing our part by adopting climate-conscious practices across the Group.

Our Approach

MSC stands firm in its pledge to achieving a net-zero carbon footprint, supporting the Paris Climate Agreement and Malaysia's ambition to become a carbon-neutral nation by 2050.

To realise this vision, our decarbonisation strategy is centred on energy efficiency, renewable energy adoption, and technological innovation to reduce emissions and optimise resource use.

Sustainability Statement FY2024

During the year, we continued efforts to minimise greenhouse gas ("GHG") emissions across the Group. The relocation of our smelting operations to Pulau Indah enables us to substitute liquefied petroleum gas ("LPG") and fuel oils with natural gas, a cleaner and more sustainable energy source readily available at Pulau Indah. At the same facility, we harness solar power via the installation of 1.26 MWp solar photovoltaic ("PV") panels and are exploring waste heat recovery systems to further reduce emissions. To ensure accountability, we track our Scope 1 and 2 GHG emissions on a monthly basis using the GHG Protocol framework.

MSC sources electricity from the national power grid. To lower consumption, we adopt energy-saving measures, such as real-time energy monitoring, upgrading to light-emitting diode (LED) lighting, and optimising processes to reduce energy intensity at the Pulau Indah smelter. These efforts are supported by our Efficient Electrical Energy Management Policy, which outlines clear directives, including prioritising energy-efficient machinery in new projects, fostering energy-conscious practices, and appointing dedicated energy management personnel at each active site.

Beyond our smelting operations, MSC's RHT Tin Mine is actively working towards carbon neutrality. We conduct energy awareness programmes to educate employees on efficient energy management practices at RHT. Furthermore, we are in the initial stages of exploring solar power at the RHT Tin Mine as a viable long-term alternative to traditional energy sources.

Additionally, MSC partners with academic institutions to support research on sustainable ways to operate:

- **Universiti Tunku Abdul Rahman ("UTAR"):** We incorporate the ITA's Life Cycle Assessment ("LCA") framework to gain deeper insights into the environmental impact of our operations. The Life Cycle Perspective ("LCP") is integrated into our IMS to assess and minimise environmental risks. In collaboration with UTAR, we conducted a simulated LCA for our tin smelting process, highlighting opportunities to reduce our footprint. Moreover, we collaborate with UTAR to explore greener metal extraction methods from mining tailings and smelting tin intermediates.

- **National University of Singapore ("NUS"):** Focuses on research and development ("R&D") to develop more efficient and environmentally friendly processes for precious metal recovery.

Climate Governance

Climate-related risks and opportunities are overseen by our ESG Committee, as stipulated in its Terms of Reference. The ESG Committee is responsible for guiding MSC's approach to climate-related matters, with internal discussions ongoing to strengthen Board-level oversight.

We have initiated incorporating climate-related risks into the Group-wide risk management framework, including enhancements to emergency response plans. In alignment with the NSRF timeline, we are expanding the scope of SROs captured within our enterprise risk approach and are in the process of establishing relevant climate-related targets. In FY2024, ESG training was carried out across relevant departments to build awareness and readiness. At the same time, strategic planning is underway to guide the management of climate-related risks and opportunities.

Additionally, we aim to conduct scenario-based analysis to evaluate the potential impacts of regulatory changes, carbon pricing, and emerging market dynamics on our business strategy. In the future, we plan to disclose the financial impacts of climate change risks and opportunities.

Materials

As part of our broader climate agenda, MSC is improving how we manage and use raw materials across our operations. Rather than reducing absolute input volumes—which remain critical to our production—our focus is on extracting greater value from every tonne of material processed.

- **Operational Optimisation**
  In FY2024, our efforts were directed at optimising tin recovery, shortening production turnaround time, and enhancing tin extraction from intermediates to reduce reliance on additional raw material input. Across our sites, we monitor the use of raw materials to identify inefficiencies and target areas for improvement.

- **Technology and Maintenance**
  We invest in technologies to enhance increase operational efficiencies. At our Pulau Indah smelter, the installation of a rotary furnace with oxygen injection is expected to improve energy efficiency. We also source premium-grade coal to optimise combustion, and thereby lower overall material consumption.

Sustainability Statement FY2024

- **Collaboration and Innovation**
  Beyond internal improvements, MSC engages with industry groups and regulatory bodies to promote responsible resource use. As a member of organisations such as the ITA, RMI, MCOM, and ATOM Malaysia, we contribute to global discussions on sustainable material sourcing and best practices.

  To drive innovation in sustainable resource use, MSC also undertakes R&D efforts. We are working with NUS to develop greener processing methods that enhance valuable metal recovery from intermediates.

Looking ahead, MSC intends to develop time-bound targets for responsible material use in like with the NSRF, with oversight from the ESG Committee.

Liquid oxygen tanks

Our Performance

Energy Consumption and Carbon Emissions

In FY2024, our total energy consumption reached 46.6 million kWh, with 0.9 million kWh sourced from renewable energy ("RE") sources (FY2023: 43.5 million kWh; 0.2 million kWh). This increase in RE usage was driven primarily by the solar panels at our smelting facility in Pulau Indah.

As for carbon emissions, the Group reduced Scope 1 emissions by 8% to 117,212.7 tCO_2e in FY2024, reflecting efficiency improvements and lower reliance on fossil fuels. Flaring emissions also declined to 36,312.6 tCO_2e, indicating better energy management practices.

	FY2022	FY2023	FY2024
Energy Consumption			
Total energy consumption (million kWh)	43.3	43.5	**46.6**
- Grid electricity consumption	*	*	**44.0**
- Electricity produced by our generators	*	*	**1.8**
- Renewable energy consumption	1.3	0.2	**0.9**
Grid electricity consumption (%)	*	*	**94.3**
Total renewable energy (solar) (%)	*	*	**1.9**
Carbon Emissions			
Total Scope 1 emissions (CO_2e)	*	127,122	**117,212.7**
Total Scope 2 emissions (CO_2e)	*	19,826	**19,078.0**
Fleet fuel efficiency (gCO_2/km)	*	-	**-**
Flaring emissions (CO_2e)	*	41,132	**36,312.6**
Methane emissions (tonne)	*	156	**135.1**
Electricity produced by energy type (MWh)	*	188	**863.5**
GHG emissions per megawatt-hr (tCO_2e/MWh)	*	1	**0.7**
GHG emissions per tonne of cement material (tonne)	*	-	**-**

**Data was not tracked or reported in respective year.*

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Materials

The Group saw a notable increase in natural gas consumption during the year, signalling a shift towards cleaner-burning fuel sources. Conversely, coal usage declined, aligning with decarbonisation efforts.

Raw Material	Unit	FY2023	FY2024
Coal	Tonnes	10,628.0	**8,772.7**
Natural gas	Gigajoules	211,453.0	**239,564.0**
Fuel oil	Million litres	9.4	**7.5**
Liquefied petroleum gas	Tonnes	141.0	**126.7**
Diesel	Million litres	7.6	**7.5**

WATER & EFFLUENTS MANAGEMENT

Why is This Important?

Water is a critical resource for all living things and our business. However, climate change, poor management of resources, and contamination are creating a growing threat: water scarcity. Recognising this escalating risk, the Group is taking a proactive stance by implementing efficient water management practices across all our operations. This ensures not only the long-term sustainability of our business but also contributes to a healthier planet.

Our Approach

Water is an essential resource in our mining and smelting operations. While none of our operations are located in water-stressed areas, we are mindful to utilise this finite resource responsibly and reduce reliance on natural water sources. Our approach focuses on optimising water consumption and maximising reuse, in compliance with environmental standards.

Efficient Water Use

Across our operations, we actively minimise water usage through strategic measures. At the RHT Tin Mine, we operate a closed water circuit system, where large volumes of water are retained in open reservoirs, with only minimal losses replenished by pumping freshwater from a nearby river. Notably, 100% of the processed water from the ore processing plant is reused, significantly reducing our need for fresh water.

Strategic measures include deploying a long-arm excavator to improve final pond storage. In addition, the pumping stations were raised to enhance water retention across the site. We also reorganised workflows to improve pumping efficiency, ensuring water use is optimised throughout the mining process.

Meanwhile, at our smelting facilities, we recycle used water in our processes. Water-efficient appliances are utilised to further enhance conservation efforts.

Water Quality Management and Treatment

We ensure all wastewater effluents from our mining and smelting activities meet the parameters set by the JMG and the Department of Environment ("DOE"). At the RHT Tin Mine, we conduct rigorous monitoring and sampling of the Sungai Kijang and Sungai Kepayang rivers to detect and mitigate any potential environmental risks, including regular pH level testing at multiple sampling points.

Lime dosing is used to neutralise the acidity of mine water and suspend heavy metal content, ensuring that all discharged effluents adhere to the Mineral Development (Effluent) Regulations 2016.

Sustainability Statement FY2024

Water monitoring

We continue to invest in R&D for water treatment solutions. At the RHT Tin Mine, we are exploring techniques to enhance passive water treatment ("PWT") methods that help remove toxic metals and improve overall water quality. These efforts include exploring techniques using native plant species and beneficial bacteria. In 2024, we expanded our efforts through a partnership with FRIM to explore more effective and nature-based treatment to remove residual heavy metals.

Water-Conscious Culture

We remain committed to instilling water-saving habits across our operations by promoting mindful usage among employees. Simple behavioural practices—such as switching off taps and equipment when not in use—are encouraged as part of daily routines. These practices help foster a culture of responsibility, where every individual plays a role in supporting our broader water conservation goals.

Our Performance

In FY2024, the Group maintained a total water usage of 1.7 million cubic meters ("m^3"), indicating a slight decrease compared to the previous year. This reduction is attributed to lower production activities and increased water recycling efforts. The Group also recorded a total water consumption intensity of 565.6 m^3 per metric tonne, establishing a baseline for future efficiency tracking.

(million m^3)	FY2022	FY2023	FY2024
Total water withdrawal	1.6	1.8	**1.7**
- Surface water from rivers	1.4	1.6	**1.4**
- Municipal potable water	0.2	0.3	**0.3**
Total water discharged	0.0	0.0	**0.0**
Total water consumption	1.6	1.8	**1.7**
Total water recycled	0.2	0.2	**0.3**
Total volume of water used	1.8	2.0	**2.0**
Total water consumption intensity (m^3/metric tonne)	*	*	**565.6**
Non-Compliance Cases			
No. of non-compliance cases with water quality or quantity permits, standards and regulations	0	0	**0**

**Data was not tracked or reported in respective year.*

WASTE MANAGEMENT

Why is This Important?

Our mining and smelting activities generate diverse waste streams. Improperly handled, these wastes can have consequences for the environment, the health of communities, and our own employees. With this in mind, we take this responsibility seriously and implement effective waste management practices throughout our operations.

Sustainability Statement FY2024

Schedule waste management

Our Approach

We adopt a structured approach, guided by our Environmental Policy and internal SOPs, which align with national waste disposal and effluent control regulations, including the Environmental Quality (Scheduled Wastes) Regulations 2005. These SOPs govern all aspects of waste handling, storage, and disposal across our mining and smelting operations.

Our approach prioritises minimising waste generation, maximising recycling, and ensuring the safe and compliant disposal of both hazardous and non-hazardous waste.

Mining Waste

Our mining activities generate by-products such as tailings (leftover sand and sludge after tin ore extraction) and overburden waste (excess material removed during mining). These are stored within MSC's Tailings Storage Facilities ("TSFs"), which comprise tailing ponds for slurry-like residues and an overburden waste dump located at the base of Gunung Paku.

Recognising that our existing TSFs will reach capacity, MSC has initiated the development of new tailings storage infrastructure adjacent to the RHT Tin Mine. In FY2024, we undertook preliminary planning for the new tailing ponds and waste dump areas near the RHT Tin Mine. These additional facilities are designed to accommodate future waste volumes and ensure long-term mining continuity.

To maintain the ongoing stability of our existing TSFs, we implement a robust geotechnical monitoring system, which includes the use of settlement markers and inclinometers. Looking ahead, we plan to enhance our monitoring by using remote sensing technology that can detect changes more accurately.

Emergency preparedness is an integral component of our tailings management. The RHT site has a dedicated Emergency Preparedness and Response Plan ("EPRP") tailored to TSF-related risks such as overtopping, seepage, or slope failure. This plan is supported by a trained Emergency Response Team ("ERT") and is periodically reviewed to incorporate regulatory updates and site-specific conditions.

Smelting Waste

At our Pulau Indah and Butterworth smelting facilities, waste is carefully managed to minimise environmental impact and comply with national regulations. We generate both hazardous and non-hazardous waste through our tin smelting processes.

Non-hazardous waste includes slag, scrap metal, and tin-bearing sludge. Where tin content remains, these materials are retained for further processing and recovery. Final slag without recoverable content is either sold to licensed industrial processors or sent to designated landfills for safe disposal.

We also operate in-house recycling initiatives that repurpose domestic waste, used paper, and sludge, supporting our efforts to reduce landfill dependency and promote a circular economy. These efforts are guided by the principles of the 5Rs—Refuse, Reduce, Reuse, Repurpose, and Recycle—which shape how we manage waste responsibly across our smelting operations. We also participate in global initiatives, such as collaborations with the ITA and the RMI, to source higher-grade feedstock and reduce overall waste production from the outset.

Hazardous waste management is governed by MSC's internal guidelines, in line with the Environmental Quality (Scheduled Wastes) Regulations 2005. A DOE-certified Competent Person in Scheduled Waste Management ("CePSWaM") oversees hazardous waste handling to ensure full compliance with national regulations. Additionally, we follow ATOM Malaysia's guidelines for high-radiation material storage, including storage, segregation, barricades, and monthly radiation checks.

To address potential risks associated with chemical handling and industrial processes, EPRPs are in place at both smelting plants. These plans, which comply with the Control of Industrial Major Accident Hazards ("CIMAH") regulations, are reviewed every five years with ATOM Malaysia's involvement. In addition, we have an ERT that conducts regular drills to maintain readiness in the event of an incident.

Sustainability Statement FY2024

Our Performance

In FY2024, total waste generated amounted to 7.2 million tonnes, with vast majority of this waste comprising non-hazardous waste, primarily tailings produced from mineral processing, and overburden materials removed and dumped during mining operations. Hazardous waste remains minimal at 0.07 million tonnes.

Meanwhile, we recorded one (1) incident in FY2024 related to hazardous waste management, involving an oil spillage at the smelting facility in Pulau Indah. A thorough investigation was carried out to identify the root cause, and appropriate corrective measures were implemented to prevent reoccurrence.

('000 tonnes)	FY2022	FY2023	FY2024
Total waste generated	4,825.1[1]	7,134.0[1]	**7,198.6**
- Hazardous	0.03	0.06	**0.07**
- Non-hazardous	4,285.0[1]	7,133.9[1]	**7,198.5**
Total waste diverted from disposal	0.2	0.0	**0.0**
Total waste directed to disposal	4,824.9	7,134.0	**7,198.6**

Note: [1] Figures have been restated to correct previous inconsistencies in measurement units.

AIR EMISSIONS

Why is This Important?

MSC's operations have the potential to impact air quality, and we have a responsibility to minimise those impacts for the health of our communities and the environment. Compliance with air quality regulations is essential, and proactive emission reduction demonstrates our commitment to sustainability.

Our Approach

Our primary emissions stem from core operational activities, including fuel combustion, furnace operations, material handling, and blasting. In mining, pollutants such as particulate matter arise from heavy equipment usage and material movement, while smelting operations release emissions from furnaces and fuel combustion.

Ensuring compliance with air quality regulations remains a priority. We monitor key air pollutants, including carbon dioxide (CO_2), particulate matter, nitrogen dioxide (NO_2), and sulphur dioxide (SO_2). To manage and mitigate air emissions, MSC employs a range of control measures across our sites:

- **Smelting Operations**

  At our smelting facilities, we control dust emissions using a bag filter system, which is part of our broader Air Pollution Control System ("APCS"). The baghouse captures and filters particulates before discharge, and its performance is monitored through routine maintenance, with filters replaced or upgraded as needed to maintain efficiency.

Air pollution control system - Baghouse

Sustainability Statement FY2024

Our Continuous Emission Monitoring Systems ("CEMS"), as part of the ACPS, provide real-time monitoring of key pollutants such as particulate matter and gas emissions from furnace stacks. We are currently in the process of linking the CEMS to the DOE's regulatory system, which will enhance transparency and improve reporting accuracy. We conduct regular calibration of the APCS to ensure emission control remains effective and data reporting remains accurate.

- **Mining Operations**

  At the RHT Tin Mine, dust emissions are primarily generated during the tin concentrate drying process. These are managed using a wet scrubber system, which captures airborne particulates before release. Additional measures include water tankers and sprinklers along mine roads, speed limit controls, and reforestation efforts further reduce ambient dust. Dust levels are monitored, and a Certified Environmental Professional in Scrubber Operation ("CePSO") oversees compliance with the ACPS.

  In FY2024, MSC allocated approximately RM144,000 for an R&D project with a consultant from NUS to develop a greener prototype for precious metals recovery. This initiative aims to reduce emissions generated during the extraction process, compared to conventional high-temperature methods.

Dust control system - Wet Scrubber

In parallel, MSC also engages with regulatory authorities to enhance air quality management. While no formal partnerships exist with other organisations for pollution reduction, we engage with the DOE on efforts to strengthen overall air quality governance.

Our Performance

In FY2024, our emissions adhere to the Environmental Quality (Clean Air) Regulations of 1978, and the Environmental Quality (Clean Air) Regulations 2014.

(tonnes)	FY2022	FY2023	FY2024
Total NOx emissions (Nitrogen oxides)	*	447.5	**412.1**

**Data was not tracked or reported in respective year.*

Sustainability Statement FY2024

SOCIAL

At MSC, we strive to build a responsible and people-centred organisation. We prioritise employee well-being, ethical labour practices, and community engagement to create a positive social impact. Through fair employment standards, workplace safety, and meaningful contributions to society, we aim to cultivate a sustainable and inclusive environment for our workforce and stakeholders.

HUMAN RIGHTS & FAIR LABOUR PRACTICES

Why is This Important?

At our core, we believe that respecting human rights is not just a box to tick, but a fundamental responsibility. A safe and respectful workplace fosters a more engaged and productive workforce. This translates to increased innovation, higher employee satisfaction, and reduced absenteeism, fostering a sense of shared purpose with our employees. Additionally, respecting human rights builds integrity and trust within the local communities. This supports social development and provides a stable operating environment for our business.

Our Approach

At MSC, we recognise that our employees are our greatest asset. That is why we are committed to upholding human rights, maintaining ethical employment practices, and creating a safe, inclusive, and supportive work environment.

Our employment practices comply with Malaysian labour laws, including the Employment Act 1955, Industrial Relations Act 1967, and relevant amendments. To strengthen our pledge, MSC's Labour Policy aligns with international standards such as the UN Guiding Principles on Business and Human Rights, and incorporates industry-related frameworks from the ITA and RMI. These frameworks guide how we manage labour practices responsibly across our operations and supply chain in line with global expectations.

We continuously assess human rights impact within our operations and take steps to address them proactively. Our policies are regularly updated to reflect regulatory developments and evolving industry norms.

Operational discussion

The MSC Employee Handbook serves as a key resource in reinforcing our fair labour practices. It outlines guidelines on workplace conduct, hiring, grievance handling, and anti-harassment. Key policies embedded in the handbook include the Harassment Policy, Employee Practices Policy, Recruitment Policy, and Ethics Policy, among others.

We have a zero-tolerance stance on workplace harassment. All employees, including managers, are briefed on the matter during onboarding orientation, and the policy is clearly outlined in the Employee Handbook. Across the Group, we promote respectful behaviour and equal opportunities regardless of background, gender, or beliefs.

Sustainability Statement FY2024

Labour Standard	MSC's Response and Approach
Child Labour	We maintain a strict prohibition against all forms of child labour across our business operations. No individuals under the age of 16 are employed, in line with our Labour Policy and the Children and Young Persons (Employment) Act 1966.
Forced Labour	We have a zero-tolerance approach against involuntary labour throughout MSC and our supply chain. Our Labour Policy strictly prohibits forced labour. All employment is based on free will, and employees are guaranteed freedom of movement and employment, with clearly defined contracts that uphold their rights and protections.
Discrimination	Our Employment Practice Policy and Labour Policy promote a workplace built on fairness and mutual respect. Any form of discrimination, including sex, marital status, ethnicity, social origin, colour, sexual orientation, age, religion, or political beliefs, is not permitted. We practise equal opportunities across all aspects of employment, and these principles are communicated during employee onboarding.
Working Hours	MSC fully adheres to applicable labour laws and regulations on working hours and overtime, as stipulated in the Employment Act (Amendment) 2022. Our mining and smelting facilities operate within the prescribed 45-hour workweek limit. Overtime is tracked to prevent excessive workloads, as stated in our Employee Handbook. Furthermore, we engage in collective bargaining agreements with workers' unions to affirm fair and transparent employment terms, including working hours.
Humane Treatment	We firmly oppose all forms of inhumane, degrading treatment, or abuse at MSC, as reflected in our Harassment Policy stipulated within the Employee Handbook.
Freedom of Association and Collective Bargaining	Employees are free to join trade unions and engage in collective bargaining. We encourage open communication between employees and management while upholding the right to freedom of association and unionisation, as outlined in our Code of Conduct. As of end-2024, 64.0% of our mining employees are members of the National Mining Workers' Union of Peninsular Malaysia, while 70.4% of our smelting employees are members of the National Union of Industrial Mineral Smelting Workers.
Health and Safety	Safety is a top priority at MSC. We provide site-specific safety training and instructions to prevent workplace hazards and ensure a secure working environment. Our Occupational Safety & Health Policy reinforces this commitment.
Wages and Benefits	We ensure that our compensation packages adhere to applicable wage laws, including the Minimum Wages Order 2022. We conduct periodic reviews to ensure our remuneration practices align with industry standards.
Grievance Mechanism	Employees can raise workplace concerns through a formal grievance mechanism and reporting channel. This system ensures the timely resolution of workplace matters, including human rights issues, fostering a fair and transparent work environment.

Sustainability Statement FY2024

Our Performance

In FY2024, MSC complied with all labour standards, laws, and regulations and received zero (0) substantiated complaints regarding human rights violations.

0
DISCRIMINATION AND HUMAN RIGHTS VIOLATION CASES **IN FY2024**

	FY2022	FY2023	FY2024
Number of substantiated complaints concerning human rights violations	0	0	**0**
Total employees covered by collective agreements	46.7%	48.1%	**52.8%**

DIVERSITY & EQUAL EMPLOYMENT OPPORTUNITY

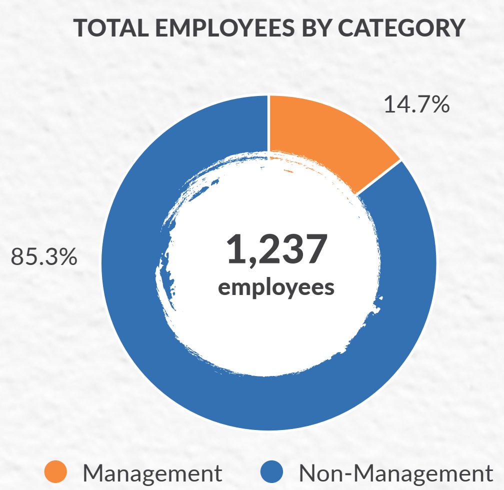
Why is This Important?

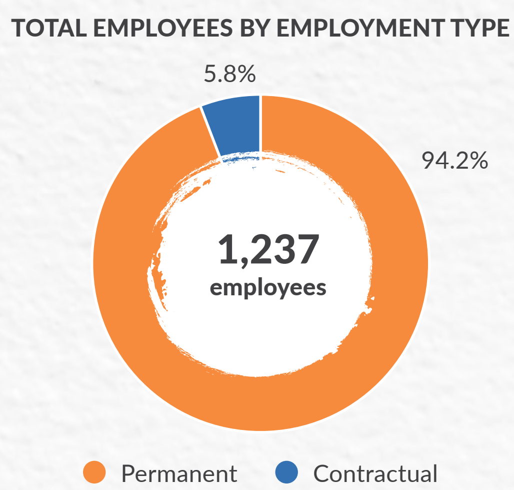
A diverse workforce, comprised of individuals with unique backgrounds and experience, fuels creativity and innovation. Different viewpoints lead to a broader range of solutions, allowing us to tackle industry hurdles and develop new technologies that propel us forward. In line with this, we seek to promote equal employment opportunities and non-discrimination across the Group.

Our Approach

At MSC, we strive to create a workplace that embraces diversity and promotes equal opportunity for all—regardless of gender, race, age, religion, or background. Our approach to diversity is anchored in the principle of equal opportunity employment. We practise fair and merit-based hiring and promotion practices across all levels, ensuring that every individual is treated with respect and dignity. This commitment is embedded in the Group's Employment Practice Policy and Recruitment Policy within the Employee Handbook. With a zero-tolerance policy for discrimination, we also provide clear grievance mechanisms to uphold a fair and supportive work environment.

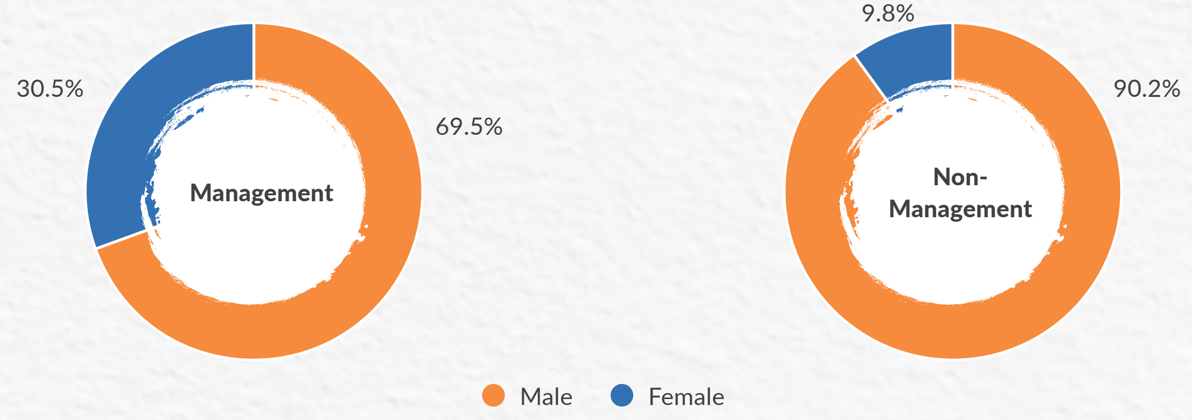
Our Performance



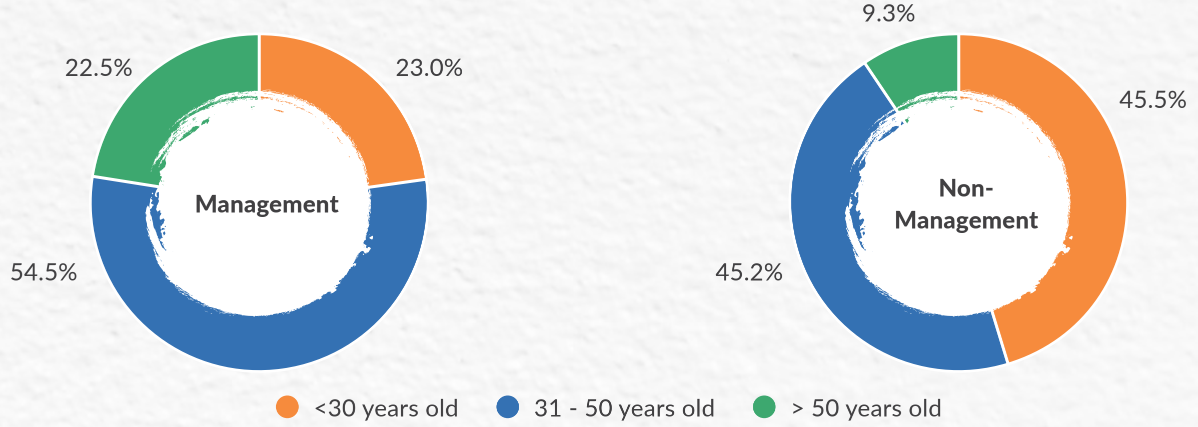


Sustainability Statement FY2024

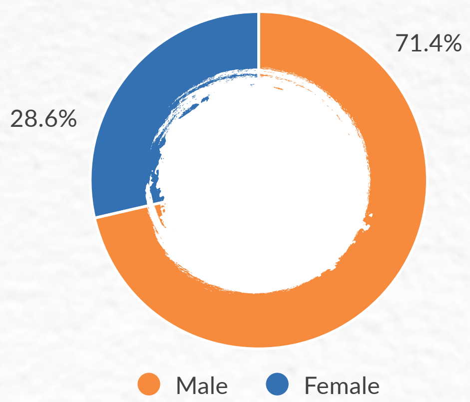
EMPLOYEE GENDER BY CATEGORY



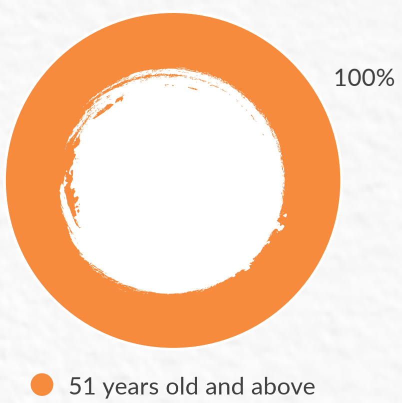
EMPLOYEE AGE BY CATEGORY



DIRECTORS BY GENDER



DIRECTORS BY AGE GROUP



Sustainability Statement FY2024

TALENT MANAGEMENT

Why is This Important?

A skilled and empowered workforce is essential in navigating today's competitive landscape. Such a talent pool fosters a culture of innovation, adaptability, and resilience—all crucial for sustained success. By empowering our employees, we develop a highly engaged and high-performing workforce that drives progress.

Our Approach

The tin industry is constantly evolving, with new technologies and processes emerging at a rapid pace. By investing in talent development programmes, we continue to remain at the forefront of innovation, enhancing the Group's competitive edge. Our employees become more adaptable, readily acquiring new skills, and embracing change. This agility positions MSC to thrive within this dynamic industry.

Talent Attraction

MSC consistently seeks individuals who share our vision and values. We do not just wait for talent but go to where the talent is. This proactive approach is exemplified by our participation in targeted events like the MSC Career Fair at Kuala Lumpur Convention Centre on 26 October 2024, providing an ideal platform to directly connect with promising candidates. We also brought career opportunities closer to local communities near our mining operations as we held an open interview session during *Program Santuni Madani* at Sekolah Kebangsaan Kuak Hulu on 22 November 2024.

In addition to on-the-ground outreach, MSC strategically uses diverse digital channels such as JobStreet, Facebook, Telegram, and WhatsApp to ensure our job vacancies reach the widest possible audience.

Our human capital efforts are supported by competitive compensation packages and comprehensive benefits, aligned to market standards. Our packages include a wide range of benefits, such as annual leaves, medical coverage, and EPF contribution higher than the statutory rate, to name a few. We maintain performance-driven reward systems, offering annual bonuses, merit-based salary increments, and clear opportunities for career advancement.

We are also focused on nurturing the next generation of industry talent through internship and graduate placement programmes. These initiatives offer students and young professionals meaningful hands-on experience, helping them build practical skills in real-world settings. By investing in early career development, MSC not only supports youth employability but also cultivates a future-ready talent pipeline aligned with our culture of innovation and growth.

Career Fair at KLCC

Program Santuni Madani

Talent Development & Training

We equip our employees with the skills and knowledge required to thrive today and in the future. Guided by our Training and Development Policy, MSC provides targeted learning opportunities across all levels. We assess our workforce training needs via annual performance reviews and feedback mechanisms.

In FY2024, we expanded our learning and development efforts to include a wider range of technical and soft skills training, sustainability and ESG-related modules, and leadership programmes.

Sustainability Statement FY2024

Employee training programme

164
TRAINING PROGRAMMES
IN FY2024

3,860
OF TOTAL TRAINING HOURS
IN FY2024

Our Performance

In FY2024, we invested RM275,235 in staff development, with the number of external training programmes increasing to 164 programmes, from 93 in FY2023. Altogether, employees clocked 3,860 hours of training.

At the same time, voluntary turnover rate was lower for both Management and Non-Management employees in FY2024 as a result of our measures to provide a supportive and dynamic workplace.

	FY2022	FY2023	FY2024
Employee voluntary turnover rate			
- Management	13.6%	23.5%	**7.0%**
- Non-Management	11.1%	23.9%	**8.5%**
Investment in staff development	RM107,465*	RM170,942*	**RM275,235**
Training programmes	139*	93*	**164**
Total training hours	6,693*	2,294*	**3,860**
- Management	1,378*	1,400*	**2,690**
- Non-Management	5,315*	894*	**1,170**

*Restated.

Sustainability Statement FY2024

OCCUPATIONAL SAFETY & HEALTH

Why is This Important?

MSC prioritises safety. A healthy and safe workforce is essential for productivity, engagement, and operational efficiency. By proactively minimising accidents and injuries, we reduce absenteeism, costs, and potential liabilities. A strong Occupational Safety and Health ("OSH") policy protects our employees, safeguards our reputation, and ensures the Group's long-term sustainability.

Our Approach

As a company operating in the tin mining and smelting industry, MSC is fully aware of the occupational hazards associated with our operations. Employees are exposed to risks such as handling heavy machinery and inhaling dust and fumes, making workplace safety a top priority. Our focus on safety is embedded throughout our operations via risk management and system improvements.

OSH Framework

Our OSH Policy aligns with Malaysia's Occupational Safety and Health Act 1994 and extends to all personnel working within our facilities, as well as contractors and other stakeholders.

We take a proactive approach to risk prevention by assessing workplace hazards and implementing measures to minimise them. A key part of this is our Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") framework, which adheres to ISO 45001:2018 standards. Risk assessments are conducted for both new and existing operations to uncover potential hazards and drive improvements.

Safety Oversight and Emergency Preparedness

Oversight of our safety framework is led by the OSH Committee, comprising both management and worker representatives. Its responsibilities include reviewing and updating safety policies, overseeing the HIRARC framework, engaging in regular discussions with worker representatives, and conducting safety training.

To ensure readiness in emergencies, we maintain ERTs at each operating site. Our ERT teams are equipped with essential safety tools, including first-aid kits, fire extinguishers, and personal protective equipment ("PPE"). Meanwhile, climate-related emergency response plans are in place, including clear evacuation procedures, maintenance of infrastructure and drainage systems, and regular simulation drills, among others.

Compliance and Continuous Improvement

To uphold high safety standards, MSC monitors key safety performance indicators and conducts internal and external audits. Our safety certifications underscore our focus on maintaining rigorous standards:

- ISO 45001:2018 for Occupational Health & Safety Management at RHT Tin Mine and Pulau Indah smelter.
- ISO 39001:2012 for Road Traffic Safety Management at RHT Tin Mine.

Board Oversight

The Board maintains oversight of safety-related matters as part of its corporate governance responsibilities. Safety performance and initiatives are regularly reviewed by the Board based on updates from the management team. These discussions are incorporated into strategic decision-making to align workplace safety with MSC's broader business objectives. Performance is tracked through key safety indicators to support continuous improvement.

Sustainability Statement FY2024

Safety Initiatives in FY2024

The Group continued to implement a range of health and safety initiatives during the year. These programmes focused on occupational health monitoring, capacity building, emergency readiness, and employee well-being. Key initiatives include:

OCCUPATIONAL HEALTH MONITORING	**Audiometric Testing:** Conducted for employees in high-noise areas at RHT Tin Mine. **Chemical Health Risk Assessment ("CHRA"):** Focused on employees exposed to hazardous chemicals, especially in contractor workshops. **Medical Surveillance:** Ongoing health check-ups for high-risk roles to identify early symptoms of occupational illness.
WORKPLACE SAFETY & COMPETENCY	**Welding Competency Assessments:** Conducted at Akademi Binaan Malaysia Perak premises in Lumut to ensure safe equipment handling. **Vehicle and Equipment Inspections:** Regular assessments to ensure safe operation and regulatory compliance. ***Operator Licensing Audits:*** Implemented at RHT under the earth moving equipment ("EME") Standown Programme.
AWARENESS & TRAINING	**Safety Induction:** Mandatory for new hires and contractors. **Safety Initiatives:** Overhead crane training at Butterworth, and emergency response drills at RHT and Pulau Indah. **Committee Engagements:** Regular safety dialogues through the OSH Committee and Road Safety Subcommittees. **OPS Motorcycle Programme:** Safety rule enforcement and PPE checks at RHT Tin Mine.
COMMUNITY & HEALTH CAMPAIGNS	**Health Awareness:** Campaigns on HIV/AIDS, malaria, and tuberculosis. **Blood Donation & Fogging:** To support workforce health and prevent vector-borne illnesses.

Sustainability Statement FY2024

Safety-Related Targets

MSC has established clear safety-related targets supporting our broader objective to continually strengthen workplace safety:

- Zero compoundable offences under the Occupational Safety and Health Act.
- Achieving 250,000 working manhours without lost-time injuries.
- Reducing forklift-related incidents by 40% compared to the previous year.

Our Performance

In FY2024, the Group recorded 43 lost-time injuries ("LTIs"), and one (1) fatality.

The fatal incident occurred at the RHT Tin Mine as a result of an equipment-related incident during site earthworks, which led to a fatal injury. Immediate action was taken to secure the site and assist with emergency response. Following the incident, we improved safety controls by enhancing physical barriers around work areas, improving site communication systems, and reinforcing operator competency requirements through refresher training and supervision.

Meanwhile, the LTIs primarily involved minor incidents such as hand injuries from manual handling, slips and falls during maintenance tasks, and lacerations caused by the use of sharp tools. While most cases were non-life threatening, each was treated seriously with site-specific investigations and corrective actions. These included re-briefing affected teams on safe work procedures, updating risk assessments, and reinforcing the use of PPE. Additional toolbox meetings and safety briefings were conducted to improve awareness and embed preventive measures in daily operations.

	FY2022	FY2023	FY2024
Percentage of MSC's sites with ISO 45001:2018	33%	67%	**50%**
Total safety-related programmes and training sessions	46	86	**65**
Total employees trained on health and safety standards	1,320	1,274	**1,498**
Total workplace safety inspections	32	40	**40**
No. of lost-time injury (LTI)	33	45	**43**
- Employees	30	34	**35**
- Contractors	3	11	**8**
LTI rate per 200,000 manhours worked	0.8	1.8	**1.8**
No. of fatalities (Employee & Contractors)	0	0	**1**

COMMUNITY ENGAGEMENT

Why is This Important?

Our success is intricately linked to the well-being of the communities we operate within. Fostering positive and collaborative relationships with our neighbours is not just a social responsibility, it is a strategic imperative for our long-term sustainability.

We are cognisant of the potential impacts of our industry. With this in mind, we engage with the surrounding communities to understand their feedback and work collaboratively to address them. This approach builds trust, transparency, and helps us minimise any negative effects our operations may have.

Sustainability Statement FY2024

Our Approach

We seek to implement meaningful initiatives that directly contribute to community development. Our CSR efforts in FY2024 focused on education, community welfare, healthcare, and cultural engagement.

Investing in Education

Education is a cornerstone of community development, and MSC remains dedicated to supporting the next generation of leaders. In FY2024, we provided financial support to the surrounding schools namely, Sekolah Kebangsaan Klian Intan and Sekolah Menengah Kebangsaan Landang Kerbau for their student excellence awards. These awards recognise outstanding academic achievements, motivating students to excel in their studies.

Meanwhile, our Internship Programme provides undergraduates practical industry experience in mining operations, engineering, and corporate functions, among others. In FY2024, we welcomed 20 interns from various Malaysian universities, regularly collaborating with alumni networks to reach promising students.

To further ease financial burdens on deserving students, our MSCB Scholarship Programme continues to offer financial aid to deserving individuals pursuing higher education. This initiative reflects our belief that investing in education today will shape a brighter future for both individuals and the industry as a whole.

20
INTERNS **IN FY2024**

Supporting Community Well-being

MSC remains involved in community welfare, contributing to programmes that enhance the quality of life for local residents. During Ramadan 2024, we provided essential food supplies to Masjid Klian Intan and supported underprivileged families, ensuring they could observe the holy month with dignity and comfort. Additionally, in celebration of Hari Raya Haji, we contributed livestock for community sacrifices, allowing more families to partake in the festive occasion.

Recognising the challenges faced by employees and their families during unforeseen hardships, we also extended financial assistance to employees affected by natural disasters and unforeseen circumstances.

Contribution for Hari Raya Haji

Promoting Health and Sustainability

Good health is fundamental to a thriving community. In FY2024, MSC continued to invest in public healthcare by providing financial aid for the purchase of essential medical equipment at Klinik Kesihatan Klian Intan. These contributions support access to quality medical care for local residents, allowing them to receive timely and proper treatment.

Sports and Cultural Engagement

Sports and cultural activities play a vital role in bringing communities together and promoting a sense of unity. In FY2024, MSC sponsored the Bowling Tournament and Klian Intan Football Tournament, encouraging youth participation in sports and fostering teamwork, discipline, and healthy competition. Beyond sports, we also contributed to local cultural festivals and community programmes, ensuring that traditions and heritage continue to be celebrated and passed down through generations.

Bowling Tournament

Sustainability Statement FY2024

Charitable donation to orphanage

Charitable donation to SK Seri Bidor

Staff welfare

Our Performance

In FY2024, MSC invested approximately RM215,000 in external CSR initiatives, benefitting 116 individuals. Our contributions supported scholarships, internship placements, school donations, and financial aid for employees facing hardships.

Beyond education, we strengthened our community presence by sponsoring local sports events, engaging in cultural celebrations, and implementing welfare programmes that address critical social needs.

~RM215,000
INVESTMENT IN EXTERNAL CSR ACTIVITIES **IN FY2024**

116
BENEFICIARIES OF CSR PROGRAMMES **IN FY2024**

	FY2022	FY2023	FY2024
Total amount invested where target beneficiaries are external to MSC	RM778,136	RM260,521	**RM214,534**
Total number of beneficiaries of the investment in communities	*	110	**116**

Data was not tracked in respective year.

Sustainability Statement FY2024

GOVERNANCE

MSC upholds strong governance practices by fostering transparency, ethical business conduct, and robust risk management. Our pledge to integrity ensures compliance with regulatory requirements, reinforces stakeholder trust, and safeguards the long-term sustainability of our operations.

CORPORATE GOVERNANCE & ETHICAL PRACTICES

Why is This Important?

Good governance and ethical business practices are the backbone of MSC's success. As a global tin producer, we operate in a regulated industry where transparency, accountability, and integrity are crucial in building trust with stakeholders. Strong governance helps us stay compliant with international standards, prevent unethical practices like corruption and bribery, and manage risks effectively. By embedding ethical decision-making across our operations, we strengthen business resilience and protect our reputation as a reputable integrated tin group.

Our Approach

Our commitment to integrity and transparency is reflected in the comprehensive policies and governance structures implemented at MSC. These include the Group's Whistleblowing Policy, and Anti-Corruption and Anti-Bribery Policy ("ACAB") Policy, both available in English and Malay languages on our corporate website at www.msmelt.com.

During the year, we strengthened our internal controls as we introduced new policies to enhance operational efficiency and workplace standards at our smelting facilities:

- **Handphone Usage Policy:** Regulates mobile device usage to minimise distractions, enhance productivity, and maintain workplace safety.

- **Zero Incident Policy:** MSC has adopted a Zero Incident Policy, with procedures for accident and incident reporting and investigation outlined under the Safety & Health SOP. A supporting flowchart is available to guide effective implementation.

We also updated key policies to align with latest regulatory requirements, including the ACAB Policy, Sexual Harassment Policy, and the Ethics and Recruitment Policy.

We remain steadfast to legal and regulatory compliance, adhering to all applicable laws, including the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and the MACC (Amendment) Act 2018.

Anti-Corruption

Our Group upholds a zero-tolerance stance against corruption and bribery, ensuring all business dealings are conducted with transparency, fairness, and integrity. To reinforce this commitment, our ACAB Policy establishes clear guidelines and procedures to prevent and combat corruption in all forms, including bribery, embezzlement, and abuse of power. The policy is communicated to employees through onboarding briefings on the Employee Handbook and mandatory periodic training sessions conducted by the MACC.

Display board of MSC Corporate Policies

Our approach to governance is further strengthened by corruption risk assessments, integrated into the Group's risk management framework. In addition, we provide training sessions on integrity and anti-corruption to employees and directors, reinforcing ethical decision-making across all levels of our organisation.

Our ISO 37001:2016 certification for the Anti-Bribery Management System ("ABMS") at RHT further underscores our pledge to international best practices, establishing robust procedures for preventing and addressing bribery. Oversight of the ABMS implementation is led by the Integrity Governance Unit ("IGU") at RHT, which plays a proactive role in promoting awareness, training, and policy enforcement. The IGU incorporates integrity and anti-bribery awareness into induction courses for new hires and ensures that key policies and information are prominently displayed on notice boards across our mining sites. To uphold our zero-tolerance approach, RHT ensures its Integrity and Anti-Bribery Policy applies to intermediaries, as well, including contractors and agents, promoting ethical conduct across all business engagements.

Sustainability Statement FY2024

Whistleblowing

Our Whistleblowing Policy fosters a culture of transparency and accountability by empowering employees, customers, contractors, suppliers, and other stakeholders to report concerns regarding unethical behavior, fraud, corruption, or violations of company policies and legal requirements. This policy provides a secure, confidential, and retaliation-free mechanism for individuals to voice their concerns. Reports can be submitted anonymously through a secure channel, guaranteeing whistleblowers full protection and assurance of confidentiality while enabling the Group to address incidents of misconduct proactively.

Our Performance

In FY2024, MSC incurred no fines, penalties or settlements related to corruption. The Group also made zero (0) monetary contributions to political parties or candidates.

In FY2024, we conducted a corruption risk assessment covering 100.0% of our mining operations under RHT, representing 33.3% of the Group's active sites. Additionally, 50.5% of the Group's employees attended anti-corruption training. To indicate compliance, all employees and business associates are required to take an Anti-Bribery Pledge.

	FY2022	FY2023	FY2024
Number of confirmed corruption incidents	0	1	**0**
Fines, penalties, or settlements in relation to corruption (RM)	0	0	**0**
Monetary contributions to political parties or candidates (RM)	0	0	**0**
Disciplinary cases of staff due to non-compliance with policy	0	13	**1**
Percentage of MSC's operations that underwent corruption risk assessment	100.0%	33.3%	**33.3%**
Anti-corruption training by employee category			
Management	5.2%	2.6%	**0.2%**
Non-Management	10.1%	11.3%	**50.3%**

DATA PRIVACY & SECURITY

Why is This Important?

In today's digital age, where cyber threats are constantly evolving, safeguarding stakeholder data is more critical than ever. We understand that the personal and confidential information entrusted to us—including identity information, medical records, employment history, banking details, and performance data—is a valuable asset that, if compromised could lead to financial loss, reputational damage, and legal repercussions. As custodians of this information, we have a fundamental responsibility to prevent data leaks, breaches, or unauthorised access that could compromise our stakeholders' sensitive information.

Our Approach

We work towards maintaining high standards of data privacy and security, demonstrating full compliance with relevant regulations, including the Personal Data Protection Act ("PDPA") 2010. Our approach extends beyond obtaining consent, incorporating proactive measures including:

- **Secure Storage & Access Control**
  Digital records are stored on our internal servers, fortified with restricted access protocols and accessible only to authorised personnel through secure password authentication. Meanwhile, physical documents are securely stored in locked cabinets within designated access-controlled rooms, adding an extra layer of protection against unauthorised access.

- **Cybersecurity**
  During the year, we deployed Endpoint Detection and Response ("EDR") solutions, which provide tracking and analysis of endpoint activities—such as user logins and file access via mobile devices or computers—to detect, investigate, and mitigate security threats in real time. Additionally, we enforce regular software and security patching to promptly address vulnerabilities, ensuring a resilient and secure information technology ("IT") infrastructure. We further enhance our defences with penetration testing, using audits and ethical hacking to identify and remediate potential security gaps in networks, applications, and systems.

Our Performance

In FY2024, there were zero (0) substantiated complaints concerning breaches of customer privacy and losses of customer data.

	FY2022	FY2023	FY2024
Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	**0**

Sustainability Statement FY2024

Performance Data Table from Bursa Malaysia's ESG Reporting Platform

Indicator	Measurement Unit	2022	2023	2024
Supply Chain Management				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	44.00*	56.30
Environmental Compliance				
Total costs of environmental fines and penalties during financial year	MYR	0.00	0.00	0.00
Percentage of sites covered by recognized environmental management systems such as ISO14001 or EMAS	Percentage	33.33	33.33	33.30
Climate Change & Energy Management				
Bursa C4(a) Total energy consumption	Megawatt	43,313.25	43,503.71	46,633.14
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	-	127,122.20	117,212.70
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	-	19,826.00	19,078.00
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	No Data Provided
Water & Effluents Management				
Bursa C9(a) Total volume of water used	Megalitres	1,814.891000	2,037.259000	1,953.271000
Company discloses the number and/or proportion of facilities, assets, production, revenue in water-stressed regions	Number	0	0	0
Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Number	0	0	0
Three years of total water discharge data is disclosed by destination - Ocean	Cubic meters	0.00	0.00	0.00
Three years of total water discharge data is disclosed by destination - Surface water	Cubic meters	0.00	0.00	0.00
Three years of total water discharge data is disclosed by destination - Subsurface / well	Cubic meters	0.00	0.00	0.00
Three years of total water discharge data is disclosed by destination - Off-site water treatment	Cubic meters	0.00	0.00	0.00
Three years of total water discharge data is disclosed by destination - Beneficial / other use	Cubic meters	0.00	0.00	0.00
Three years of total water discharge data is disclosed by destination - Total	Cubic meters	0.00	0.00	0.00
Three years of total water withdrawal data is disclosed by source - Surface water from rivers, lakes, natural ponds	Cubic meters	1,445,000.00	1,563,000.00	1,381,062.00
Three years of total water withdrawal data is disclosed by source - Groundwater from wells, boreholes	Cubic meters	0.00	0.00	0.00
Three years of total water withdrawal data is disclosed by source - Used quarry water collected in the quarry	Cubic meters	0.00	0.00	0.00
Three years of total water withdrawal data is disclosed by source - Municipal potable water	Cubic meters	153,891.00	258,259.00	270,209.00
Three years of total water withdrawal data is disclosed by source - External wastewater	Cubic meters	0.00	0.00	0.00
Three years of total water withdrawal data is disclosed by source - Harvested rainwater	Cubic meters	0.00	0.00	0.00
Three years of total water withdrawal data is disclosed by source - Sea water, water extracted from the sea or the ocean	Cubic meters	0.00	0.00	0.00
Three years of total water withdrawal data is disclosed by source - Total	Cubic meters	1,598,891.00	1,821,259.00	1,651,271.00
Waste Management				
Bursa C10(a) Total waste generated	Metric tonnes	4,825,077.60*	7,134,009.00*	7,198,609.40
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	206.30	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	4,824,871.30*	7,134,009.00*	7,198,609.40
Disclosure of three years of hazardous waste generation (tonnes)	Metric tonnes	34.80	63.00	72.90
Disclosure of three years of non-recycled waste generation (tonnes)	Metric tonnes	4,824,871.30*	7,134,009.00*	7,198,609.40
Disclosure of three years of waste recycled (tonnes)	Metric tonnes	206.30	0.00	0.00
Air Emissions				
Disclosure of three years of Nitrous Oxides (NOx) emissions (tonnes)	Metric tonnes	-	447.50	412.10
Human Rights & Fair Labour Practices				
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Diversity & Equal Employment Opportunity				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	-	2.63	23.00
Management Between 31-50	Percentage	-	7.51	54.50
Management Above 51	Percentage	-	3.17	22.50
Non-Management Under 30	Percentage	-	37.23	45.50
Non-Management Between 31-50	Percentage	-	36.76	45.20
Non-Management Above 51	Percentage	-	12.69	9.30

Internal assurance | External assurance | No assurance | (*)Restated

Sustainability Statement FY2024

Indicator	Measurement Unit	2022	2023	2024
Diversity & Equal Employment Opportunity				
Gender Group by Employee Category				
Management Male	Percentage	-	9.37	69.50
Management Female	Percentage	-	3.95	30.50
Non-Management Male	Percentage	-	77.55	90.20
Non-Management Female	Percentage	-	9.13	9.80
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	75.00	71.43	71.43
Female	Percentage	25.00	28.57	28.57
Under 30	Percentage	0.00	0.00	0.00
Between 31-50	Percentage	0.00	0.00	0.00
Above 51	Percentage	100.00	100.00	100.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	8.43	9.67	5.80
Percentage of global staff with a disability.	Percentage	0.00	0.00	0.00
Percentage of women in the global workforce.	Percentage	13.90	13.15	12.90
Number of Board Directors	Number	8	7	7
Number of independent Directors on the board	Number	6	5	5
Number of women on the board	Number	2	2	2
Talent Management				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	1,378*	1,400*	2,690
Non-Management	Hours	5,315*	894*	1,170
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	14	24	15
Non-Management	Number	11	24	120
Occupational Safety & Health				
Bursa C5(a) Number of work-related fatalities	Number	0	0	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.80	1.80	1.80
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,320	1,274	1,498
Number of work-related employee fatalities, over last 3 years	Number	0	0	0
Number of work-related contractor fatalities, over last 3 years	Number	0	0	1
Community Engagement				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	778,136.00	260,521.20	214,534.50
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	110	116
Corporate Governance & Ethical Practices				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	5.15	2.55	0.24
Non-Management	Percentage	10.15	11.30	50.28
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	33.00	33.30
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	1	0
Disclosure of total amount of political contributions made	MYR	0.00	0.00	0.00
Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Number	0	13	1
Disclosure of cost of fines, penalties or settlements in relation to corruption	MYR	0.00	0.00	0.00
Number of fines/settlements over the previous 3 years where each is valued > US $100 million	Number	0	0	0
Data Privacy & Security				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

Internal assurance | External assurance | No assurance | (*)Restated

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16th April 2025

Malaysia Smelting Corporation Berhad
Lot 6, 8 and 9, Jalan Perigi Nanas 6/1
Pulau Indah Industrial Park West Port
Port Klang, 42920 Pulau Indah
Selangor Darul Ehsan

Private and Confidential

Dear Sir and Madam,

Assurance undertaken
In strengthening the credibility of the Sustainability Statement Financial Year 2024 for Malaysia Smelting Corporation Berhad, selected aspects / part of the Sustainability Statement have been subjected to an internal review by Crowe Governance Sdn Bhd and approved by the Board of Directors.

The subject matters covered by the internal review in Year 2024 include the following indicators:-

No	Sustainability Matter	Sub-No	Sustainability Indicator
1	Energy & Climate Change	(i)	Total Scope 1 Emissions
		(ii)	Total Scope 2 Emissions
2	Waste Management	(i)	Total Waste Generated - Hazardous
		(ii)	Total Waste Generated – Non-hazardous
3	Water Management	(i)	Total Water Consumption

In the prior year; i.e. Financial Year 2023, Crowe Governance Sdn Bhd has conducted the internal review covering the following subject matters and the relevant indicators as below:-

No	Sustainability Matter	Sub-No	Sustainability Indicator
1	Anti-Corruption	(i)	% Of Employees Who Have Attended Awareness Training On Anti-Corruption By Employee Category
		(ii)	% Of Operations Assessed For Corruption-Related Risks
		(iii)	Confirmed Incidents Of Corruption And Action Taken
2	Health and Safety	(i)	Number Of Work-related Fatalities
		(ii)	Lost Time Incident Rate
		(iii)	Number Of Employees Trained On Health And Safety Standards
3	Supply Chain Management	(i)	Proportion Of Spending On Local Suppliers

Crowe

Scope

The boundary of the internal review includes the Company's operations in the following locations where stated accordingly:-

i. Pulau Indah Plant
ii. Butterworth Plant
iii. Rahman Hydraulic Tin Sdn Bhd

Yours faithfully,

Crowe Governance Sdn Bhd

Amos Law
Executive Director

Responsible Minerals Sourcing Audit Report 2024

Malaysia Smelting Corporation Berhad ("MSC") subscribes to responsible and sustainable practices in all operations in its tin business. MSC ensures its activities in operations are responsibly performed according with the TIN CODE from ITA Tin Supply Chain Initiative ("iTSCi") the flagship of International Tin Association ("ITA") and the Responsible Minerals Assurance Process ("RMAP"), the flagship programme of Responsible Mineral Initiatives ("RMI") and the third edition in the Organisation for Economic Cooperation and Development ("OECD") Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("CAHRAs").

MSC through its sourcing procedures, Responsible Minerals Sourcing ("RMS") programme which was established in accordance with the TIN CODE, RMAP and CAHRAs procedures, has taken the initiative to engage with all stakeholders who are involved with its tin business to ensure the entire supply chain in the tin business is conflict-free. MSC works and communicates with all customers and collaborate with the responsible sourcing experts such as iTSCi and RMI, to support and guide all the stakeholders to be responsible and sustainable at all stages in the supply chain. These initiatives have been integrated as part of MSC's routine and regular activities and they are important to ensure fair distribution of the industry benefits to the communities of the sourcing countries, free from any conflict.

Mine Visits

MSC had visited tin mines in Democratic Republic of Congo ("DRC") and Rwanda in 2024, to conduct its own due diligence as required by various upstream and smelter assessment programmes. During such visits MSC staff observed and examined all the processes and documents of the involved mines to ensure those met the upstream assessment requirements. MSC will continue to engage in the Central Africa tin supply chain in the region, in collaboration with iTSCi and RMI, to ensure transparency, accountability and good governance practices within the region.

Responsible Minerals Sourcing Audit Report 2024

In November 2024, the Congolese State service center for Certification, Expertise, and Evaluation ("CEEC") made a visit to the MSC Pulau Indah Smelter. CEEC is the department in DRC that issue the ICGLR (International Conference on the Great Lakes Region) certificate of origin for all tin ore suppliers in the DRC, to meet the OECD Due Diligence Guidance which is very important for RMI and Tin Code audits. The visit was initiated by the ITA, following a request from CEEC. Leading the CEEC delegation was Jean-Baptiste, the Legal Director and Anti-Mining Fraud Officer. The main goal of their visit was to better understand the tin metal evaluation processes at the smelter level which would help CEEC update and streamline their tax system in the DRC. The meeting between CEEC and MSC proved to be highly productive, with both parties engaging in meaningful discussions about the challenges and expectations surrounding documentation and due diligence in mineral sourcing activities in DRC. Both sides gained valuable insights from each other that will further improve the current processes and operations.

MSC is fully committed to responsible and sustainable sourcing activities and will continue to foster responsible and sustainable practices across the entire supply chain by exerting influence on its approach from the supply chain perspective which is an important exercise for economic and socio-economic growth of the tin-related communities, especially in the CAHRAs.

MSC maintains a RMS Policy, available on its website, pursuant to which the following:

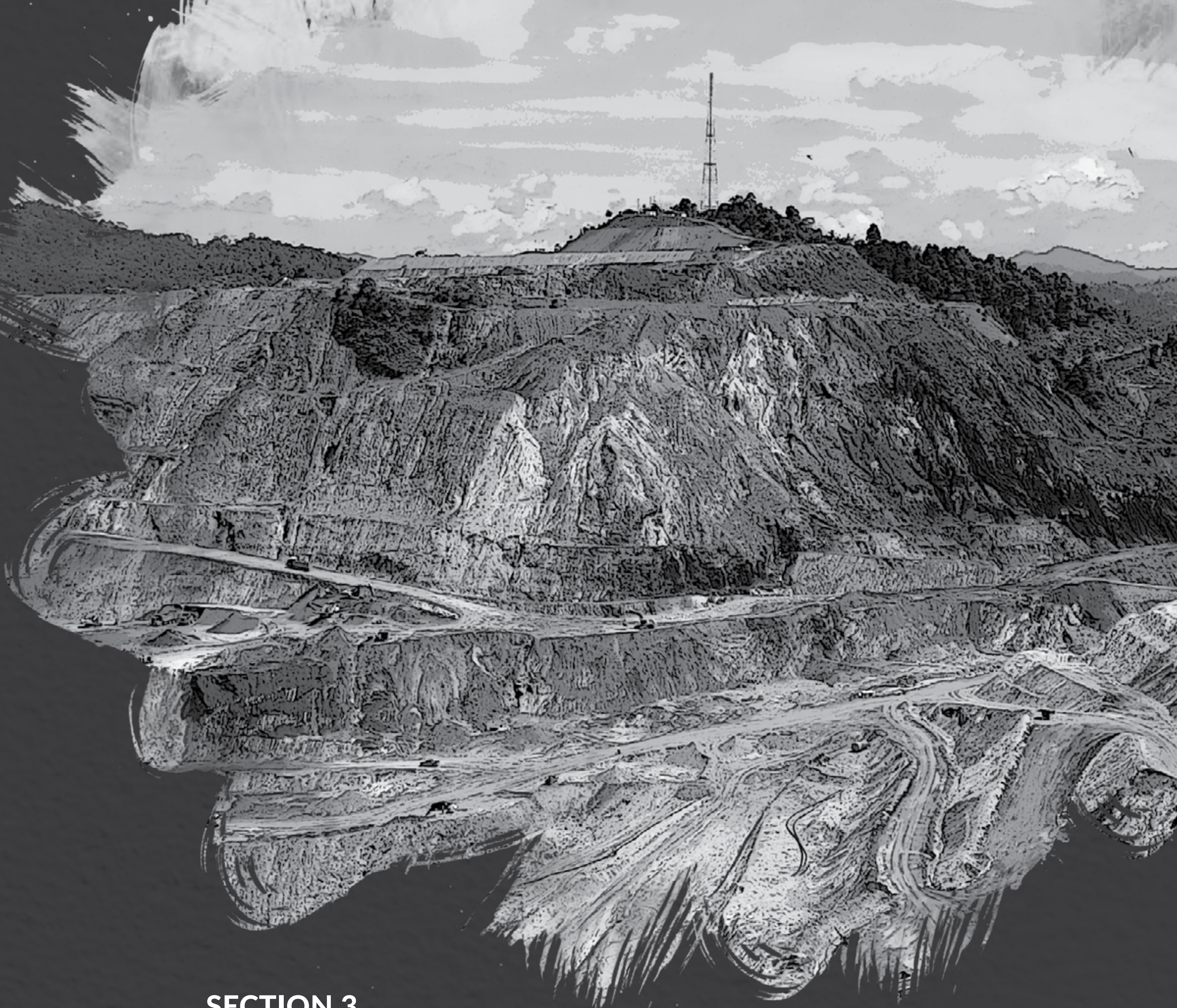
1. Prevent the extraction and trade of minerals from areas of conflict, human rights abuses, and insecurity.

2. Cultivate transparent mineral supply chains and sustainable corporate engagement in the mineral sourcing activities, thereby supporting the economy of the region and the local communities that depend on the trade for their livelihood.

3. Promote sustainable development of the tin industries in the region through investments in industrial scale exploration, mining, mineral processing and smelting of tin and associated minerals.

RMAP and TIN CODE Audit

MSC successfully conducted its the annual RMAP audit in January 2024. The next RMAP audit at MSC is scheduled for January 2025. MSC successfully completed the TIN CODE audit in 2024 and was certified under TIN CODE accordingly. The next TIN CODE audit for MSC Pulau Indah will be held in December 2025.



SECTION 3

CORPORATE GOVERNANCE AND FINANCIAL STATEMENTS

Corporate Governance Overview Statement

The Board of Directors ("Board") of Malaysia Smelting Corporation Berhad ("MSC" or the "Company") recognises the importance of maintaining high standards of corporate governance in managing its business affairs so as to build a sustainable business capable of enhancing shareholder value.

The Board upholds the Principles and Recommendations as promulgated by the Malaysian Code on Corporate Governance 2021 ("MCCG" or "Code"). This statement sets out how the Company has applied the three key Principles of good corporate governance as enumerated in the MCCG during the financial year within the Company and its subsidiaries (the "Group"). Where a specific practice of the MCCG has not been observed during the financial year under review, the non-observation, including the reasons thereof, is included in this statement.

This statement is prepared in compliance with the MCCG and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and should be read together with the Corporate Governance Report ("CG Report") of the Company which provides details on how the Company applied each Practice as set out in the MCCG during the financial year 2024. The Company's CG Report is available on the Company's website, www.msmelt.com.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

1.1 Strategic Aims, Values and Standards

The Board acknowledges its key role in setting the strategic direction of the Group and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- to promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- to review and adopt a strategic plan for the Group to ensure sustainability of its business as the Board brings objectivity and breadth of judgment;
- to oversee the conduct of the Group's businesses and evaluate whether the businesses are being properly managed;
- to identify principal business risks and ensure the implementation of appropriate internal controls and mitigating measures to manage these risks;
- to consider and implement succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing members of Key Management;
- to review management proposals for the Company; and
- to review the adequacy and the integrity of the Group's internal control system and management information system.

To ensure the proper discharge of its stewardship role, the Board has established Board Committees, namely the Audit & Risk Management Committee ("ARMC") and Nominating & Remuneration Committee ("NRC") and further entrusted to them, specific responsibilities to oversee the Group's affairs and authority to act on the Board's behalf in accordance with their respective terms of reference. The Chairman of the relevant Board Committees also report to the Board on key issues deliberated at their respective meetings. The ultimate responsibility for decision making, however, lies with the Board.

The roles and functions of the Board, as well as roles delegated to Management, are clearly delineated in the Board Charter, through a formal schedule of matters reserved for the Board which includes setting the overall Group strategy and direction, approving major capital expenditure, consideration of significant financial matters and monitoring of financial and operating performance of the Group.

Whilst the Board is responsible for creating the framework and policies within which the Group should be operating, Management is responsible for instituting compliance with laws, regulations, rules, directives and guidelines, including the achievement of the Group's corporate objectives. Such demarcation of roles is clearly set out in the Board Charter and Delegation of Authority which complement and reinforce the supervisory role of the Board.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD RESPONSIBILITIES (CONT'D)

1.1 Strategic Aims, Values and Standards (cont'd)

The Group's Code of Ethics continues to set out the standards of ethics and conduct expected from its Directors and employees to enhance the standards of corporate governance and corporate behaviour. The Code of Ethics covers all aspects of the Group's business which include, amongst others, confidentiality of information, dealings in securities, conflict of interest, gifts, bribes and dishonest conducts.

The salient features of the Board Charter and Code of Ethics can be found at the Company's website at www.msmelt.com.

The Company has also put in place a whistleblowing policy which allows the whistleblower to raise concerns about actual or potential corporate fraud or breach of ethics involving employees, Key Management or Directors of the Group. Whistleblowing reports are addressed to Designated Officers of the Group, namely Internal Auditor, Company Secretary, Chief Operating Officer or the Chairman of the ARMC following the form and specific conditions as prescribed under the policy. The policy also affirms that the identity of the whistleblower will be kept confidential and protection will be accorded to the whistleblower against any form of reprisal or retribution.

The Board recognises the importance of adhering to the Code of Ethics by all personnel in the Group and has the overall responsibility of overseeing the execution of the Whistleblowing Policy. The Board had also formalised the Anti-Corruption Manual, Fit and Proper Policy and Dividend Policy which are also published on the Company's website for stakeholders' information.

1.2 Chairman and Chief Executive Officer

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer ("CEO") to engender accountability and facilitate the division of responsibility, such that no one individual has unfettered powers over decision making.

Chairman

Ms. Chew Gek Khim PJG, a Non-Independent Non-Executive Director, is the Chairman of the Company and she leads the Board to ensure the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion.

In carrying out her role, the Chairman works with Key Management and promote effective relations with stakeholders and shareholders besides managing the Board.

Chief Executive Officer

Dato' Dr. (Ir.) Patrick Yong Mian Thong as the Group CEO and Executive Director is tasked to manage the business and operations of the Company and to implement the Group's strategic plans, policies and decisions adopted by the Board. The Group CEO and Executive Director is also tasked with ensuring that whilst the ultimate objective is maximising total shareholders' return, the social and environmental factors are not neglected and also developing and maintaining strong communication programmes and dialogues with the shareholders, investors, analysts as well as employees and providing effective leadership to the Group's organisation.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD RESPONSIBILITIES (CONT'D)

1.3 Sustainability of Business

The Board is mindful of the importance of business sustainability and has incorporated the Corporate Sustainability Policy into its corporate strategy, considering its impacts on environmental, social and governance aspects. Additionally, the Company's Sustainability Statement is disclosed on pages 23 to 60 of this Annual Report.

1.4 Access to Information and Advice

The Board has full and independent access to Management, the Company Secretary, the Internal Auditors, the External Auditors and other consultants for information needed to effectively carry out its duties.

Management provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments. Directors also have unrestricted access to the advice and services of the Company Secretary. The Board is regularly updated and advised by a Company Secretary who is qualified, experienced and competent, on corporate governance, new statutory and regulatory requirements, and their resultant implications to the Company and Directors in relation to the duties and responsibilities of the Board.

The Company Secretary is a Fellow member of Malaysia Institute of Chartered Secretaries and Administrators ("MAICSA") and is qualified to act as a Company Secretary under the Companies Act 2016. As a practicing Company Secretary, she has also attended continuous professional development programmes as required by MAICSA. The Company Secretary oversees adherence to board policies & procedures and corporate governance issues, briefs the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretary attends all Board and Board Committee meetings to ensure that the meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. Key Management and external parties such as the auditors, solicitors and consultants are invited to attend Board meetings when there is a need for additional insights and professional views, advice and explanations on specific items on the meeting agenda. Independent professional advice may be sought in the furtherance of the Directors' duties and responsibilities at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter.

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests.

The Board and Board Committee papers are circulated in advance prior to the meetings to allow the Board members adequate time for making informed decisions and effective discharge of Board's responsibilities. Minutes of Board and Board Committee's meetings are circulated in a timely manner for review.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION

2.1 Board of Directors

During the financial year ended 31 December 2024, the Board comprises seven (7) members, comprising one (1) Executive Director and six (6) Non-Executive Directors, five (5) of whom are Independent. The Board is chaired by a Non-Independent Non-Executive Director. The Board comprises a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The Independent Directors provide the necessary check and balances in the Board exercising their functions and decision-making process.

This composition fulfils the requirements set out under the Main Market Listing Requirements of Bursa Malaysia, which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent.

The Board members are from different backgrounds with diverse perspectives. The mix of skills and experience is essential for successful attainment of corporate plans and objectives of the Group. A brief description of each of the Director's background is set out in the Profile of Directors on pages 8 to 10 of this Annual Report.

2.2 Tenure of Independent Director

The Independent Directors bring objective and independent views, advice and judgment on interests, not only of the Group, but also of the shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business. Independent Directors are essential for protecting the interests of shareholders and can make significant contributions to the Group's decision making by bringing in the quality of detached impartiality.

The Directors' Independence Policy serves as a guide in limiting the tenure of the independent director to nine (9) years and ensuring the independence of directors.

2.3 Diversity of Board and Key Management

The appointments of Board and Key Management are based on merit, skills and working experience and due regard is placed for diversity in terms of skills, experience and cultural background.

The Board Diversity Policy serves as a guide in ensuring the diversity of the Board which enhances the effective contribution of all Directors. The Board does not have a specific policy for setting targets for women or age composition on the Board as the Board believes in fair and equal participation for all individuals of right calibre irrespective of race, age or gender.

Please refer to the Profile of Directors and Key Management on pages 8 to 10 and 11 to 12 respectively for further information.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.4 Nominating & Remuneration Committee

The NRC is chaired by Mr. John Mathew A/L Mathai who is also the Senior Independent Director of the Company during the financial year ended 31 December 2024. The Committee is primarily responsible to advise the Board on the nomination of new Board members and/or Board member and assessment of the effectiveness of the Board as a whole, the Committees of the Board, to conduct an assessment and evaluation on the contribution of each individual director and effectiveness of the ARMC and Environmental, Social & Governance ("ESG") Committee.

The Committee is also responsible for reviewing the Board composition and right mix of skills and balance as well as considering the Board's succession planning and making recommendations for new appointment of directors and members of Board Committees as well as identifying suitable training programme for the Board. It also recommends to the Board on the remuneration policy and framework, performance measures criteria and proposes to the Board on the remuneration of the directors and key management.

The Terms of Reference of the NRC are set out in the Board Charter and is available on the Company's website at www.msmelt.com.

2.5 Recruitment Process and Annual Assessment of Directors

In discharging its responsibilities, the NRC has developed certain criteria for use in the recruitment and annual assessment of Directors. The suitability of candidates is evaluated for recommendation to the Board and the NRC takes into consideration, inter-alia, the competency, commitment (including time commitment), contribution and performance of the candidates, including, where appropriate, the criteria on assessing the independence of candidates' appointments as Independent Directors.

Following the appointment of a new Director, the NRC ensures that an induction programme is arranged for, which includes establishing rapport with other Directors, furnishing the Director with necessary information for a better understanding of the business, e.g. Board minutes and management reports, the Board Charter and arranging visits to key sites.

The Company's Constitution provides that one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires whether adjourned or not.

The NRC reviews annually the required mix of skills and experience for Directors and assesses annually the contributions of each individual Director and the effectiveness of the Board Committees and the Board as a whole. Furthermore, the NRC reviews the size and composition of the Board with particular consideration on the impact on the effective functioning of the Board.

The evaluation of the suitability of candidates is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. Nevertheless, the Board takes cognisance of the policy of the Government advocating for more women directors on the Board of PLCs and shall give due considerations when assessing their candidature. Presently, there is two (2) women directors in the Board.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.5 Recruitment Process and Annual Assessment of Directors (cont'd)

The NRC reviews and evaluates the performance of individual Director including Independent Directors, Board as a whole and Board Committees on an annual basis with the aim of providing individual contribution effectiveness of the Board and its Committees, identify gaps, maximise strengths and address weaknesses of the Board.

The assessment criteria used in the assessment of Board, Board Committees and individual Director includes mix of skills and experience and size of the Board, quality of inputs, understanding of their roles, duties and responsibilities and etc.

The assessment of the independence of Independent Directors is in accordance with the criteria as set out in the Main Market Listing Requirements of Bursa Malaysia.

The Board had on 18 May 2022 adopted a Fit and Proper Policy to serve a guide for NRC and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Director who are seeking re-election.

During the financial year under review, the Board met four times. The details of the attendance of the Board members are as follows:

Directors	No. of meetings attended
1. Ms. Chew Gek Khim PJG *(Chairman)*	4/4
2. Mr. John Mathew A/L Mathai (Resigned on 22 March 2025)	4/4
3. Mr. Yap Seng Chong	4/4
4. Datuk Kamaruddin Bin Taib	4/4
5. Dato' Roslina Binti Zainal	4/4
6. Datuk Lim Hong Tat	4/4
7. Dato' Dr. (Ir.) Patrick Yong Mian Thong	4/4

2.6 Board Committees

The Board Committees are as follows:

(i) Audit & Risk Management Committee ("ARMC");
(ii) Nominating & Remuneration Committee ("NRC");
(iii) Environmental, Social & Governance Committee ("ESGC"); and
(iv) Executive Committee ("EXCO").

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 Board Committees (cont'd)

The following are directors who served as members of the committees during the financial year 2024. The attendance of each member of the committees for the meetings held in the financial year 2024 are as detailed below:

(i) ARMC

Directors	No. of meetings attended
1. Mr. Yap Seng Chong *(Chairman)*	4/4
2. Datuk Kamaruddin Bin Taib	4/4
3. Datuk Lim Hong Tat	4/4

(ii) NRC

Directors	No. of meetings attended
1. Mr. John Mathew A/L Mathai *(Chairman)* (Resigned on 22 March 2025)	4/4
2. Dato' Roslina Binti Zainal	4/4
3. Mr. Yap Seng Chong	4/4

(iii) ESGC

Directors	No. of meetings attended
1. Dato' Roslina Binti Zainal *(Chairman)*	1/1
2. Mr. John Mathew A/L Mathai (Resigned on 22 March 2025)	1/1
3. Datuk Kamaruddin Bin Taib	1/1

(iv) EXCO

Directors	No. of meetings attended
1. Ms. Chew Gek Khim PJG *(Chairman)*	8/8
2. Datuk Lim Hong Tat	8/8
3. Dato' Dr. (Ir.) Patrick Yong Mian Thong	8/8

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 Board Committees (cont'd)

The Board is satisfied with the time commitment given by the Directors. All directors do not hold more than 5 directorships as required under Paragraph 15.06 of the Main Market Listing Requirements of Bursa Malaysia.

All directors have attended the Mandatory Accreditation Programme as required by the Main Market Listing Requirements of Bursa Malaysia.

During the course of the financial year, they have also attended other training programmes which include conferences, forums, seminars, workshops and briefings, apart from the briefings conducted by the Company Secretary pertaining to updates on the Main Market Listing Requirements of Bursa Malaysia. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affects the Group's financial statements.

Details of the training programmes attended/participated on areas include the following:

Directors	Title of Training/Course Attended	Date
Ms. Chew Gek Khim PJG	1. Audit Risk Committee Seminar 2024 – Climate Reporting and Assurance	10 Jan 2024
	2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4 & 5 Mar 2024
	3. International Tin Conference	15 May 2024
	4. Wealth Management Institute Owner's Symposium	16 Sep 2024
	5. SID Sharing with Chairperson Accelerator Programme	30 Oct 2024
Mr. John Mathew A/L Mathai (Resigned on 22 March 2025)	1. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) – Day 1	26 Feb 2024
	2. Internal Training 2024 – Chat GPT and You: To use or not to use?	16 Apr 2024
	3. UOB Virtual Training Sessions on Amendments to Companies Act 2024	30 Apr 2024
	4. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) – Day 2	7 May 2024
	5. Estate Planning Seminar organised by Rajah & Tann Singapore	15 Oct 2024
	6. CLO Legal Conference – The Legal 360 Dispute Resolution: i) Alternative Dispute Resolution (Court procedure strategies, methodologies and case studies) ii) Landmark local & foreign judgment – case studies and learning outcomes	14 Nov 2024

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 Board Committees (cont'd)

Details of the training programmes attended/participated on areas include the following: (cont'd)

Directors	Title of Training/Course Attended	Date
Yap Seng Chong	1. PwC Global - 2023 Year End Audit Committee Webcast	12 Jan 2024
	2. PwC Global - 2023 IFRS Year End Accounting Webcast	26 Jan 2024
	3. PwC Global - Risk & Responsible Artificial Intelligence Webcast	29 Feb 2024
	4. KPMG Global - Navigating the ESG Reporting Requirements in Asia Pacific	19 Mar 2024
	5. PwC Global - Finance Transformation-Powered by Generative Artificial Intelligence	4 Apr 2024
	6. PwC Global - 2024 Q1 PwC Quarterly Accounting Webcast	1 May 2024
	7. PwC Global - Talking ESG: Building Effective Sustainability Reporting Governance	16 May 2024
	8. Managing Non-Financial Risks as Driver for Organisational Performance	10 Jun 2024
	9. Recent Developments with the Listing Requirements, including Conflict of Interest Amendments	2 Jul 2024
	10. Bursa Academy on Conflict of Interest ("COI") and Governance of COI	10 Jul 2024
	11. KPMG Malaysia - Navigating Capital Gains Tax	17 Jul 2024
	12. Deloitte Malaysia - Climate Reporting, a knowledge sharing session	3 Sep 2024
	13. Geopolitical Economy Report - Goodbye, Dollar Dominance: BRICS Plans on 'Multi-Currency' System to Transform Global Financial Order - Sponsored by ACCA Global	18 Oct 2024
	14. MICPA - Leveraging AI for Audit Efficiency and Quality	7 Nov 2024
	15. PwC 2024 Global Q3 Quarterly Accounting Webcast	6 Dec 2024
Datuk Kamaruddin Bin Taib	1. Central Banking in an Evolving International Financial System	6 Feb 2024
	2. Trimester 3 - Global Code of Conduct: • Conduct Matters • Competition Law • Appropriate Behaviour	27 Feb 2024
	3. Net Zero Transition Plan Briefing	11 Mar 2024
	4. BNM's engagement session with Chairpersons and CEOs of Banking Institutions and Associations in conjunction with the release of AR 2023, EMR 2023 and FSR 2H 2023	21 Mar 2024

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 Board Committees (cont'd)

Details of the training programmes attended/participated on areas include the following: (cont'd)

Directors	Title of Training/Course Attended	Date
Datuk Kamaruddin Bin Taib (cont'd)	5. Business Continuity Management	22 Mar 2024
	6. Whistleblowing	22 Mar 2024
	7. Briefing on Technology Audit	22 Mar 2024
	8. Addressing Challenges in Implementing ISSB Standards	4 Apr 2024
	9. Responsibility Mapping Engagement with Directors of Financial Institutions	24 Apr 2024
	10. Bank Negara Malaysia Annual Report Engagement 2024 by Deputy Governor Jessica Chew	30 May 2024
	11. i) RAM Carbon Management Solutions ii) Online P2P Financing Platform	25 Jun 2024
	12. i) Bribery Prevention ii) Code of Conduct	28 Jun 2024
	13. i) Driving Future of Banking Through Innovation ii) Quantum Computing	23 Jul 2024
	14. i) Understanding Greenhouse Gas Emission ii) Quantification & Reporting of Greenhouse Gas Emissions & Removals at the Organisational Level iii) Quantification of Product Carbon Footprint & Life Cycle Assessment Analysis iv) Net Zero Emission or Carbon Neutrality Pathways v) Decarbonisation Rating	13 Aug 2024
	15. i) Business Ethics and Integrity ii) Fraud Prevention	25 Aug 2024
	16. Distinguished Board Leadership Series 2024: Digital Transformation in the World's Best Bank	3 Sep 2024
	17. Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	4 & 5 Sep 2024

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 Board Committees (cont'd)

Details of the training programmes attended/participated on areas include the following: (cont'd)

Directors	Title of Training/Course Attended	Date
Datuk Kamaruddin Bin Taib (cont'd)	18. Certification in Generative AI - For Business Leaders	7 Sep - 5 Oct 2024
	19. National Resolution Symposium	23 & 24 Sep 2024
	20. Sarawak Future Forum	10 Oct 2024
	21. Directors' Remuneration Report Launch	11 Nov 2024
	22. Economic Outlook & Post-Budget 2025	14 Nov 2024
	23. Cyber Security for Directors	4 Dec 2024
	24. Technology and Innovation Masterclass - AI & Gen AI: i) The development of AI in China/Hong Kong (fireside chat) ii) What we need to be aware off - AI Security Risks AI iii) A Regulatory Lens on AI & Gen AI (panel discussion) iv) Scaling AI for success	12 Dec 2024
Dato' Roslina Binti Zainal	1. Impact of Renewables on Power System Disturbances	22 Feb 2024
	2. World Energy Congress (Rotterdam): Redesigning Energy for People and Planet	23 - 25 Apr 2024
	3. ICDM Mentorship Programme	6 Sep 2024
	4. Achieving Net Zero in Great Britain by 2030	12 Sep 2024
	5. Using Drones and AI into Grid Inspection Strategy	25 Sep 2024
	6. Enlit Asia ESG Seminar	26 Sep 2024
	7. Khazanah Megatrends	7 & 8 Oct 2024
	8. Implications of Artificial Intelligence-Related Data Center Electricity Use and Emissions Workshop	12 & 13 Nov 2024
	9. Capacity Markets: Allowing explicit participation by Florence School of Regulation	20 Nov 2024
	10. Generation Reliability Standards Workshop	5 Dec 2024
Datuk Lim Hong Tat	1. Risk Management Certification Training	6 Feb 2024
	2. Qualification 6 Field of Bank Risk Management Fast Track	23 Feb 2024
	3. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	5 & 6 Jun 2024
	4. Annual Board Risk Workshop 2024	3 Jul 2024
	5. Penyelarasan SMR BOC	21 - 23 Aug 2024
	6. ESG Talk: Global Trends and Rising Stakeholder Demand by Ernst & Young	6 Sep 2024
	7. Areca Capital Sdn. Bhd. – Anti Money Laundering and Anti Bribery and Corruption Training	8 Oct 2024
	8. Refreshment Training on AML/CFT/PF Training	22 Nov 2024

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. REMUNERATION

3.1 Remuneration Policy

The determination of remuneration of Non-Executive Directors is a matter for the Board, as a whole to decide with individual directors abstaining from the discussion of his/her own remuneration.

In line with the Directors' Remuneration Policy, the Board in deciding, the appropriate level of fees of each Non-Executive Director, also takes into consideration the experience, the level of responsibilities undertaken, time commitment required in attending both the scheduled and special Board meetings, deliberation time required for board papers as well as the number of memberships assumed on Board Committees.

In deciding the remuneration for key management, the Board takes into consideration the skills, qualification, roles and working experience of the key management besides the business performance of the Company.

3.2 Details of Directors' Remuneration

Pursuant to the Main Market Listing Requirements of Bursa Malaysia, the details of the remuneration received and receivable by the Directors of the Company, on a named basis, at Group and Company level, during the financial year ended 31 December 2024 are disclosed as follows:

Directors	Fees (RM'000)	Salaries (RM'000)	Allowance (RM'000)	Benefits in kind (RM'000)	Other emoluments (RM'000)	Total (RM'000)
Non-Executive Directors						
Ms. Chew Gek Khim PJG	121.5	-	26.0	-	-	147.5
Mr. John Mathew A/L Mathai (Resigned on 22 March 2025)	111.5	-	20.0	-	-	131.5
Mr. Yap Seng Chong	123.5	-	26.0	-	-	149.5
Datuk Kamaruddin Bin Taib	100.0	-	20.0	-	-	120.0
Dato' Roslina Binti Zainal	94.0	-	20.0	-	-	114.0
Datuk Lim Hong Tat	112.5	-	34.0	-	-	146.5
Total	663.0	-	146.0	-	-	809.0
Executive Director						
Dato' Dr. (Ir.) Patrick Yong Mian Thong	-	1,104.0	-	35.3	1,369.0	2,508.3
Total	-	1,104.0	-	35.3	1,369.0	2,508.3

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. REMUNERATION (CONT'D)

3.3 Remuneration of Top Three Key Management

The Board is of the view that disclosing the top three key management's remuneration on a named basis according to salaries, bonuses, benefits-in-kind and other emoluments would be disadvantageous to the Company due to the confidentiality and sensitivity of each remuneration package which is structured competitively to attract, motivate and retain talents.

Accordingly, the remuneration of the top three Key Management of the Company in bands of RM50,000 is as follows:

Range of Remuneration (RM)	No. of Key Management
850,001 - 900,000	1
800,001 - 850,000	1
750,001 - 800,000	1
Total	3

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT & RISK MANAGEMENT COMMITTEE

In assisting the Board to discharge its duties on financial reporting, the Board established an Audit Committee which was subsequently renamed as the Audit & Risk Management Committee on 7 November 2018. The ARMC is chaired by the independent director.

On the composition and terms of reference of the ARMC, please refer to the Audit & Risk Management Committee Report on pages 79 to 81 for further information.

2. ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Board, via the ARMC, has annually assessed the suitability and independence of the External Auditors.

It is also a requirement for our External Auditors, Ernst & Young PLT to rotate the audit engagement partner as well as its other key audit partners from their audit of MSC and its subsidiaries once in every 7 years as set out in the Malaysian Institute of Accountants' By-Laws (on Professional Ethics, Conduct and Practice).

In this regard, the ARMC has assessed the suitability and independence of Ernst & Young PLT as External Auditors of the Company for the financial year ended 31 December 2024.

Having satisfied itself with their technical competency, audit independence and fulfilment of criteria as set out in its terms of reference, the ARMC has recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming AGM.

3. RISK MANAGEMENT AND INTERNAL CONTROLS

Recognising the importance of risk management and internal controls, the Board has in past years formalised a structured risk management and internal control framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an ongoing basis. The key features of the risk management framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

Corporate Governance Overview Statement

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

3. RISK MANAGEMENT AND INTERNAL CONTROLS (CONT'D)

The ARMC assists the Board in reviewing the adequacy and operating effectiveness of the system of risk management and internal control in the Group besides overseeing financial reporting.

The Company has also appointed Crowe Governance Sdn. Bhd. as the service provider for Enterprise Risk Management Update and Internal Control Review for the Group for financial year 2024.

In line with the MCCG and the Main Market Listing Requirements of Bursa Malaysia, the Board has an independent Internal Audit function which is led by Mr. Lau Ee Chin, the Head of Group Internal Audit who reports directly to the ARMC. Mr. Lau is a fellow member of the Association of Chartered Certified Accountants (ACCA), and member of the Malaysia Institute of Accountants (MIA) with 17 years in MSC as Senior Finance Manager. During the financial year under review, apart from himself, he is supported by two (2) staffs in the in-house Internal Audit Division and an external team of professional internal auditors on a co-sourced basis. The Internal Auditor does not have any conflict of interests with the Company.

Details of the Company's internal control system and its framework including the scope of work during the financial year under review are provided in the Statement on Risk Management and Internal Control of the Group on pages 82 to 85 of this Annual Report.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. COMMUNICATION AND ENGAGEMENT WITH STAKEHOLDERS

The Company recognises the importance of being transparent and accountable to its investors and, as such, has maintained an active and continuous communication between the Company and its stakeholders that enables the Board and Management to communicate effectively with investors, financial community and the public generally. The various channels of communications are through the quarterly announcements on financial results and media release in relation thereto to Bursa Malaysia and the Singapore Exchange Securities Trading Limited ("SGX"), relevant announcements and circulars, when necessary, AGM and through the Group's website at www.msmelt.com where shareholders can access corporate information, annual reports, press releases, financial information, company announcements, share price performance and corporate social responsibility reporting.

2. CONDUCT OF GENERAL MEETINGS

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's annual report and pose questions to the Board for clarification. At the AGM, the shareholders participate in deliberating on resolutions being proposed or on the Group's operations in general. During the last AGM, a question & answer session was held in the presence of directors, where the Chairman invited shareholders to raise questions with responses from the Board.

The Company dispatches its notice of AGM to shareholders at least 28 days before the date of the meeting to enable shareholders to go through the annual report and papers supporting the resolutions proposed.

Shareholders are invited to ask questions regarding the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general.

The minutes of 45th AGM was made available to shareholders on the Company's website.

This Statement is made in accordance with the resolution of the Board of Directors dated 15 April 2025.

Additional Compliance Information

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia.

Audit Fees and Non-Audit Fees

The audit fees paid/payable to the external auditors, Ernst & Young PLT in relation to the audit and non-audit services rendered to the Company and its subsidiaries for the financial year ended 31 December 2024 are as follows:

	The Group (RM'000)	The Company (RM'000)
Audit Fees	1,060	512
Non-Audit Fees	13	13

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors, Chief Executive and Major Shareholders' interest during the financial year ended 31 December 2024.

Recurrent Related Party Transactions of Revenue or Trading Nature

During the financial year, the Company and its subsidiaries had not entered into any recurrent related party transactions, which are of revenue or trading nature, which would require shareholders' mandate.

Audit and Risk Management Committee Report

The Audit Committee was established on 30 August 1994 with the principal objective to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls and financial reporting practices of the Group. Subsequently, the Audit Committee was renamed as Audit & Risk Management Committee on 7 November 2018.

In performing their duties and discharging their responsibilities, the Audit & Risk Management Committee ("ARMC" or the "Committee") is guided by its Terms of Reference ("TOR"). The Committee's TOR are available at the Company's website at www.msmelt.com.

Composition and Meetings of the Audit & Risk Management Committee

The ARMC of the Company currently comprises solely three (3) Independent Non-Executive Directors. There were four (4) meetings held during the financial year under review, and the attendance records of each member of the Committee are as follows:

Members	No. of meetings attended
Mr. Yap Seng Chong *Chairman, Independent Non-Executive Director*	**4/4**
Datuk Kamaruddin Bin Taib *Member, Independent Non-Executive Director*	**4/4**
Datuk Lim Hong Tat *Member, Independent Non-Executive Director*	**4/4**

The meetings were appropriately structured through the use of agenda and meeting papers, which contained sufficient information, were distributed to the Committee members with proper notification in writing.

The Company Secretary, as the secretary of the Committee, was present at all meetings. Representatives of the External Auditors, Ernst & Young PLT, the Internal Auditors, as well as the Group Chief Executive Officer ("Group CEO"), Group Chief Financial Officer ("Group CFO") and other Key Management also attended the meetings, where appropriate, at the invitation of the Committee.

At each Board meeting, the Chairman of the Committee briefs the Board pertaining to significant matters discussed at the meetings of the Committee and the minutes of Committee meeting were circulated to the Board for their notation.

Training and Continuous Engagement

Members of the Committee have attended relevant training programmes and seminars to enhance their competency in fulfilling their functions and duties more effectively, including trainings which are relevant to the discharge of their duties as Committee members. Details of training attended by each member are set out on pages 71 to 74 of this Annual Report.

During the financial year, the Chairman of the Committee continuously engaged with Key Management and both External and Internal Auditors by way of telephone conversations, virtual and in-person meetings, in order to be kept informed of matters affecting the Group. Through such engagements, relevant issues were brought to the attention of the Committee in a timely manner.

Audit and Risk Management Committee Report

Summary of Activities during the Financial Year under Review

The Committee carried out its duties in accordance with its terms of reference during the financial year under review. The main activities undertaken by the Committee were as follows:

A) External Audit

1. Reviewed with the External Auditors:

   a) Audit plan for the financial year to ensure adequate coverage of the activities of the Company and of the Group prior to commencement of audit fieldwork;

   b) The results of the audit, the External Auditors' report, and management letter points together with the responses from Management; and

   c) The Directors' Report and the audited financial statements of the Company and of the Group prior to submission to the Board for consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016. The Committee also met with the External Auditors at least once during the financial year, without the presence of Management, to discuss problems and reservations if any, arising from the audit and other matters which the External Auditors wished to discuss with the Committee;

2. Reviewed the independence, suitability, objectivity and effectiveness of the External Auditors and the services provided, including non-audit services. The Committee has obtained written assurance from the External Auditors that they remained independent throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements. Non-audit fees totalling RM13,000.00 were paid to the External Auditors during the financial year for the provision of services in respect of the Group's Statement on Risk Management and Internal Control; and

3. Considered and recommended to the Board on the re-appointment of the External Auditors and the audit fees payable to the External Auditors for the Board's submission to shareholders for approval at the Annual General Meeting.

B) Internal Audit Function (both in-house and outsourced)

The Committee is supported by both an in-house internal audit team and the outsourced internal auditors, Crowe Governance Sdn. Bhd., in the discharge of its duties and responsibilities. The Committee is tasked to review the performance and competency of the Group Internal Audit function.

The Internal Audit function provides assurance on the adequacy and integrity of the risk management, internal control and governance processes.

The Internal Auditors, who report directly to the Committee, are responsible for the regular review and appraisal of the effectiveness of the risk management, internal control and governance processes of the Company and Group.

Audit and Risk Management Committee Report

B) Internal Audit Function (both in-house and outsourced) (cont'd)

A summary of the work undertaken by the Internal Audit function during the financial year is as follows:

1. Prepared the annual risk-based internal audit plan for the Committee's approval;

2. Carried out internal audits on significant operational and financial processes for all key operating units of the Group to determine adequacy and effectiveness of internal controls and to assess compliance with established policies and procedures;

3. Issued internal audit reports to the Committee on the state of internal control of the key operating units within the Group and the extent of compliance with the Group's established policies and procedures and management action plans to mitigate identified risks, with copies extended to Management, highlighting deficiencies together with corresponding improvement opportunities. The Internal Auditors attended all Committee meetings and presented reports on areas of audit concern for the Committee's deliberation;

4. Monitored remedial actions undertaken by Management in response to recommendations by Internal Auditors to address internal control deficiencies/improvement opportunities identified with; and

5. Reviewed the adequacy and effectiveness of the governance and risk management processes as well as the internal control system through risk assessment reports from Crowe Governance Sdn. Bhd. and the internal audit function. The Committee also reviewed the risk assessment updates for significant operating subsidiaries within the Group and assessed the appropriateness of the mitigation action plans to address the principal risks. Significant risks were then summarised and communicated to the Board for consideration and resolution.

The total cost incurred for the Internal Audit function for the financial year ended 31 December 2024 was RM898,000.00.

Further details of the activities of the Internal Audit function are set out in the Statement on Risk Management and Internal Control on pages 82 to 85 of this Annual Report.

C) Financial Reporting

In addition to the review of annual audited financial statements as highlighted in Section A above, the Committee also undertook the following activities during the financial year under the review:

1. Reviewed the quarterly financial results against budget and the results of the preceding year;

2. Reviewed the quarterly unaudited financial results announcements prior to recommending them to the Board for consideration and approval for release to Bursa Malaysia and SGX. The review and discussions were conducted with the Group CEO, Group CFO and other Key Management; and

3. Reviewed transactions with related parties (both within and outside the Group) and conflict of interest ('COI') situations, if any. There has been no actual or perceived COI situations identified during the year under review.

This Report is made in accordance with the resolution of the Board of Directors dated 15 April 2025.

Statement on Risk Management and Internal Control

Introduction

Paragraph 15.26(b) of the Bursa Malaysia's Main Market Listing Requirements requires the board of directors of listed issuers to include in its annual report a "statement about the state of risk management and internal control of the listed issuer as a group". The Board of the Company is committed to maintaining an effective system of risk management and internal control in Malaysia Smelting Corporation Berhad ("MSC") and its subsidiaries (collectively referred to as the "Group") and is pleased to provide the following Statement on Risk Management and Internal Control (this "Statement"), which outlines the nature and scope of the risk management and internal control system of the Group during the financial year ended 31 December 2024.

For the purpose of disclosure, the Board has taken into consideration the enumerations encapsulated in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" (the "Guidelines"), a publication endorsed by Bursa Malaysia pursuant to Paragraph 15.26(b) of the Bursa Malaysia's Main Market Listing Requirements.

Board's Responsibility

The Board acknowledges its responsibility for maintaining as well as reviewing the adequacy and integrity of the risk management and internal control system to safeguard its shareholders' investment and other stakeholders' interests. The system of internal control covers not only financial controls but also non-financial controls such as operational and compliance controls and risk management procedures.

In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage risks within tolerable and knowledgeable limits, rather than to eliminate, the risk of failure to achieve the Group's business and corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance, against material misstatement or loss.

In evaluating the adequacy of the Group's system of risk management and internal control, the Board is assisted by the Audit & Risk Management Committee which comprises solely of three (3) Independent Directors. Notwithstanding the delegated responsibilities, the Board acknowledges its overall responsibility in the establishment and oversight of the Group's risk management and internal control system.

The Board affirms that there is an ongoing process for identifying, assessing, managing, monitoring and reporting significant risks faced by the Group. The Board, through its Audit & Risk Management Committee, regularly reviews the results of this process, including mitigation measures taken by Management, to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

Risk Management

The Board is guided by Practices 9.1 and 9.2 of the Malaysian Code on Corporate Governance ("MCCG") which calls for the establishment of an effective risk management and internal control framework and the disclosure thereof. Management is responsible for identifying, assessing, monitoring and reporting of risks and internal control as well as providing assurance to the Board that it has done so in accordance with the policies and procedures set by the Board. Further assurance is provided by the Internal Auditors, which operates across the Group.

The Board believes that maintaining an effective risk management and internal control system is premised on the following key elements of the Group's risk management framework:-

- A risk management structure which outlines the lines of reporting and establishes the responsibilities at different levels, i.e. the Board, Audit & Risk Management Committee and Management, as follows:

    > Board and Audit & Risk Management Committee – ensure that there is a sound framework for internal controls and risk management;
    > Management and key staff for all the businesses/divisions – to review the risk profiles and performance of business units and report to the Group Chief Executive Officer ("Group CEO").

Statement on Risk Management and Internal Control

Risk Management (cont'd)

- Identification of principal risks (present and potential) faced by business units in the Group and Management's plans to mitigate or manage these risks was carried out. For the financial year under review, risk assessments and updates were undertaken by the Management and key staff for all the businesses/divisions. The results of these assessments and management action plans to manage critical risks were reported to the Group CEO for his further review. The Audit & Risk Management Committee, with assistance from the Internal Auditors and external consultants, then reviewed the Group Risk Profile which was compiled from the review of the individual risk profiles and risk registers. For each principal risk, the assessment process considers the potential likelihood of occurrence and magnitude, effectiveness of controls in place (if any), and action plans taken to manage those risks to the desired level. The risk responses and internal controls that Management have taken and/or are taking are discussed at Audit & Risk Management Committee meetings.

- Risk appetite and parameters (qualitative and quantitative) for the Group and individual business units have been articulated so as to gauge the acceptability of risk exposures;

- Risk Management Policy and Guidelines Document was reviewed and updated to ensure its relevance across the Group. The document offers practical guidance to employees on risk management issues; and

- Preparation of action plans to address risk and control issues on an ongoing basis. The action plans include the utilisation of internal audit procedures, as discussed in further detail below.

Whilst the Board considers the risk management framework to be robust, the framework is still subject to periodic testing and continuous improvement, taking into consideration better practices and the changing business environment.

Internal Audit Function

The Group has in place an independent in-house Internal Audit team. During the financial year, the Board appointed an independent professional services firm, Crowe Governance Sdn. Bhd., to support the in-house Internal Audit team (collectively referred to as the "Internal Auditors"). The Internal Auditors reports directly and provides assurance to the Audit & Risk Management Committee on the adequacy and effectiveness of risk management, internal control and governance systems. In carrying out its activities, the Internal Auditors has unrestricted access to the relevant records, personnel and physical properties.

The Internal Auditors independently reviews the risk identification, assessment and control processes implemented by Management, and reports to Audit & Risk Management Committee on a quarterly basis the outcome thereof. The Internal Auditors also reviews the internal control system within the Group based on a risk-based annual internal audit plan approved by the Audit & Risk Management Committee. Its audit strategy and plan are based on the risk profiles of major business units of the Group. The Audit & Risk Management Committee evaluates the Internal Auditors to assess its effectiveness in discharging its responsibilities.

Further details of the work undertaken by the Internal Auditors are set out in the Audit & Risk Management Committee Report on pages 79 to 81 of this Annual Report as well as the Corporate Governance Overview Statement of MSC which is made available via an announcement on the website of Bursa Malaysia.

Statement on Risk Management and Internal Control

Internal Control

The key elements of the Group's internal control system are described below:

(a) Code of Ethics and Whistleblowing Policy and Procedures

- The Board is responsible for setting the ethical tone of the Group and engendering a healthy corporate culture. A Code of Ethics has been put in place to set out the standards of ethics and conduct expected from its Directors and employees to enhance the standards of corporate governance and corporate behaviour. The Code of Ethics covers all aspects of the Group's business which include, amongst others, confidentiality of information, dealings in securities, conflict of interest, gifts, bribes and dishonest conducts.

- The Board has formalised a set of Whistleblowing Policy and Procedures to provide avenues for stakeholders of the Group to raise legitimate concerns relating to potential breaches of legislation malpractices in an objective manner without fear of reprisal.

(b) Lines of Responsibility and Delegation of Authority

- A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability; and

- The establishment of limits of authority through Expenditure Controls and Delegation of Authority Limits Policy for both the Company and its subsidiaries. In designing and implementing these limits of authority structures and systems, the Group is guided by the principle that no one individual should have unfettered powers.

(c) Written Policies and Procedures

- The establishment of policies and procedures on health and safety, training and development, equal employment opportunities, human opportunities, staff performance and handling misconducts; and

- The establishment of operational and financial policies and procedures for major subsidiaries, covering core processes like tin smelting, tin trading activities, mining, asset management, purchasing, payment, inventory and payroll.

(d) Planning, Monitoring and Reporting

- The Group CEO reports to the Board on significant changes in the business and the external environment;

- The Group Chief Financial Officer ("Group CFO") provides the Board with quarterly financial reports, which includes key financial indicators;

- Management information, which includes the monthly management reports covering both key financial and operational information, is provided to Key Management for monitoring of performance against the business plan;

- Management meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key management issues; and

- The Audit & Risk Management Committee reviews the Group's quarterly financial performance, together with Management, which is subsequently reported to the Board.

Statement on Risk Management and Internal Control

Internal Control (cont'd)

(e) Insurance

- Insurance and physical safeguards over major assets are in place to ensure that the assets of the Group are covered against any mishaps that may result in material losses to the Group. The insurance coverage is reviewed at regular intervals to ensure its adequacy vis-à-vis the Group's risk appetite.

These key elements are relevant across Group operations and provide continuous assurance to increasingly higher levels of Management and, ultimately, to the Board. The processes are reviewed by the Internal Auditors, which evaluate the adequacy and effectiveness of the system of internal controls. Planned corrective actions are independently monitored for timely completion.

Commentary on the Adequacy and Effectiveness of the Group's Risk Management and Internal Control Systems

The Board has received assurance in writing from the Group CEO and the Group CFO that the Group's risk management and internal control system has been operating adequately and effectively, in all material respects, during the financial year under review and up to the date of this Statement. Based on this assurance, the input from external and internal auditors, as well as the Board's review, the Board is of the view that the risk management and internal control system is adequate to meet the needs of the Group in addressing financial, operational and compliance risks and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. Notwithstanding this, the Board and Key Management remain committed to strengthening the Group's control environment and processes. Ongoing measures and appropriate action plans will be put in place to enhance the Group's system of internal control as and when necessary.

Pursuant to Paragraph 15.23 of the Bursa Malaysia's Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 December 2024 and reported to the Board that nothing has come to their attention which caused them to believe that the Statement intended to be included in the Annual Report of the Company was not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor was it factually inaccurate. The review of this Statement by external auditors was performed in accordance with the scope set out in Audit and Assurance Practice Guides 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants.

This Statement is made in accordance with the resolution of the Board of Directors dated 15 April 2025.

Statement of Responsibility by Directors

In Respect of the Preparation of the Annual Audited Financial Statements

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with the requirements of the applicable MFRS Accounting Standards, IFRS Accounting Standards, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records which give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year ended 31 December 2024.

In preparing the annual audited financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Made an assessment of the Group's and of the Company's ability to continue as a going concern.

The Directors also have a general responsibility to take reasonable steps to safeguard the assets of the Group and of the Company, to prevent and detect fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board of Directors dated 15 April 2025.

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal activities

The principal activities of the Company are investment holding, the smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal under the MSC brand name and the sales and delivery of refined tin metal and by-products.

The principal activities of the subsidiaries are tin mining, tin warehousing, property holding and rental, and investment holding. Other information relating to the subsidiaries are disclosed in Note 19 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit net of tax	**93,534**	**64,524**
Profit attributable to:		
Owners of the Company	79,423	64,524
Non-controlling interests	14,111	-
	93,534	**64,524**

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid by the Company since 31 December 2023 were as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
A final single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, paid on 28 June 2024	29,400
In respect of the financial year ended 31 December 2024:	
A first interim single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, paid on 24 October 2024	29,400
A second interim single-tier special dividend of RM0.17 per share on 420,000,000 ordinary shares, paid on 23 December 2024	71,400
	130,200

Directors' Report

Dividends (cont'd)

Subject to the approval of the members at the forthcoming Annual General Meeting of the Company, the directors recommend the payment of a final single-tier dividend of RM0.07 per share amounting to RM29,400,000 for the financial year ended 31 December 2024.

The financial statements for the financial year ended 31 December 2024 do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

Share capital

No shares were issued by the Company and no option has been granted to any person or party to acquire shares in the Company during the financial year.

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Ms. Chew Gek Khim	(Chairman)
Mr. Yap Seng Chong*	
Datuk Kamaruddin Bin Taib*	
Dato' Dr. (Ir.) Yong Mian Thong	
Dato' Roslina Binti Zainal	
Datuk Lim Hong Tat*	
Mr. John Mathew A/L Mathai	(Resigned on 22 March 2025)

* Being members of Audit Committee as at the date of this report

In accordance with Clause 102 of the Constitution of the Company, Dato' Dr. (Ir.) Yong Mian Thong and Datuk Lim Hong Tat retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report are:

Ms. Chew Gek Khim	
Dato' Dr. (Ir.) Yong Mian Thong	
Mr. Lee Hock Chye	
Mr. Madzlan Bin Zam	
Dato' Abdul Aziz Bin Mohamed	
(Alternate: Dato' Hj Mohd Abdah Bin Mohd Alif)	
Mr. Nicolas Chen Seong Lee	
Mr. Zihanz Alymann Bin Kamarul Zaman	
Mr. Yeo Eng Kwang	
Mr. Lam Hoi Khong	
Mr. John Mathew A/L Mathai	(Resigned on 22 March 2025)

Directors' Report

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits paid and payable are as follows:

	Group and Company RM'000
Fees	809
Salary, bonus and benefits-in-kind	2,508
Insurance effected to indemnify directors	130
	3,447

Indemnities of directors or officers

During the financial year, the directors and officers of the Group and of the Company are covered under the Directors & Officers Management Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Group and of the Company subject to the terms of the D&O Insurance. The total insured limit of D&O Insurance effected for the directors and officers of the Group and of the Company was RM30 million.

Directors' Report

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the holding companies, the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	1 January 2024	Bought	Sold	31 December 2024
Ultimate holding company				
Tan Chin Tuan Pte. Ltd.				
Direct interest				
Ms. Chew Gek Khim	92,478,922	-	-	92,478,922
Immediate holding company				
The Straits Trading Company Limited				
Direct interest				
Ms. Chew Gek Khim	741,200	43,922	-	785,122
The Company				
Direct interest				
Ms. Chew Gek Khim	1,670,000	26,500	-	1,696,500
Dato' Dr. (Ir.) Yong Mian Thong	421,100	85,400	-	506,500
Datuk Lim Hong Tat	-	87,000	(87,000)	-

None of the other directors in office at the end of the financial year had any interest in shares in the holding companies, the Company or its related corporations during the financial year.

Holding companies

The immediate holding company of the Company is The Straits Trading Company Limited, a public limited liability company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The penultimate holding and ultimate holding companies of the Company are The Cairns Pte. Ltd. and Tan Chin Tuan Pte. Ltd. respectively, both of which are private limited liability companies incorporated in Singapore.

Directors' Report

Other statutory information

(a) Before the statements of profit or loss and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Directors' Report

Significant event subsequent to the financial year end

Details of the significant event are disclosed in Note 39 to the financial statements.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT		
- Statutory audits	1,060	512
- Other services	13	13
	1,073	525

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the board in accordance with a resolution of the directors dated 15 April 2025.

Chew Gek Khim

Dato' Dr. (Ir.) Yong Mian Thong

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Chew Gek Khim and Dato' Dr. (Ir.) Yong Mian Thong, being two of the directors of Malaysia Smelting Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 102 to 202 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the board in accordance with a resolution of the directors dated 15 April 2025.

Chew Gek Khim

Dato' Dr. (Ir.) Yong Mian Thong

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lam Hoi Khong, being the officer primarily responsible for the financial management of Malaysia Smelting Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 102 to 202 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared
by the abovenamed Lam Hoi Khong
at KELANG SELANGOR
on 15 April 2025

Lam Hoi Khong
(CA 18848)

Before me,

KHAIRIL ANUAR BIN MOHD NOR (B 894)
Commissioner for Oaths

Independent Auditors' Report

To the members of Malaysia Smelting Corporation Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Malaysia Smelting Corporation Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 102 to 202.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditors' Report

To the members of Malaysia Smelting Corporation Berhad
(Incorporated in Malaysia)

Key audit matters (cont'd)

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Inventories

As disclosed in Note 24 to the financial statements, the Group and the Company recorded a carrying amount of tin inventories amounting to RM595.3 million and RM610.8 million (2023: RM572.1 million and RM577.6 million) as at 31 December 2024, representing 68% and 78% (2023: 63% and 71%) of the Group's and the Company's total current assets respectively.

The Company contracts with various suppliers on different terms and conditions for the purchases of tin-in-concentrates. Given the high number of purchase contracts with different terms and conditions, and voluminous quantity, we identified the timing of recognition and existence of tin-in-concentrates to be an area of focus. Valuation of tin-in-concentrates, tin-in-process and refined tin metal is also an area of focus due to the magnitude of the balances.

In addressing the area of focus in respect of the existence of physical quantities and timing of recognition of tin-in-concentrates, we performed, amongst others, the following procedures:

(a) We read the significant purchase contracts to obtain an understanding of the terms and conditions to establish the Group's and the Company's rights and obligations over tin-in-concentrates purchased.

(b) We tested the relevant internal controls over the timing of recognition of tin-in-concentrates.

(c) We inspected, on a sample basis, documents which evidenced the receipt of tin-in-concentrates from suppliers.

(d) We also focused on testing purchase transactions close to the year end to establish whether the transactions were recorded in the correct accounting period.

Independent Auditors' Report

To the members of Malaysia Smelting Corporation Berhad
(Incorporated in Malaysia)

Key audit matters (cont'd)

Inventories (cont'd)

In addressing the area of focus in respect of the existence of physical quantities and timing of recognition of tin-in-concentrates, we performed, amongst others, the following procedures: (cont'd)

(e) We attended and observed the physical stock counts and obtained an understanding of the tin content sampling methodology used by management.

(f) We obtained an understanding of the work performed by management's expert involved in the physical stock count.

(g) We evaluated the competence, capabilities and objectivity of the management's expert.

(h) We evaluated the appropriateness of the work performed by management's expert.

(i) We inspected, on a sample basis, roll-forward of tin inventories from physical stock count date to the reporting date, which consists of documents evidenced the receipt of tin-in-concentrates from suppliers and documents evidenced the delivery of refined tin metal to customers.

(j) We evaluated management's assessment of allowance for tin loss.

In addressing the area of focus in respect of the valuation of tin-in-concentrates, tin-in-process and refined tin metal, we performed, amongst others, the following procedures:

(a) We obtained an understanding of the Company's production process and the types of costs included in the valuation of tin-in-concentrates, tin-in-process and refined tin metal.

(b) We also obtained an understanding of the internal controls over the recording of tin-in-concentrates consumed and the valuation of different stages of tin-in-process.

(c) We inspected, on a sample basis, documents which evidenced the cost of purchase of tin-in-concentrates from suppliers and cost of production of tin-in-process and refined tin metal.

(d) We tested the arithmetic calculation of the costing of tin inventories.

Independent Auditors' Report

To the members of Malaysia Smelting Corporation Berhad
(Incorporated in Malaysia)

Key audit matters (cont'd)

Provision for mine restoration costs

As disclosed in Note 29(a) and Note 3.2(a) to the financial statements, the Group recorded a provision for mine restoration costs of RM58.3 million (2023: RM53.9 million) in respect of mine restoration obligations of its subsidiary, Rahman Hydraulic Tin Sdn. Bhd. as at 31 December 2024. The Group has obtained approval from the relevant authorities on the original mine restoration plan and plan to submit the updated plan for enlarged area to the relevant authorities. The Group recognises a provision for these costs at each reporting date based on the estimated costs required to fulfil this obligation.

The timing of the cash outflow can only be confirmed by uncertain future events not wholly within the control of the Group and may develop in ways not initially expected. Therefore, the Group continually assesses the timing and development of the mine restoration plan, through discussion with the relevant authorities. Such assessment required management to make significant judgment and estimates. Accordingly, we consider this to be an area of audit focus.

In addressing this area of focus, we performed, amongst others, the following procedures:

(a) We evaluated the competence, capabilities and objectivity of the internal consultant and the external mine restoration consultant engaged by the Group.

(b) We obtained an understanding of the methodology adopted by the internal and external consultants in formulating the restoration plan.

(c) We also evaluated the significant cost components through enquiries with both internal and external consultants and, where relevant, we compared the cost components to past experience or quotations obtained from third party contractors and suppliers.

(d) We assessed whether the discount rate used in determining the net present value of the restoration cost reflects current market assessments of the time value of money to the liability.

(e) We also evaluated the adequacy of the Group's disclosure about the significant judgements and estimates involved in determining the provision for mine restoration costs.

Independent Auditors' Report

To the members of Malaysia Smelting Corporation Berhad
(Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. We have obtained the Directors' Report prior to the date of this auditors' report. The remaining other information expected to be included in the annual report are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information expected to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

To the members of Malaysia Smelting Corporation Berhad
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report

To the members of Malaysia Smelting Corporation Berhad
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

Independent Auditors' Report

To the members of Malaysia Smelting Corporation Berhad
(Incorporated in Malaysia)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Liew Foo Shen
No. 03349/01/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
15 April 2025

Statements of Profit or Loss

for the financial year ended 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Revenue	4	1,691,774	1,435,725	1,691,774	1,435,725
Other items of income					
Dividend income	5	3,364	2,303	43,685	35,048
Interest income	6	6,679	5,612	6,946	6,361
Other income	7	10,565	20,618	13,435	23,527
Expenses					
Costs of tin mining and smelting		(1,448,078)	(1,214,171)	(1,601,501)	(1,348,115)
Depreciation expense	9	(12,603)	(11,879)	(5,993)	(6,634)
Amortisation expenses	9	(1,046)	(1,024)	(3)	(3)
Employee benefits expense	10	(82,133)	(78,712)	(44,815)	(42,922)
Finance costs	11	(19,243)	(17,934)	(16,948)	(15,658)
Other expenses	12	(17,043)	(12,577)	(13,318)	(8,063)
Total expenses		(1,580,146)	(1,336,297)	(1,682,578)	(1,421,395)
Share of results of associate and joint venture		(233)	672	-	-
Profit before tax	8	132,003	128,633	73,262	79,266
Income tax expense	13	(38,469)	(31,417)	(8,738)	(9,335)
Profit net of tax		93,534	97,216	64,524	69,931
Attributable to:					
Owners of the Company		79,423	85,051	64,524	69,931
Non-controlling interests		14,111	12,165	-	-
		93,534	97,216	64,524	69,931

		Group 2024	Group 2023
Earnings per share attributable to owners of the Company (sen per share):			
- Basic and diluted	14	18.9	20.3

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Comprehensive Income

for the financial year ended 31 December 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit net of tax	93,534	97,216	64,524	69,931
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Revaluation reserves on properties, net	2,912	5,176	386	572
Net fair value changes in quoted investments at Fair Value through Other Comprehensive Income (“FVOCI”)	2,883	3,358	2,883	3,358
	5,795	8,534	3,269	3,930
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	5	(6)	-	-
Share of foreign currency translation of associate and joint venture	22	185	-	-
	27	179	-	-
Other comprehensive income for the year, net of tax	5,822	8,713	3,269	3,930
Total comprehensive income for the year	99,356	105,929	67,793	73,861
Total comprehensive income attributable to:				
Owners of the Company	85,214	93,750	67,793	73,861
Non-controlling interests	14,142	12,179	-	-
Total comprehensive income for the year	99,356	105,929	67,793	73,861

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Financial Position

as at 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Assets					
Non-current assets					
Property, plant and equipment	16	183,246	171,415	73,663	69,805
Right-of-use assets	17(a)	4,175	4,546	263	496
Land held for development		78,654	78,654	-	-
Intangible assets	18	142,291	142,430	134	137
Investments in subsidiaries	19	-	-	148,781	148,781
Investments in associate and joint venture	20	30,517	30,756	10,473	10,473
Investment securities	21	26,981	36,243	26,981	36,243
Mining assets	22	13,191	13,685	-	-
Other receivables	26	-	-	75,105	74,104
Deferred tax assets	23	4,125	5,349	334	3,934
		483,180	483,078	335,734	343,973
Current assets					
Inventories	24	615,844	595,240	625,825	594,396
Trade receivables	25	8,137	6,885	8,137	6,884
Other receivables	26	23,750	2,965	39,673	56,082
Trade prepayments	27	3,015	31,659	3,015	31,659
Other prepayments		3,238	2,184	1,594	1,468
Tax recoverable		14,789	5,391	3,483	-
Derivative financial instruments		37	-	37	-
Cash, bank balances and deposits	28	211,848	264,222	99,055	119,669
		880,658	908,546	780,819	810,158
Total assets		1,363,838	1,391,624	1,116,553	1,154,131

Statements of Financial Position
as at 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Equity and liabilities					
Current liabilities					
Provisions	29	16,529	1,641	15,590	759
Borrowings	30	343,236	317,543	343,236	317,543
Trade and other payables	31	124,579	127,692	184,086	167,336
Lease liabilities	17(b)	273	319	165	215
Current tax payable		4,385	5,350	-	3,292
		489,002	452,545	543,077	489,145
Net current assets		391,656	456,001	237,742	321,013
Non-current liabilities					
Provisions	29	59,303	70,165	-	14,487
Deferred tax liabilities	23	8,212	5,952	-	-
Borrowings	30	27,778	42,222	27,778	42,222
Lease liabilities	17(b)	4,003	4,283	94	266
		99,296	122,622	27,872	56,975
Total liabilities		588,298	575,167	570,949	546,120
Net assets		775,540	816,457	545,604	608,011
Equity attributable to owners of the Company					
Share capital	32	237,194	237,194	237,194	237,194
Other reserves	33	42,326	46,558	21,333	28,035
Retained earnings		429,624	470,378	287,077	342,782
		709,144	754,130	545,604	608,011
Non-controlling interests		66,396	62,327	-	-
Total equity		775,540	816,457	545,604	608,011
Total equity and liabilities		1,363,838	1,391,624	1,116,553	1,154,131

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 31 December 2024

		Attributable to owners of the Company								
			Non-distributable						Distributable	
Group	Note	Total equity RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	FVOCI reserves RM'000	Other reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000
At 1 January 2023		777,496	719,180	237,194	14,264	1,042	20,847	1,706	444,127	58,316
Profit for the year		97,216	85,051	-	-	-	-	-	85,051	12,165
Other comprehensive income		8,713	8,699	-	5,162	179	3,358	-	-	14
Total comprehensive income		105,929	93,750	-	5,162	179	3,358	-	85,051	12,179
Transactions with owners:										
Dividend on ordinary shares	15	(58,800)	(58,800)	-	-	-	-	-	(58,800)	-
Dividend to non-controlling interests		(8,168)	-	-	-	-	-	-	-	(8,168)
Total transactions with owners		(66,968)	(58,800)	-	-	-	-	-	(58,800)	(8,168)
At 31 December 2023		816,457	754,130	237,194	19,426	1,221	24,205	1,706	470,378	62,327

Statements of Changes in Equity

for the financial year ended 31 December 2024

			Attributable to owners of the Company							
				Non-distributable					Distributable	
Group	Note	Total equity RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	FVOCI reserves RM'000	Other reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000
At 1 January 2024		816,457	754,130	237,194	19,426	1,221	24,205	1,706	470,378	62,327
Profit for the year		93,534	79,423	-	-	-	-	-	79,423	14,111
Other comprehensive income		5,822	5,791	-	2,881	27	2,883	-	-	31
Total comprehensive income		99,356	85,214	-	2,881	27	2,883	-	79,423	14,142
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities	21	-	-	-	-	-	(9,971)	-	9,971	-
Transfer of share of associate's revaluation reserves to retained earnings upon disposal of the associate's property		-	-	-	(52)	-	-	-	52	-
Transactions with owners:										
Dividend on ordinary shares	15	(130,200)	(130,200)	-	-	-	-	-	(130,200)	-
Dividend to non-controlling interests		(10,073)	-	-	-	-	-	-	-	(10,073)
Total transactions with owners		(140,273)	(130,200)	-	-	-	-	-	(130,200)	(10,073)
At 31 December 2024		775,540	709,144	237,194	22,255	1,248	17,117	1,706	429,624	66,396

Statements of Changes in Equity

for the financial year ended 31 December 2024

			← Non-distributable	→	Distributable *
	Note	Total equity RM'000	Share capital RM'000	Revaluation reserves RM'000	FVOCI reserves RM'000	Retained earnings RM'000
Company						
At 1 January 2023		592,950	237,194	3,258	20,847	331,651
Profit for the year		69,931	-	-	-	69,931
Other comprehensive income		3,930	-	572	3,358	-
Total comprehensive income		73,861	-	572	3,358	69,931
Transaction with owners:						
Dividend on ordinary shares	15	(58,800)	-	-	-	(58,800)
At 31 December 2023		608,011	237,194	3,830	24,205	342,782

Statements of Changes in Equity

for the financial year ended 31 December 2024

Company	Note	Total equity RM'000	← Non-distributable → Share capital RM'000	Revaluation reserves RM'000	FVOCI reserves RM'000	Distributable * Retained earnings RM'000
At 1 January 2024		608,011	237,194	3,830	24,205	342,782
Profit for the year		64,524	-	-	-	64,524
Other comprehensive income		3,269	-	386	2,883	-
Total comprehensive income		67,793	-	386	2,883	64,524
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities	21	-	-	-	(9,971)	9,971
Transaction with owners:						
Dividend on ordinary shares	15	(130,200)	-	-	-	(130,200)
At 31 December 2024		545,604	237,194	4,216	17,117	287,077

* The Company is able to distribute dividends out of its entire retained earnings under the single-tier tax system.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Operating activities					
Profit before tax		132,003	128,633	73,262	79,266
Adjustments for:					
Amortisation	9	1,046	1,024	3	3
Depreciation	9	12,603	11,879	5,993	6,634
Dividend income	5	(3,364)	(2,303)	(43,685)	(35,048)
Fair value changes in forward currency contracts	7	(37)	(153)	(37)	(153)
Fair value changes in forward tin contracts	12	-	1,115	-	1,115
Interest expense		16,610	15,447	16,421	15,215
Interest income	6	(6,679)	(5,612)	(6,946)	(6,361)
Property, plant and equipment written off	12	296	61	228	61
Movement in provision for retrenchment compensation	10	971	1,680	971	1,680
Impairment/(Reversal of impairment) of trade and other receivables		1	(6)	-	(6)
Share of results of associate and joint venture		233	(672)	-	-
Unrealised loss on exchange	12	2,755	1,519	2,755	1,519
Unwinding of discount on provision	11	2,618	2,472	512	428
Operating cash flows before changes in working capital		159,056	155,084	49,477	64,353

Statements of Cash Flows

for the financial year ended 31 December 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating activities (cont'd)					
Increase in inventories		(20,604)	(24,531)	(31,429)	(27,710)
(Increase)/Decrease in receivables		(23,009)	22,848	(19,175)	24,081
Decrease in amount due from subsidiaries		-	-	5,262	4,427
Decrease in trade prepayments		28,644	34,844	28,644	34,844
Increase in other prepayments		(1,017)	(420)	(87)	(66)
Increase in payables		5,454	15,372	747	12,076
Increase/(Decrease) in amount due to subsidiaries		-	-	16,419	(14,289)
(Decrease)/Increase in amount due to an associate		(1,155)	517	(1,155)	517
Cash generated from operations		147,369	203,714	48,703	98,233
Income tax (paid)/refunded		(46,267)	(20,003)	(12,035)	9,207
Interest paid		(16,065)	(15,881)	(15,860)	(15,649)
Payment for retrenchment compensation	29	(1,139)	-	(1,139)	-
Net cash generated from operating activities		83,898	167,830	19,669	91,791
Investing activities					
Advances given to subsidiaries		-	-	(2,049)	(2,564)
Interest received		6,679	5,612	3,382	2,856
Dividend received from a subsidiary		-	-	72,963	11,487
Dividend received from an associate		28	75	28	75
Dividend received from investment securities	5	3,364	2,303	3,364	2,303
Payment for deferred mine exploration and evaluation expenditures and mine properties	22	(413)	(1,044)	-	-
Proceeds from disposal of investment securities		12,145	-	12,145	-
Purchase of property, plant and equipment		(18,952)	(15,301)	(9,338)	(5,780)
Net cash generated from/(used in) investing activities		2,851	(8,355)	80,495	8,377

Statements of Cash Flows

for the financial year ended 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Financing activities					
Dividend paid to shareholders	15	(130,200)	(58,800)	(130,200)	(58,800)
Dividend paid to a non-controlling shareholder of a subsidiary	19	(18,241)	(8,168)	-	-
Repayment of term loan		(26,667)	(11,111)	(26,667)	(11,111)
Drawdown of short term trade borrowings		36,619	33,070	36,619	33,070
Payment of lease liabilities	17(b)	(326)	(371)	(222)	(228)
Net cash used in financing activities		(138,815)	(45,380)	(120,470)	(37,069)
Net (decrease)/increase in cash and cash equivalents		(52,066)	114,095	(20,306)	63,099
Effect of changes in foreign exchange rates		(308)	(1,094)	(308)	(1,094)
Cash and cash equivalents as at 1 January		264,222	151,221	119,669	57,664
Cash and cash equivalents as at 31 December	28	211,848	264,222	99,055	119,669

Reconciliation of liabilities arising from financing activities:

Group

2024	Carrying amount as at 1 January 2024 RM'000	Cash flows RM'000	Non-cash changes: Foreign exchange movement RM'000	Carrying amount as at 31 December 2024 RM'000
Lease liabilities	4,602	(326)	-	4,276
Short term trade borrowings	290,876	36,619	1,297	328,792
Term loans	68,889	(26,667)	-	42,222
Total liabilities from financing activities	**364,367**	**9,626**	**1,297**	**375,290**

Statements of Cash Flows

for the financial year ended 31 December 2024

Reconciliation of liabilities arising from financing activities (cont'd):

Group

2023	Carrying amount as at 1 January 2023 RM'000	Cash flows RM'000	Non-cash changes Additions RM'000	Remeasure -ment RM'000	Foreign exchange movement RM'000	Carrying amount as at 31 December 2023 RM'000
Lease liabilities	4,914	(371)	601	(542)	-	4,602
Short term trade borrowings	257,865	33,070	-	-	(59)	290,876
Term loans	80,000	(11,111)	-	-	-	68,889
Total liabilities from financing activities	**342,779**	**21,588**	**601**	**(542)**	**(59)**	**364,367**

Company

2024	Carrying amount as at 1 January 2024 RM'000	Cash flows RM'000	Non-cash changes Foreign exchange movement RM'000	Carrying amount as at 31 December 2024 RM'000
Lease liabilities	481	(222)	-	259
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	**360,246**	**9,730**	**1,297**	**371,273**

2023	Carrying amount as at 1 January 2023 RM'000	Cash flows RM'000	Non-cash changes Foreign exchange movement RM'000	Carrying amount as at 31 December 2023 RM'000
Lease liabilities	709	(228)	-	481
Short term trade borrowings	257,865	33,070	(59)	290,876
Term loan	80,000	(11,111)	-	68,889
Total liabilities from financing activities	**338,574**	**21,731**	**(59)**	**360,246**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Notes to the Financial Statements

for the financial year ended 31 December 2024

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The Company is secondarily listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Registered Office and principal place of business of the Company is located at Lot 6, 8 & 9, Jalan Perigi Nanas 6/1, Pulau Indah Industrial Park, West Port, Port Klang, 42920 Pulau Indah, Selangor, Malaysia.

The immediate holding company of the Company is The Straits Trading Company Limited, a public limited liability company incorporated in Singapore and listed on the SGX-ST which publishes financial statements available for public use. The penultimate holding and ultimate holding companies of the Company are The Cairns Pte. Ltd. and Tan Chin Tuan Pte. Ltd. respectively, both of which are private limited liability companies incorporated in Singapore.

The principal activities of the Company are investment holding, the smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal under the MSC brand name and the sales and delivery of refined tin metal and by-products. The principal activities of the subsidiaries, associate and joint venture are set out in Notes 19 and 20 respectively.

There have been no significant changes in the nature of the principal activities during the financial year.

2. Summary of accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2. Summary of accounting policies (cont'd)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2024, the Group and the Company have adopted the following amendments to MFRS mandatory for annual financial periods beginning on or after 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 amendments did not have material impact on the financial statements of the Group and of the Company, except for:

Amendments to MFRS 101 Presentation of Financial Statements *(Non-current Liabilities with Covenants)*

The Amendments to MFRS 101 require an entity to disclose information about debt with covenants in the notes to the financial statements. The Amendments are expected to improve the information an entity provides about long-term debt with covenants by enabling investors to understand the risk that such debt could become repayable early.

The amendments have an impact on additional disclosures, but not on the classification of the Group's and the Company's liabilities. Refer to Note 30 for the disclosure on debt with covenants.

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following amendments and new standards that have been issued but not yet effective.

Description	*Effective for annual periods beginning on or after*
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates *(Lack of Exchangeability)*	1 January 2025
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures *(Amendments to the Classification and Measurement of Financial Instruments)*	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11 • 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

Notes to the Financial Statements

for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Description	*Effective for annual periods beginning on or after*
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures *(Contracts Referencing Nature-dependent Electricity)*	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

The Group and the Company will adopt the above amendments and new standards when they become effective. The adoption of the above amendments and standards do not have material impact on the financial statements of the Group and of the Company except for the amendment and new standard summarised below:

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures *(Amendments to the Classification and Measurement of Financial Instruments)*

New disclosure requirements are introduced in the amendments to MFRS 7 relating to investments in equity instruments designated at fair value through other comprehensive income.

MFRS 18 Presentation and Disclosure in Financial Statements

The newly introduced standard aims to provide better information about companies' financial performance. MFRS 18 Presentation and Disclosure in Financial Statements replaces MFRS 101 Presentation of Financial Statements. MFRS 18 aims to enhance financial reporting quality by:

- requiring defined subtotals in the statement of profit or loss;
- requiring disclosures about management-defined performance measures; and
- adding new principles for aggregation and disaggregation of information.

The Group and the Company are currently assessing the impact of MFRS 18 on presentation and disclosures in the financial statements.

Notes to the Financial Statements
for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Notes to the Financial Statements

for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.5 Subsidiaries

A subsidiary is an entity over which the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

2.6 Investments in associate and joint venture

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition, the investments in associate or joint venture are recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2. Summary of accounting policies (cont'd)

2.6 Investments in associate and joint venture (cont'd)

The financial statements of the associate and joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

In the Company's separate financial statements, investments in associate and joint venture are accounted for at cost less accumulated impairment losses, if any.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired.

The Group's intangible assets are mining rights and corporate club memberships.

Mining rights

Mining rights are the legal rights obtained on the land to explore for, develop and produce minerals. Mining rights acquired are stated at their fair values as at the date of acquisition. Following initial recognition, mining rights are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Mining rights are amortised based on the unit-of-production method so as to write off the mining rights in proportion to the depletion of the estimated economically recoverable ore resources. Changes in the estimated economically recoverable ore resources are accounted for on a prospective basis.

Notes to the Financial Statements

for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.7 Intangible assets (cont'd)

Mining rights (cont'd)

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

The remaining mine lives of the mining rights of the Group are as follows:

Mining rights	4 to 9 years

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

2.8 Mine exploration, evaluation expenditures, mine properties and mine restoration assets

a) Deferred mine exploration and evaluation expenditures

Exploration and evaluation activity includes:

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

2. Summary of accounting policies (cont'd)

2.8 Mine exploration, evaluation expenditures, mine properties and mine restoration assets (cont'd)

a) Deferred mine exploration and evaluation expenditures (cont'd)

License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised based on the unit-of-production method.

Mine exploration and evaluation expenditures incurred for a new area of interest are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits a reasonable assessment of the existence of economically recoverable ore resources. These costs also include directly attributable employee remuneration, materials used and overhead costs.

Once an economically mineable resource for an area of interest is established and development is sanctioned, such exploration and evaluation expenditures are transferred to mine properties. No amortisation is charged during the exploration and evaluation phase. The exploration and evaluation expenditures are charged to profit or loss when the Group concludes that the economically mineable resource for an area of interest is less likely to be realised.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

b) Mine properties

Mine properties are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

All expenditures incurred in connection with development activities in respect of each mine property, which includes all activities conducted in the preparation of economically recoverable ore resources until commercial production are accumulated in respect of each mine property.

Expenditure for a mine property which is considered to provide minimal benefit to future periods is recognised as an expense in profit or loss.

When production for a mine property commences, the accumulated cost for the mine property is amortised based on the unit-of-production method so as to write off the expenditure in proportion to the depletion of the estimated economically recoverable ore resources. Changes in the estimated economically recoverable ore resources are accounted for on a prospective basis.

A review is carried out annually on the carrying amount of a mine property to determine whether there is any indication of impairment. An impairment loss is recognised as an expense in profit or loss.

Notes to the Financial Statements
for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.8 Mine exploration, evaluation expenditures, mine properties and mine restoration assets (cont'd)

b) Mine properties (cont'd)

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

c) Mine restoration assets

In the tin mining subsidiaries, the initial cost of mine restoration assets is based on the initial estimate of the rehabilitation obligation. The mine restoration assets are depreciated using the unit-of-production method based on economically recoverable ore except in cases of assets whose useful life is shorter than the life of mine, in which case, the straight-line method is applied. Changes in the estimated economically recoverable ore resources and the useful lives of the mine restoration assets are accounted for on a prospective basis.

2.9 Mine restoration expenditure

Restoration expenditure incurred during the production phase of operations is recognised in profit or loss as part of the cost of production of the mine property concerned.

Significant mine restoration expenditure to be incurred subsequent to the cessation of production of each mine property is provided based on the present value of the estimated expenditure to be incurred.

2.10 Property, plant and equipment and depreciation

Property, plant and equipment, other than land and buildings are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciate them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

2. Summary of accounting policies (cont'd)

2.10 Property, plant and equipment and depreciation (cont'd)

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

The accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment of the Group and of the Company is provided for on a straight-line method to write off the cost of each asset to its residual value over the shorter of their estimated economic useful lives or life of the mine where appropriate. The estimated useful lives are as follows:

Leasehold land	80 years
Buildings	10 to 40 years
Plant, equipment and vehicles	3 to 25 years
Furniture	4 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively, if appropriate.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

2.11 Land held for development

Land held for development consists of freehold land (representing long-term inventories) on which no significant development work has been undertaken other than earthwork, infrastructure work and professional fees incurred to put the land ready for development or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Notes to the Financial Statements
for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.11 Land held for development (cont'd)

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Land held for development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

2.12 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.13 Financial assets

Initial recognition and measurement

Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer.

2. Summary of accounting policies (cont'd)

2.13 Financial assets (cont'd)

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

- Amortised cost

  Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

  The Group's and the Company's financial assets designated as amortised cost include trade receivables, other receivables and cash, bank balances and deposits.

- Fair value through other comprehensive income ("FVOCI")

  Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest rate method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

- Fair value through profit or loss

  Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in finance income.

  The Group's and the Company's financial assets designated as fair value through profit or loss include derivative financial instruments.

Notes to the Financial Statements
for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.13 Financial assets (cont'd)

Subsequent measurement (cont'd)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's and the Company's right to receive payments is established. For investments in equity instruments which the Group and the Company have not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

The Group's and the Company's financial assets designated as FVOCI include investment securities.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2.14 Impairment of financial assets

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset where practical. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

2. Summary of accounting policies (cont'd)

2.14 Impairment of financial assets (cont'd)

The Group and the Company measure the impairment loss based on the two-step approach to measure the Expected Credit Loss ("ECL") on financial assets:

- 12-months ECL

  For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

- Lifetime ECL

  For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of trading inventory of refined tin metal is determined on a first-in first-out basis.

Cost of tin inventories which have matching sales contract for refined tin metal from tin smelting operations, are stated at the value of such contract less cost of conversion. This value is consistent with cost, as it is the practice of the tin smelting operations of the Company to buy tin-in-concentrates and sell refined tin metal on a back-to-back price basis.

Cost of tin inventories which has no matching sales contract is calculated using the weighted average cost method.

Absorption costing is used in the mining operations to assign costs to tin inventories using the weighted average cost method which includes both variable and fixed overhead cost components.

Cost of other inventories comprising stores, spares, fuels, coals and consumables is determined using the weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2. Summary of accounting policies (cont'd)

2.16 Trade prepayments

Trade prepayments relate to provisional advances paid to suppliers for purchases of tin-in-concentrates. Balance payment to be made after finalisation of the account.

2.17 Cash, bank balances and deposits

Cash, bank balances and deposits in the statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash, bank balances and deposits as defined above.

2.18 Lease

The Group and the Company as lessee

Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group and the Company are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term of the assets. The remaining useful life of the right-of-use assets are as follows:

Leasehold land	26 to 88 years
Buildings	1 year
Motor vehicles	3 years

Right-of-use assets are subject to impairment.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

2. Summary of accounting policies (cont'd)

2.18 Lease (cont'd)

The Group and the Company as lessee (cont'd)

Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group and the Company use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to their short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.19 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Refer to Note 2.27(c) for accounting policy on provision for retrenchment compensation and Note 3.2(a) on provision for mine restoration.

2.20 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or payables. The Group and the Company determine the classification of their financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, borrowings, lease liabilities and derivative financial instruments.

Notes to the Financial Statements
for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.20 Financial liabilities (cont'd)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group and the Company that do not meet the hedge accounting criteria. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Trade and other payables, and borrowings

After initial recognition, trade and other payables, and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.21 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements
for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.22 Fair value measurement

The Group and the Company measure financial instruments such as derivatives, and non-financial assets such as properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 37(b).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the Financial Statements

for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.22 Fair value measurement (cont'd)

The Group and the Company determine the policies and procedures for recurring fair value measurement for properties and derivatives instruments such as forward currency contracts.

External valuers may be involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Group and the Company analyse the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's and the Company's accounting policies. For this analysis, the Group and the Company verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group and the Company also compare the change in the fair value of each asset and liability with relevant external sources, where practical to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Notes to the Financial Statements

for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.23 Foreign currencies (cont'd)

Transactions and balances (cont'd)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.24 Revenue and other income recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

(i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Notes to the Financial Statements
for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.24 Revenue and other income recognition (cont'd)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(i) Sale of tin

Revenue is recognised when "control" of the goods is transferred to the customer. For sale of tin through London Metal Exchange ("LME"), revenue is recognised upon issuance of tin warrant. Tin warrant is a document of possession, and it is used as the means of delivery of tin metal under LME contracts. For sale of tin to the end-customer, revenue is recognised upon delivery of tin to the customer, or according to the agreed Incoterms with customers.

(ii) Smelting revenue

Smelting revenue is recognised at a point in time upon performance of services. The Group and the Company act as an agent to provide tin smelting services on tin materials supply by the customers. The Group and the Company do not own and have no control of the tin materials.

(iii) Sale of by-products

Revenue is recognised upon delivery/shipment to the customer, or according to the agreed Incoterms with customers.

(iv) Others

Others represent delivery and handling service charges which are recognised upon performance of services.

(v) Other income

- Interest income is recognised on an accrual basis using effective interest rate method.
- Dividend income is recognised when the Group's and the Company's right to receive payment is established.

The Group's and the Company's normal trade credit terms range from cash term to 90 days. Other credit terms are assessed and approved on a case-by-case basis. There is no variable element in the promised amount of consideration. There is no significant financing component in the contract.

Contract liabilities are recognised as revenue when the Group and the Company perform under the contract. Further details are disclosed in Note 2.28.

2. Summary of accounting policies (cont'd)

2.25 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.26 Income tax

(a) Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group and the Company operate and generate taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except for:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements

for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.26 Income tax (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

2. Summary of accounting policies (cont'd)

2.27 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligations to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as expense in the period in which the related services are performed. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(c) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits when they are demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after reporting date are discounted to present value.

2.28 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group and the Company have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and the Company transfer goods or services to the customer, contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and the Company perform under the contract.

2.29 Segment reporting

For management purposes, the Group is organised into operating segments based on business segments which are independently managed by the respective segment chief operating officers responsible for the performance of the respective segments under their charge. The segment chief operating officers report directly to the chief executive officer of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

Notes to the Financial Statements

for the financial year ended 31 December 2024

2. Summary of accounting policies (cont'd)

2.29 Segment reporting (cont'd)

Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.31 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

3. Significant accounting judgements and estimates

The preparation of the financial statements of the Group and the Company requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

3.1 Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that has significant effect on the amounts recognised in the financial statements.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty

(a) Provision for mine restoration costs

Provision for mine restoration costs is made based on the present value of the estimated future expenditure to be incurred subsequent to the cessation of production. Significant management judgement and estimation are required in determining the estimated restoration cost. Further details in relation to the provision for mine restoration costs are disclosed in Note 29(a).

Where expectations from the relevant authorities differ from the plan submitted or actual amount differs from the original estimates, the differences may significantly impact the carrying amount of provision for mine restoration costs.

The provision for mine restoration costs is provided based on the following key assumptions:

- Estimated cost per hectare amounted to RM141,486;
- Average inflation rate of 2.2%; and
- Discount rate of 3.81%, based on the year with the most significant cash outflow.

The following demonstrates the sensitivity of the estimates to a reasonably possible change in the respective key assumptions, with all other variables held constant:

(i) If the estimated cost per hectare used in the calculation had been 5% higher or lower than management's estimate, the carrying amount of the provision would have been RM2,917,000 higher or lower.

(ii) If the discount rate used in the calculation had been 100 basis points higher or lower than management's estimate, the carrying amount of the provision would have been RM5,502,000 lower or higher.

(iii) If the inflation rate used in the calculation had been 20 basis points higher or lower than management's estimate, the carrying amount of the provision would have been RM1,198,000 higher or lower.

Notes to the Financial Statements

for the financial year ended 31 December 2024

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Income taxes

The Group and the Company are subject to income taxes in Malaysia. Significant judgement is required in determining the capital allowance, reinvestment allowance and mining allowances and deductibility of certain expenses and temporary differences during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision and tax recoverable in the period in which such determination is made.

The amount of income tax expense recognised in profit or loss at the reporting date is disclosed in Note 13.

(c) Ore reserve and resource estimates

Ore reserve and resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserve and resource based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. The standards and guidelines used in the resource estimation are in compliance with industry practice.

In the tin mining subsidiaries, property, plant and equipment including mine restoration asset used in mining are depreciated using the unit-of-production method based on economically recoverable ore resources except in cases of assets whose useful life is shorter than the life of mine, in which case, the straight-line method is applied. The current mining lease period of RHT which represents the useful life is up to 2034 may be extended subject to the approval from the authorities. Historically, the Group had obtained the renewal of mining lease from the authorities. Changes in estimated economically recoverable ore reserve, resource and useful lives of property, plant and equipment are accounted for on a prospective basis from the beginning of the year in which the changes arise. Changes in the estimated economically recoverable ore reserve, resource and expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charge could be revised. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 16.

Notes to the Financial Statements

for the financial year ended 31 December 2024

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(c) Ore reserve and resource estimates (cont'd)

The change in estimates of ore reserve and resource may impact the Group's reported financial position and results, in the following way:

- Depreciation and amortisation charges in the statement of profit or loss may change where such charges are determined using unit-of-production ("UOP") method, or where the useful life of the related assets change.

- The carrying value of mine properties, mining rights, property, plant and equipment where their depreciation and amortisation charges are determined using UOP method, may be affected.

The carrying value of RHT's mine properties, mining rights, property, plant and equipment where their depreciation and amortisation charges are determined using UOP method as at 31 December 2024 was RM60.4 million (2023: RM52.3 million). The Group estimated the remaining economic life of mine to be 8 years.

If the quantity of economically recoverable ore reserve and resource used in the calculation of depreciation and amortisation charge had been 10% lower than management's estimate, the accelerated depreciation and amortisation would have increased by RM6,040,000.

(d) Share of loss in investment in joint venture, KM Resources, Inc. ("KMR")

The Board of Directors is of the view that there is no obligation for the Group to inject any further capital into the joint venture either by way of subscription of new shares or by loan, in accordance with the Shareholders Agreement of the joint venture. Accordingly, the losses were shared up to the carrying amount of the investment in joint venture.

Further details of the investment in joint venture are disclosed in Note 20.

4. Revenue

	Group and Company	
	2024	**2023**
	RM'000	**RM'000**
Sale of tin	1,664,600	1,388,226
Smelting revenue	16,067	33,419
Sale of tin bearing slag	9,754	-
Sale of by-products	-	12,344
Others	1,353	1,736
	1,691,774	1,435,725

Notes to the Financial Statements

for the financial year ended 31 December 2024

4. Revenue (cont'd)

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 38. 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
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
	1,691,774	319,226	2,011,000	(319,226)	1,691,774
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
	1,435,725	284,903	1,720,628	(284,903)	1,435,725

There is no separate disclosure for the disaggregation of revenue for the Company as the Company has only one business segment, i.e. tin smelting.

5. Dividend income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Dividend income from:				
Investments in subsidiaries				
- Unquoted in Malaysia	-	-	40,293	32,670
Investments in associate and joint venture				
- Unquoted in Malaysia	-	-	28	75
Investment securities at FVOCI (Note 21)	3,364	2,303	3,364	2,303
	3,364	2,303	43,685	35,048

Notes to the Financial Statements
for the financial year ended 31 December 2024

6. Interest income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income from:				
- Subsidiaries	-	-	3,564	3,505
- Deposits placed with licensed banks	6,068	5,526	2,771	2,770
- Others	611	86	611	86
	6,679	5,612	6,946	6,361

7. Other income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Bad debts recovered	3,807	-	3,807	-
Management fee	-	-	3,000	3,000
Scrap sales	6,148	1,469	6,148	1,469
Net foreign exchange gain:				
- Realised	426	4,447	426	4,447
Net fair value changes in derivative financial instruments:				
- Forward currency contracts	37	153	37	153
Net gain from settlement of forward tin contracts	-	13,943	-	13,943
Miscellaneous income	147	606	17	515
	10,565	20,618	13,435	23,527

Notes to the Financial Statements

for the financial year ended 31 December 2024

8. Profit before tax

The following items have been included in arriving at the profit before tax:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
After charging/(crediting):				
Auditors' remuneration:				
- statutory audits	1,060	1,012	512	497
- other services	13	13	13	13
Cost of tin mining and smelting*	1,448,078	1,214,171	1,601,501	1,348,115
Directors' fees (Note 35(b))	809	1,034	809	936

* The costs of tin mining and smelting include cost of purchase and production costs (other than employee benefits expense, depreciation and amortisation).

9. Depreciation and amortisation expenses

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amortisation of mining rights (Note 18)	131	146	-	-
Amortisation of corporate club memberships (Note 18)	8	8	3	3
Amortisation of mine properties (Note 22)	907	870	-	-
Amortisation expenses	1,046	1,024	3	3
Depreciation of property, plant and equipment (Note 16)	12,232	11,537	5,760	6,401
Depreciation of right-of-use assets (Note 17(a))	371	342	233	233
Depreciation expenses	12,603	11,879	5,993	6,634

Notes to the Financial Statements
for the financial year ended 31 December 2024

10. Employee benefits expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages and salaries	70,007	66,904	37,221	35,248
Social security contribution	919	901	427	425
Contribution to defined contribution plan	7,312	6,883	4,041	3,810
Provision for retrenchment compensation	971	1,680	971	1,680
Other benefits	2,924	2,344	2,155	1,759
	82,133	78,712	44,815	42,922

11. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on advances from a subsidiary	-	-	16	-
Interest expense on bank borrowings	16,385	15,186	16,385	15,186
Interest expense on lease liabilities (Note 17(b))	225	261	20	29
Commitment fees	15	15	15	15
Unwinding of discount on provision	2,618	2,472	512	428
	19,243	17,934	16,948	15,658

12. Other expenses

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Administrative expenses	11,980	8,787	8,323	4,273
Marketing and distribution expenses	1,602	1,095	1,602	1,095
Net foreign exchange loss:				
- Unrealised	2,755	1,519	2,755	1,519
Property, plant and equipment written off	296	61	228	61
Net fair value changes in derivative financial instruments:				
- Forward tin contracts	-	1,115	-	1,115
Net loss from settlement of forward tin contracts	410	-	410	-
	17,043	12,577	13,318	8,063

Notes to the Financial Statements

for the financial year ended 31 December 2024

13. Income tax expense

Major components of income tax expense

The major components of income tax expense are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Statements of profit or loss				
Malaysian income tax:				
Current income tax	33,330	29,455	5,777	7,634
Under/(Over) provision in prior years	2,574	(450)	(517)	(43)
	35,904	29,005	5,260	7,591
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	2,633	2,714	3,509	2,171
Over provision in prior years	(68)	(302)	(31)	(427)
	2,565	2,412	3,478	1,744
Income tax expense recognised in profit or loss	38,469	31,417	8,738	9,335
Statements of comprehensive income				
Deferred tax related to item recognised in other comprehensive income (Note 23):				
Surplus on revaluation of properties	919	1,634	122	181

Current income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

Notes to the Financial Statements
for the financial year ended 31 December 2024

13. Income tax expense (cont'd)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	132,003	128,633	73,262	79,266
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	31,681	30,872	17,583	19,024
Income not subject to tax	(807)	(1,212)	(10,484)	(9,052)
Expenses not deductible for tax purpose	4,912	2,904	2,187	384
Share of results of associate and joint venture	56	(161)	-	-
Reinvestment allowance claimed	-	(551)	-	(551)
Deferred tax assets not recognised	121	317	-	-
Under/(Over) provision of income tax in prior years	2,574	(450)	(517)	(43)
Over provision of deferred tax in prior years	(68)	(302)	(31)	(427)
Income tax expense recognised in profit or loss	38,469	31,417	8,738	9,335

14. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Profit net of tax attributable to owners of the Company (RM'000)	79,423	85,051
Weighted average number of ordinary shares in issue ('000)	420,000	420,000
Basic and diluted earnings per share (sen)	18.9	20.3

Notes to the Financial Statements
for the financial year ended 31 December 2024

15. Dividends

Dividends recognised by the Company are as follows:

	2024 RM'000	2023 RM'000	Net dividend per ordinary share 2024 sen	Net dividend per ordinary share 2023 sen
In respect of the financial year ended 31 December 2023:				
First and final single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, for the year ended 31 December 2022, paid on 27 June 2023	-	29,400	-	7
A single-tier interim dividend of RM0.07 per share on 420,000,000 ordinary shares, for the year ended 31 December 2023, paid on 29 September 2023	-	29,400	-	7
A final single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, for the year ended 31 December 2023, paid on 28 June 2024	29,400	-	7	-
In respect of the financial year ended 31 December 2024:				
A first interim single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, for the year ended 31 December 2024, paid on 24 October 2024	29,400	-	7	-
A second interim single-tier special dividend of RM0.17 per share on 420,000,000 ordinary shares, for the year ended 31 December 2024, paid on 23 December 2024	71,400	-	17	-
	130,200	58,800	31	14

Notes to the Financial Statements
for the financial year ended 31 December 2024

16. Property, plant and equipment

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, equipment, vehicles and furniture RM'000	Mine restoration RM'000	Capital work-in-progress RM'000	Total RM'000
Cost or Valuation							
At 1 January 2024							
- At cost	-	-	-	177,580	45,109	17,398	240,087
- At valuation	327	38,300	27,281	-	-	-	65,908
	327	38,300	27,281	177,580	45,109	17,398	305,995
Additions	-	-	10	2,107	1,576	16,835	20,528
Written off	-	-	-	(478)	-	(68)	(546)
Transfer in/(out)	-	-	8,823	14,104	-	(22,927)	-
Revaluation surplus	-	3,125	706	-	-	-	3,831
Elimination of accumulated depreciation on revaluation	-	(525)	(1,339)	-	-	-	(1,864)
At 31 December 2024	327	40,900	35,481	193,313	46,685	11,238	327,944
Representing:							
- At cost	-	-	-	193,313	46,685	11,238	251,236
- At valuation	327	40,900	35,481	-	-	-	76,708
At 31 December 2024	327	40,900	35,481	193,313	46,685	11,238	327,944
Accumulated depreciation							
At 1 January 2024	-	-	-	115,580	19,000	-	134,580
Depreciation charge for the year (Note 9)	-	525	1,339	8,220	2,148	-	12,232
Written off	-	-	-	(250)	-	-	(250)
Elimination of accumulated depreciation on revaluation	-	(525)	(1,339)	-	-	-	(1,864)
At 31 December 2024	-	-	-	123,550	21,148	-	144,698
Net carrying amount							
Representing:							
- At cost	-	-	-	69,763	25,537	11,238	106,538
- At valuation	327	40,900	35,481	-	-	-	76,708
At 31 December 2024	327	40,900	35,481	69,763	25,537	11,238	183,246

Notes to the Financial Statements
for the financial year ended 31 December 2024

16. Property, plant and equipment (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, equipment, vehicles and furniture RM'000	Mine restoration RM'000	Capital work-in-progress RM'000	Total RM'000
Cost or Valuation							
At 1 January 2023							
- At cost	-	-	-	159,220	40,095	23,822	223,137
- At valuation	327	33,100	26,659	-	-	-	60,086
	327	33,100	26,659	159,220	40,095	23,822	283,223
Additions	-	-	55	1,398	5,014	13,848	20,315
Disposals	-	-	-	(358)	-	-	(358)
Written off	-	-	-	(2,477)	-	-	(2,477)
Transfer in/(out)	-	-	475	19,797	-	(20,272)	-
Revaluation surplus	-	5,614	1,196	-	-	-	6,810
Elimination of accumulated depreciation on revaluation	-	(414)	(1,104)	-	-	-	(1,518)
At 31 December 2023	327	38,300	27,281	177,580	45,109	17,398	305,995
Representing:							
- At cost	-	-	-	177,580	45,109	17,398	240,087
- At valuation	327	38,300	27,281	-	-	-	65,908
At 31 December 2023	327	38,300	27,281	177,580	45,109	17,398	305,995
Accumulated depreciation							
At 1 January 2023	-	-	-	110,164	17,171	-	127,335
Depreciation charge for the year (Note 9)	-	414	1,104	8,190	1,829	-	11,537
Disposals	-	-	-	(358)	-	-	(358)
Written off	-	-	-	(2,416)	-	-	(2,416)
Elimination of accumulated depreciation on revaluation	-	(414)	(1,104)	-	-	-	(1,518)
At 31 December 2023	-	-	-	115,580	19,000	-	134,580
Net carrying amount							
Representing:							
- At cost	-	-	-	62,000	26,109	17,398	105,507
- At valuation	327	38,300	27,281	-	-	-	65,908
At 31 December 2023	327	38,300	27,281	62,000	26,109	17,398	171,415

Notes to the Financial Statements
for the financial year ended 31 December 2024

16. Property, plant and equipment (cont'd)

Company	Buildings RM'000	Plant, equipment, vehicles and furniture RM'000	Capital work-in-progress RM'000	Total RM'000
Cost or Valuation				
At 1 January 2024				
- At cost	-	110,250	6,796	117,046
- At valuation	19,510	-	-	19,510
	19,510	110,250	6,796	136,556
Additions	-	-	9,338	9,338
Written off	-	(324)	-	(324)
Transfer in/(out)	3,753	4,582	(8,335)	-
Revaluation surplus	508	-	-	508
Elimination of accumulated depreciation on revaluation	(711)	-	-	(711)
At 31 December 2024	23,060	114,508	7,799	145,367
Representing:				
- At cost	-	114,508	7,799	122,307
- At valuation	23,060	-	-	23,060
At 31 December 2024	23,060	114,508	7,799	145,367
Accumulated depreciation				
At 1 January 2024	-	66,751	-	66,751
Depreciation charge for the year (Note 9)	711	5,049	-	5,760
Written off	-	(96)	-	(96)
Elimination of accumulated depreciation on revaluation	(711)	-	-	(711)
At 31 December 2024	-	71,704	-	71,704
Net carrying amount				
Representing:				
- At cost	-	42,804	7,799	50,603
- At valuation	23,060	-	-	23,060
At 31 December 2024	23,060	42,804	7,799	73,663

Notes to the Financial Statements

for the financial year ended 31 December 2024

16. Property, plant and equipment (cont'd)

Company	Buildings RM'000	Plant, equipment, vehicles and furniture RM'000	Capital work-in-progress RM'000	Total RM'000
Cost or Valuation				
At 1 January 2023				
- At cost	-	103,591	10,726	114,317
- At valuation	18,968	-	-	18,968
	18,968	103,591	10,726	133,285
Additions	-	-	5,780	5,780
Disposals	-	(358)	-	(358)
Written off	-	(2,218)	-	(2,218)
Transfer in/(out)	475	9,235	(9,710)	-
Revaluation surplus	753	-	-	753
Elimination of accumulated depreciation on revaluation	(686)	-	-	(686)
At 31 December 2023	19,510	110,250	6,796	136,556
Representing:				
- At cost	-	110,250	6,796	117,046
- At valuation	19,510	-	-	19,510
At 31 December 2023	19,510	110,250	6,796	136,556
Accumulated depreciation				
At 1 January 2023	-	63,551	-	63,551
Depreciation charge for the year (Note 9)	686	5,715	-	6,401
Disposals	-	(358)	-	(358)
Written off	-	(2,157)	-	(2,157)
Elimination of accumulated depreciation on revaluation	(686)	-	-	(686)
At 31 December 2023	-	66,751	-	66,751
Net carrying amount				
Representing:				
- At cost	-	43,499	6,796	50,295
- At valuation	19,510	-	-	19,510
At 31 December 2023	19,510	43,499	6,796	69,805

Notes to the Financial Statements
for the financial year ended 31 December 2024

16. Property, plant and equipment (cont'd)

Land and buildings owned by the Group and Company were revalued on 31 December 2024 based on valuations carried out by independent firms of professional valuers as follows:

Group

	Description of Properties	Valuation RM'000
(i)	Land and buildings in Pulau Indah Industrial Park	67,730
(ii)	80 units of flats in Bukit Mertajam	6,240
(iii)	Land and buildings in Daerah Hulu Perak	2,738
		76,708

Company

	Description of Properties	Valuation RM'000
(i)	Buildings in Pulau Indah Industrial Park	16,820
(ii)	80 units of flats in Bukit Mertajam	6,240
		23,060

Further details on the valuation are disclosed in Note 37(a).

Had the revalued properties been carried at historical cost less accumulated depreciation and accumulated impairment losses, if any, the net carrying amount of each class of the properties that would have been included in the financial statements of the Group and of the Company at the reporting date would be as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Freehold land	105	105	-	-
Leasehold land	23,333	23,657	-	-
Buildings	25,131	17,510	16,726	13,699

Notes to the Financial Statements
for the financial year ended 31 December 2024

17. Right-of-use assets and lease liabilities

(a) Right-of-use assets

Group	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 January 2024/ 31 December 2024	4,664	443	596	5,703
At 1 January 2023	5,206	443	596	6,245
Remeasurement	(542)	-	-	(542)
At 31 December 2023	4,664	443	596	5,703
Accumulated depreciation				
At 1 January 2024	614	210	333	1,157
Depreciation charge for the year (Note 9)	138	148	85	371
At 31 December 2024	752	358	418	1,528
At 1 January 2023	505	62	248	815
Depreciation charge for the year (Note 9)	109	148	85	342
At 31 December 2023	614	210	333	1,157
Net carrying amount				
At 31 December 2024	3,912	85	178	4,175
At 31 December 2023	4,050	233	263	4,546

17. Right-of-use assets and lease liabilities (cont'd)

(a) Right-of-use assets (cont'd)

Company	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 January 2023/ 31 December 2023/ 1 January 2024/ 31 December 2024	443	596	1,039
Accumulated depreciation			
At 1 January 2024	210	333	543
Depreciation charge for the year (Note 9)	148	85	233
At 31 December 2024	358	418	776
At 1 January 2023	62	248	310
Depreciation charge for the year (Note 9)	148	85	233
At 31 December 2023	210	333	543
Net carrying amount			
At 31 December 2024	85	178	263
At 31 December 2023	233	263	496

Notes to the Financial Statements
for the financial year ended 31 December 2024

17. Right-of-use assets and lease liabilities (cont'd)

(b) Lease liabilities

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Lease liabilities	4,003	4,283	94	266
Current				
Lease liabilities	273	319	165	215
Total lease liabilities	4,276	4,602	259	481

The movement of lease liabilities during the year is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	4,602	4,914	481	709
Additions	-	601	-	-
Remeasurement	-	(542)	-	-
Interest charged (Note 11)	225	261	20	29
Payments of:				
- Principal	(326)	(371)	(222)	(228)
- Interest	(225)	(261)	(20)	(29)
At 31 December	4,276	4,602	259	481

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Expense relating to short-term leases	2,015	3,236	2,015	2,512
Expense relating to leases of low-value assets	165	154	137	142

Notes to the Financial Statements

for the financial year ended 31 December 2024

18. Intangible assets

Group	Mining rights RM'000	Corporate club memberships RM'000	Total RM'000
Cost			
At 1 January 2024/ 31 December 2024	160,968	566	161,534
At 1 January 2023	160,434	566	161,000
Additions	534	-	534
At 31 December 2023	160,968	566	161,534
Accumulated amortisation and impairment losses			
At 1 January 2024	18,963	141	19,104
Amortisation for the year (Note 9)	131	8	139
At 31 December 2024	19,094	149	19,243
At 1 January 2023	18,817	133	18,950
Amortisation for the year (Note 9)	146	8	154
At 31 December 2023	18,963	141	19,104
Net carrying amount			
At 31 December 2024	141,874	417	142,291
At 31 December 2023	142,005	425	142,430

Company	Corporate club membership RM'000
Cost	
At 1 January 2023/ 31 December 2023/ 1 January 2024/ 31 December 2024	215
Accumulated amortisation and impairment losses	
At 1 January 2024	78
Amortisation for the year (Note 9)	3
At 31 December 2024	81
At 1 January 2023	75
Amortisation for the year (Note 9)	3
At 31 December 2023	78
Net carrying amount	
At 31 December 2024	134
At 31 December 2023	137

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18. Intangible assets (cont'd)

Mining rights

The mining rights are located in Hulu Perak, Perak and Sungai Lembing, Pahang. The mining rights located in Hulu Perak, Perak amounting to RM139,151,000 (2023: RM139,151,000) as at 31 December 2024 was tested for impairment annually and yet to be amortised as the operation has not commenced.

For impairment testing, the Group has reviewed the useful life of mine and the mining lease period, in which the Group will apply for extension of mining lease prior to the current mining lease expiring in November 2034. Other key assumptions used in the impairment testing were:

- Future tin prices were estimated to be RM138,150 per tonne (2023: RM110,400 per tonne)
- Discount rate of 14% (2023: 14%)
- Exchange rate of USD/MYR 4.5 (2023: USD/MYR 4.6)
- Estimated reserves of 24,739 tonnes of tin metal (2023: 26,447 tonnes)

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed their recoverable amounts.

19. Investments in subsidiaries

Company	2024 RM'000	2023 RM'000
Unquoted shares, at cost	148,781	148,781

Details of the subsidiaries of the Group and the Company are as follows:

Name of subsidiaries	Principal place of business	Principal activities	Proportion of ownership interest held by the Group^ 2024 %	Proportion of ownership interest held by the Group^ 2023 %	Proportion of ownership interest held by non-controlling interests^ 2024 %	Proportion of ownership interest held by non-controlling interests^ 2023 %
Held by the Company:						
Malaysia Smelting Corporation (Warehousing) Sdn. Bhd. ("MSCW")*	Malaysia	Tin warehousing	100	100	-	-
Rahman Hydraulic Tin Sdn. Bhd. ("RHT")*	Malaysia	Tin mining and investment holding	80	80	20	20
MSC Properties Sdn. Bhd. ("MSCP")*	Malaysia	Property holding and rental	100	100	-	-
Straits Resource Management Private Limited ("SRM")**	Malaysia	Dormant	100	100	-	-
M Smelt (C) Sdn. Bhd. ("M Smelt")*	Malaysia	Property holding and rental	100	100	-	-

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19. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal place of business	Principal activities	Proportion of ownership interest held by the Group^ 2024 %	2023 %	Proportion of ownership interest held by non-controlling interests^ 2024 %	2023 %
Held through subsidiaries:						
Held by RHT						
SL Tin Sdn. Bhd. ("SL Tin")*	Malaysia	Tin mining	64#	64#	36	36
Asas Baiduri Sdn. Bhd. ("ABSB")*	Malaysia	Tin mining and investment holding	80#	80#	20	20
Held by SRM						
PT SRM Indonesia ("PT SRM")***	Indonesia	Dormant	99#	99#	1	1
Held by ABSB						
Alaf Tenggara Sdn. Bhd. ("ATSB")*	Malaysia	Dormant	80#	80#	20	20

^ Equals to the proportion of voting rights held
* Audited by Ernst & Young PLT, Malaysia
** Audited by member firm of Ernst & Young Global in the respective country
*** Audited by firms of auditors other than Ernst & Young PLT
# Indirect interest

For all the subsidiaries, the principal place of business and the country of incorporation are the same except for SRM, which the country of incorporation is Singapore.

Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has subsidiaries that have NCI that is material to the Group.

31 December 2024

Name of subsidiaries	Principal place of business/ Country of incorporation	Proportion of ownership interest held by non-controlling interest	Profit/(Loss) allocated to NCI during the reporting period RM'000	Accumulated NCI at the end of reporting period RM'000
Rahman Hydraulic Tin Sdn. Bhd. ("RHT")	Malaysia	20%	14,316	38,914
Asas Baiduri Sdn. Bhd. ("ABSB")	Malaysia	20%	(11)	27,707

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19. Investments in subsidiaries (cont'd)

Interest in subsidiaries with material non-controlling interest ("NCI") (cont'd)

31 December 2023

Name of subsidiaries	Principal place of business/ Country of incorporation	Proportion of ownership interest held by non-controlling interest	Profit/(Loss) allocated to NCI during the reporting period RM'000	Accumulated NCI at the end of reporting period RM'000
Rahman Hydraulic Tin Sdn. Bhd. ("RHT")	Malaysia	20%	12,354	34,640
Asas Baiduri Sdn. Bhd. ("ABSB")	Malaysia	20%	(1)	27,718

Summarised financial information about RHT and its subsidiaries ("RHT Group") with material NCI

The summarised financial information of RHT Group are as follows:

Summarised statement of financial position

	2024 RM'000	2023 RM'000
Current		
Assets	213,712	228,736
Liabilities	(39,332)	(72,674)
Net current assets	174,380	156,062
Non-current		
Assets	224,237	216,754
Liabilities	(66,149)	(61,116)
Net non-current assets	158,088	155,638
Net assets	332,468	311,700
Accumulated NCI	66,396	62,327

Notes to the Financial Statements
for the financial year ended 31 December 2024

19. Investments in subsidiaries (cont'd)

Summarised financial information about RHT and its subsidiaries ("RHT Group") with material NCI (cont'd)

Summarised statement of profit or loss and statement of comprehensive income

	2024 RM'000	2023 RM'000
Revenue	319,226	284,903
Profit before tax	100,536	83,132
Income tax expense	(29,557)	(21,892)
Profit after tax	70,979	61,240
Other comprehensive income	156	68
Total comprehensive income	71,135	61,308
Profit allocated to NCI	14,111	12,165
Dividend paid to NCI	18,241	8,168
Dividend payable to NCI (Note 31)	-	8,168

Summarised cash flow information

	2024 RM'000	2023 RM'000
Operating	66,732	78,835
Investing	(7,275)	(8,027)
Financing	(91,307)	(19,797)
Net (decrease)/increase in cash and cash equivalents	(31,850)	51,011

Notes to the Financial Statements

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20. Investments in associate and joint venture

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Investment in associate				
In Malaysia:				
Unquoted shares, at cost	10,473	10,473	10,473	10,473
Share of post-acquisition reserves	20,044	20,283	-	-
	30,517	30,756	10,473	10,473
Investment in joint venture				
In Malaysia:				
Unquoted shares, at cost	8,193	8,193	8,193	8,193
Share of post-acquisition reserves	(1,154)	(1,154)	-	-
	7,039	7,039	8,193	8,193
Accumulated impairment losses	(7,039)	(7,039)	(8,193)	(8,193)
	-	-	-	-
Total investments in associate and joint venture	30,517	30,756	10,473	10,473

(i) Investment in associate

Details of the associate of the Group and the Company are as follows:

Name of associate	Principal place of business/ Country of incorporation	Principal activities	Proportion of ownership interest* 2024 %	Proportion of ownership interest* 2023 %	Accounting model applied
Held by the Company:					
Redring Solder (M) Sdn. Bhd. ("Redring")	Malaysia	Manufacture and sale of solder products and letting of properties	40	40	Equity method

* equals to the proportion of voting rights held

Investment in Redring, a solder manufacturer, is part of the Group's efforts to diversify the business to include downstream products.

The associate has the same reporting period as the Group.

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20. Investments in associate and joint venture (cont'd)

(i) Investment in associate (cont'd)

The summarised financial information of Redring, a material associate, based on its financial statements and a reconciliation with the carrying amount of Group's interest is set out below.

Summarised statement of financial position of Redring is as follows:

	2024 RM'000	2023 RM'000
Non-current assets	15,157	16,706
Current assets	65,529	68,648
Total assets	80,686	85,354
Current liabilities, representing total liabilities	4,393	8,464
Net assets	76,293	76,890

Summarised statement of profit or loss and statement of comprehensive income of Redring as follows:

	2024 RM'000	2023 RM'000
Revenue	92,189	82,524
Profit before tax	538	2,480
(Loss)/Profit for the year	(583)	1,680
Other comprehensive income	56	463
Total comprehensive (loss)/income	(527)	2,143

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in Redring:

	2024 RM'000	2023 RM'000
Net assets at 31 December	76,293	76,890
Interest in associate	40%	40%
Carrying value of Group's interest in associate	30,517	30,756

Notes to the Financial Statements

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20. Investments in associate and joint ventures (cont'd)

(ii) Investment in joint venture

Details of the joint venture of the Group and the Company are as follows:

Name of joint venture	Country of incorporation	Proportion of ownership interest* 2024 %	2023 %	Nature of relationship	Accounting model applied
Held by the Company:					
KM Resources, Inc. ("KMR")	Labuan, Malaysia	30	30	Note (a)	Equity method

* equals to the proportion of voting rights held

Note (a)

KMR is an investment holding company with subsidiaries in the Philippines involved in the mining and processing of copper, gold, zinc and silver. The subsidiaries of KMR in the Philippines have ceased the mining and processing operations due to depletion of mineral resources.

KMR has the same reporting period as the Group.

The Group has not recognised further loss relating to KMR and its subsidiaries where its share of loss exceeds the Group's interest in this joint venture. Significant accounting judgement in relation to the share of loss not recognised is disclosed in Note 3.2(d).

21. Investment securities

Group and Company	2024 RM'000	2023 RM'000
Equity securities		
Quoted investments	26,981	36,243

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period are as follows:

Group and Company	2024 RM'000	2023 RM'000
At FVOCI:		
- Equity securities (quoted)		
- Decklar Resources Inc. ("Decklar")	12	41
- Alphamin Resources Corp. ("Alphamin")	26,969	36,202
	26,981	36,243

Decklar and Alphamin are both incorporated in Canada and listed on the TSX Venture Exchange.

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21. Investment securities (cont'd)

The Group and the Company have elected to measure these equity securities at FVOCI as these shares are not held for trading.

Partial disposal of investment in Alphamin

During the year, the Group and the Company have partially disposed of investment in Alphamin in view of favorable share price. The shares disposed of had a fair value of RM12,145,000 at the date of derecognition. Total gain of RM9,971,000 was transferred from FVOCI reserves to retained earnings.

The Group and the Company received dividends income from Alphamin, recognised in profit or loss as follows:

	2024 RM'000	2023 RM'000
Group and Company		
Dividend income from Alphamin:		
- Related to investments derecognised during the period	1,005	-
- Related to investments held at the end of the reporting period	2,359	2,303
Total dividend income from investment securities at FVOCI (Note 5)	3,364	2,303

Subsequent to year end, Alphamin experienced a decline in its share price by circa 22%, following the temporary cessation of its mining operations at the Bisie tin mine in Walikale District, North Kivu Province of east-central Democratic Republic of the Congo in March 2025. In April 2025, Alphamin has initiated a phased resumption of its operations.

The sensitivity to the change in share price of Alphamin is disclosed in Note 36.

22. Mining assets

Group	Deferred mine exploration and evaluation expenditures RM'000	Mine properties RM'000	Total RM'000
Cost			
At 1 January 2024	1,537	24,229	25,766
Additions	413	-	413
Transfer (out)/in	(1,004)	1,004	-
At 31 December 2024	946	25,233	26,179
At 1 January 2023	1,326	23,396	24,722
Additions	506	538	1,044
Transfer (out)/in	(295)	295	-
At 31 December 2023	1,537	24,229	25,766

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22. Mining assets (cont'd)

Group	Deferred mine exploration and evaluation expenditures RM'000	Mine properties RM'000	Total RM'000
Accumulated amortisation			
At 1 January 2024	-	12,081	12,081
Amortisation for the year (Note 9)	-	907	907
At 31 December 2024	-	12,988	12,988
At 1 January 2023	-	11,211	11,211
Amortisation for the year (Note 9)	-	870	870
At 31 December 2023	-	12,081	12,081
Net carrying amount			
At 31 December 2024	946	12,245	13,191
At 31 December 2023	1,537	12,148	13,685

23. Deferred tax

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax liabilities/ (assets)				
At 1 January	603	(3,443)	(3,934)	(5,859)
Recognised in profit or loss (Note 13)	2,565	2,412	3,478	1,744
Recognised in other comprehensive income (Note 13)	919	1,634	122	181
At 31 December	4,087	603	(334)	(3,934)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(4,125)	(5,349)	(334)	(3,934)
Deferred tax liabilities	8,212	5,952	-	-
	4,087	603	(334)	(3,934)
Presented prior to offsetting as follows:				
Deferred tax assets	(14,646)	(15,718)	(9,412)	(13,037)
Deferred tax liabilities	18,733	16,321	9,078	9,103
	4,087	603	(334)	(3,934)

Notes to the Financial Statements
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23. Deferred tax (cont'd)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities

	Property, plant and equipment RM'000	Fair value changes on derivative financial instruments RM'000	Total RM'000
Group			
At 1 January 2024	16,321	-	16,321
Recognised in profit or loss	1,484	9	1,493
Recognised in other comprehensive income	919	-	919
At 31 December 2024	18,724	9	18,733
At 1 January 2023	12,448	231	12,679
Recognised in profit or loss	2,239	(231)	2,008
Recognised in other comprehensive income	1,634	-	1,634
At 31 December 2023	16,321	-	16,321
Company			
At 1 January 2024	9,103	-	9,103
Recognised in profit or loss	(156)	9	(147)
Recognised in other comprehensive income	122	-	122
At 31 December 2024	9,069	9	9,078
At 1 January 2023	8,475	231	8,706
Recognised in profit or loss	447	(231)	216
Recognised in other comprehensive income	181	-	181
At 31 December 2023	9,103	-	9,103

Notes to the Financial Statements

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23. Deferred tax (cont'd)

Deferred tax assets

	Unutilised tax losses and unabsorbed capital allowances RM'000	Receivables RM'000	Other provisions RM'000	Total RM'000
Group				
At 1 January 2024	-	(175)	(15,543)	(15,718)
Recognised in profit or loss	-	-	1,072	1,072
At 31 December 2024	-	(175)	(14,471)	(14,646)
At 1 January 2023	(1,937)	(177)	(14,008)	(16,122)
Recognised in profit or loss	1,937	2	(1,535)	404
At 31 December 2023	-	(175)	(15,543)	(15,718)
Company				
At 1 January 2024	-	(175)	(12,862)	(13,037)
Recognised in profit or loss	-	-	3,625	3,625
At 31 December 2024	-	(175)	(9,237)	(9,412)
At 1 January 2023	(1,937)	(177)	(12,451)	(14,565)
Recognised in profit or loss	1,937	2	(411)	1,528
At 31 December 2023	-	(175)	(12,862)	(13,037)

Deferred tax assets that have not been recognised are in respect of the following items:

	Group 2024 RM'000	Group 2023 RM'000
Unutilised business losses	8,126	6,887
Unabsorbed capital allowances	726	618
Other temporary difference	(4,270)	(3,428)
	4,582	4,077

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for the financial year ended 31 December 2024

23. Deferred tax (cont'd)

Deferred tax assets (cont'd)

The availability of unutilised business losses for offsetting against future taxable profits of the 2 subsidiaries of the Group are subject to a 10-year limitation on the carry forward of those losses under the Finance Bill 2021. The availability of the unutilised tax losses for offsetting against future taxable profits of the Company is also subject to no substantial changes in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

No deferred tax assets were recognised in respect of the above as it is not probable that future taxable profit will be available against which these items can be utilised.

Pursuant to the relevant tax regulations, the unutilised business losses at the end of the reporting period will expire as follows:

	Group	
	2024 RM'000	2023 RM'000
Expire in:		
YA 2029	747	747
YA 2030	1,004	1,004
YA 2031	1,376	1,376
YA 2032	1,788	1,788
YA 2033	1,972	1,972
YA 2034	1,239	-
	8,126	6,887

24. Inventories

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Tin inventories	595,329	572,066	610,762	577,622
Other inventories (stores, spares, fuels, coals and consumables)	20,515	23,174	15,063	16,774
	615,844	595,240	625,825	594,396

Tin inventories comprise feed materials or tin-in-concentrates, tin bearing intermediates or tin-in-process and refined tin metal.

The carrying amount of tin inventories includes allowance for tin loss of RM3,052,000 (2023: RM4,071,000).

The cost of inventories recognised as an expense in profit or loss is RM1,448,078,000 (2023: RM1,214,171,000) for the Group and RM1,601,501,000 (2023: RM1,348,115,000) for the Company.

Notes to the Financial Statements

for the financial year ended 31 December 2024

24. Inventories (cont'd)

Inventories are written down to its net realisable value when events or changes in circumstances indicate that the carrying amounts may not be fully recoverable, and the write-down is reversed when there is indication of recovery.

25. Trade receivables

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Current				
Third parties	8,861	7,608	8,860	7,607
Allowance for impairment				
- Third parties	(724)	(723)	(723)	(723)
Trade receivable, net	8,137	6,885	8,137	6,884
Add: **Other receivables (current and non-current)** (Note 26)	23,750	2,965	114,778	130,186
Add: **Cash, bank balances and deposits** (Note 28)	211,848	264,222	99,055	119,669
Total financial assets carried at amortised cost	243,735	274,072	221,970	256,739

Credit risk

The Group's and the Company's normal trade credit terms range from cash term to 90 days (2023: from cash term to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Other information on financial risks of trade receivables are disclosed in Note 36.

Notes to the Financial Statements
for the financial year ended 31 December 2024

25. Trade receivables (cont'd)

Credit risk (cont'd)

The aging analysis of trade receivables is as follows:

	Gross RM'000	Allowance for impairment RM'000	Net RM'000
Group			
At 31 December 2024			
Not past due	8,137	-	8,137
Past due:			
More than 120 days	724	(724)	-
Total	8,861	(724)	8,137
At 31 December 2023			
Not past due	6,875	-	6,875
Past due:			
30 to 60 days	9	-	9
61 to 90 days	1	-	1
More than 120 days	723	(723)	-
	733	(723)	10
Total	7,608	(723)	6,885

	Gross RM'000	Allowance for impairment RM'000	Net RM'000
Company			
At 31 December 2024			
Not past due	8,137	-	8,137
Past due:			
More than 120 days	723	(723)	-
Total	8,860	(723)	8,137
At 31 December 2023			
Not past due	6,874	-	6,874
Past due:			
30 to 60 days	9	-	9
61 to 90 days	1	-	1
More than 120 days	723	(723)	-
	733	(723)	10
Total	7,607	(723)	6,884

Notes to the Financial Statements

for the financial year ended 31 December 2024

25. Trade receivables (cont'd)

Credit risk (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

At the reporting date, the Group and the Company have no trade receivables (2023: RM3,373,000) arising from export sales which are to be settled via letters of credit issued by reputable banks in the countries where the customers are based.

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movements of allowance accounts used to record the impairment were as follows:

	Group		Company	
	Individually impaired			
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables-nominal amounts	724	723	723	723
Less: Allowance for impairment	(724)	(723)	(723)	(723)
	-	-	-	-

Movement in the allowance accounts:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	723	736	723	736
Impairment for the year	1	-	-	-
Reversal of impairment for the year	-	(13)	-	(13)
At 31 December	724	723	723	723

26. Other receivables

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
A subsidiary	a	-	-	75,105	74,104
Current					
Third parties		4,001	1,381	3,225	1,171
Subsidiaries	a	-	-	20,631	21,320
Joint venture		1	1	1	1
		4,002	1,382	23,857	22,492
Allowance for impairment - Third parties		(7)	(7)	(7)	(7)
		3,995	1,375	23,850	22,485
Margin deposits	b	14,896	-	14,896	-
Deposits		4,859	1,590	927	927
Dividend receivable from a subsidiary		-	-	-	32,670
Total other receivables (current)		23,750	2,965	39,673	56,082
Total other receivables (current and non-current)		23,750	2,965	114,778	130,186

(a) Amounts due from subsidiaries

The amount due from a subsidiary under non-current assets is unsecured and is charged with interest rate of 4.0% (2023: 4.0%) per annum. The amount is not expected to be fully repaid in near terms.

Amount due from subsidiaries under current assets are unsecured and repayable on demand and include an amount of RM18,937,000 (2023: RM19,600,000) where interest rate of 3.0% (2023: 3.0%) per annum is charged.

(b) Margin deposits

These are refundable deposits placed with brokers for London Metal Exchange for forward tin transactions.

Further details on related party transactions are disclosed in Note 35.

Other information on financial risks of other receivables are disclosed in Note 36.

Notes to the Financial Statements

for the financial year ended 31 December 2024

27. Trade prepayments

	2024 RM'000	2023 RM'000
Group and Company		
Trade prepayments	3,015	31,659

Trade prepayments relate to provisional advances paid to suppliers for purchases of tin-in-concentrates.

28. Cash, bank balances and deposits

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash on hand and at banks	75,287	68,709	65,362	58,918
Deposits of up to three months maturity with licensed banks	136,561	195,513	33,693	60,751
Cash, bank balances and deposits, representing cash and cash equivalents	211,848	264,222	99,055	119,669

Deposits are made for varying periods of between 1 day and 1 month (2023: between 1 day and 1 month) depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2024 for the Group and the Company were 2.8% (2023: 3.1%) and 3.2% (2023: 4.0%) per annum, respectively.

Notes to the Financial Statements
for the financial year ended 31 December 2024

29. Provisions

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Provision for mine restoration				
- RHT	58,337	53,897	-	-
- SL Tin	1,905	2,663	-	-
	60,242	56,560	-	-
Provision for retrenchment compensation	15,590	15,246	15,590	15,246
	75,832	71,806	15,590	15,246
Analysed as:				
Current	16,529	1,641	15,590	759
Non-current	59,303	70,165	-	14,487
Total	75,832	71,806	15,590	15,246

Provision for mine restoration

	Group 2024 RM'000	Group 2023 RM'000
At 1 January	56,560	49,502
Addition during the year	1,576	5,014
Unwinding of discount on provision	2,106	2,044
At 31 December	60,242	56,560
Current	939	882
Non-current:		
Later than 1 year but not later than 2 years	935	877
Later than 2 years but not later than 5 years	3,723	4,376
Later than 5 years	54,645	50,425
	59,303	55,678
	60,242	56,560

Notes to the Financial Statements
for the financial year ended 31 December 2024

29. Provisions (cont'd)

Provision for retrenchment compensation

	Group and Company	
	2024	2023
	RM'000	RM'000
At 1 January	15,246	13,138
Addition during the year	971	1,680
Unwinding of discount on provision	512	428
Paid during the year	(1,139)	-
At 31 December	15,590	15,246
Current	15,590	759
Non-current:		
Later than 1 year but not later than 2 years	-	14,487
	15,590	15,246

(a) Provision for mine restoration

The Group's tin mining activity is conducted principally through its subsidiary, RHT. RHT is obliged to restore and rehabilitate the mine subsequent to the cessation of production.

Mine restoration costs will be substantially incurred subsequent to the cessation of mine production. Please refer to Note 3.2(a) for significant accounting judgements and estimates made on the mine restoration costs.

RHT's original mine restoration plan amounting to RM28.9 million that was formulated by external consultant was approved by the relevant authorities in January 2024. No mine rehabilitation fund was placed with the State government to date, pending clarification from the State government on the payment plan.

Management plan to submit the updated mine restoration plan (including the enlarged disturbed area) amounting to RM68.5 million (net present value: RM58.3 million) to the relevant authorities. The mine restoration plan for the enlarged disturbed area is prepared by in-house consultant based on the methodology used by the external consultant in formulating the original mine restoration plan.

(b) Provision for retrenchment compensation

The provision amounting to RM15.6 million as at 31 December 2024 (2023: RM15.2 million) is the estimated compensation amount to be paid for the affected employees at the Company's existing tin smelting plant at Butterworth, which the planned closure is by end of 2025.

Notes to the Financial Statements
for the financial year ended 31 December 2024

30. Borrowings

	Group and Company 2024 RM'000	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
Total borrowings	371,014	359,765

Short term trade financing

Short term trade financing bears interest rates which range from 4.8% to 5.8% (2023: 6.0%) per annum.

Bankers' acceptances/ Trust receipts

Bankers' acceptances/ Trust receipts bear interest rates which range from 3.9% to 4.3% (2023: 3.7% to 4.4%) per annum.

Revolving credit

Revolving credit as at 31 December 2023 bears interest rates which range from 5.7% to 5.8% per annum.

Term loan

The term loan is denominated in Ringgit Malaysia. The term loan bears interest rate of 5.1% (2023: 5.2%) per annum and is collaterised by land held for development of a subsidiary. At the reporting date, the carrying amount of land held for development is RM78,654,000.

The term loan is subject to the following financial covenants:

a) the consolidated gearing ratio must be at any time not more than 2.0 times, and
b) the debt service cover ratio must be not less than 1.25 times at all times.

The Group has complied with these covenants.

Notes to the Financial Statements

for the financial year ended 31 December 2024

30. Borrowings (cont'd)

The remaining maturities of the borrowings at the reporting date are as follows:

	Group and Company 2024 RM'000	2023 RM'000
On demand or within one year	343,236	317,543
More than 1 year and less than 2 years	13,333	42,222
More than 2 years and less than 5 years	14,445	-
	371,014	359,765

Other information on financial risks on borrowings are disclosed in Note 36.

31. Trade and other payables

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Current					
Trade payables					
Third parties	a	57,148	52,476	47,006	46,388
Subsidiaries	a	-	-	84,011	67,592
		57,148	52,476	131,017	113,980
Other payables					
Third parties	b	19,211	19,640	12,056	13,185
Immediate holding company		55	59	55	58
Subsidiaries	c	-	-	-	22
		19,266	19,699	12,111	13,265
Advance from an associate		2,045	3,200	2,045	3,200
Contract liabilities		27,658	24,968	27,658	24,968
Accruals		18,462	19,181	11,255	11,923
Dividend payable to a non-controlling shareholder of a subsidiary (Note 19)		-	8,168	-	-
		67,431	75,216	53,069	53,356

Notes to the Financial Statements
for the financial year ended 31 December 2024

31. Trade and other payables (cont'd)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total trade and other payables	124,579	127,692	184,086	167,336
Add: **Borrowings** (Note 30)	371,014	359,765	371,014	359,765
Total financial liabilities carried at amortised cost	495,593	487,457	555,100	527,101

(a) Trade payables - third parties and subsidiaries

These are non-interest bearing and are normally settled by the Group and the Company on 60-day terms.

(b) Other payables - third parties

These are non-interest bearing and are normally settled by the Group and the Company on 90-day terms.

(c) Other payables - subsidiaries

These are unsecured and repayable on demand.

Further details on related party transactions are disclosed in Note 35.

Other information on financial risks of trade and other payables are disclosed in Note 36.

32. Share capital

	Number of ordinary shares '000	Amount RM'000
Company		
Issued and fully paid shares with no par value		
Ordinary shares		
At 1 January 2023/ 31 December 2023/ 1 January 2024/ 31 December 2024	420,000	237,194

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

Notes to the Financial Statements
for the financial year ended 31 December 2024

33. Other reserves (non-distributable)

Group	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	FVOCI reserves RM'000	Other reserve RM'000	Total RM'000
At 1 January 2024	19,426	1,221	24,205	1,706	46,558
Other comprehensive income:					
Revaluation reserves on properties, net	2,881	-	-	-	2,881
Net fair value changes in quoted investments at FVOCI	-	-	2,883	-	2,883
Foreign currency translation	-	5	-	-	5
Share of foreign currency translation of associate and joint venture	-	22	-	-	22
	2,881	27	2,883	-	5,791
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)
At 31 December 2024	22,255	1,248	17,117	1,706	42,326
At 1 January 2023	14,264	1,042	20,847	1,706	37,859
Other comprehensive income:					
Revaluation reserves on properties, net	5,162	-	-	-	5,162
Net fair value changes in quoted investments at FVOCI	-	-	3,358	-	3,358
Foreign currency translation	-	(6)	-	-	(6)
Share of foreign currency translation of associate and joint venture	-	185	-	-	185
	5,162	179	3,358	-	8,699
At 31 December 2023	19,426	1,221	24,205	1,706	46,558

Notes to the Financial Statements
for the financial year ended 31 December 2024

33. Other reserves (non-distributable) (cont'd)

	Revaluation reserves RM'000	FVOCI reserves RM'000	Total RM'000
Company			
At 1 January 2024	3,830	24,205	28,035
Other comprehensive income:			
Revaluation reserves on properties, net	386	-	386
Net fair value changes in quoted investments at FVOCI	-	2,883	2,883
	386	2,883	3,269
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities	-	(9,971)	(9,971)
At 31 December 2024	4,216	17,117	21,333
At 1 January 2023	3,258	20,847	24,105
Other comprehensive income:			
Revaluation reserves on properties, net	572	-	572
Net fair value changes in quoted investments at FVOCI	-	3,358	3,358
	572	3,358	3,930
At 31 December 2023	3,830	24,205	28,035

The nature and purpose of each category of reserve are as follows:

(a) Revaluation reserves

The account records increase in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity, net of tax.

(b) Foreign currency translation reserves

The account records the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also records the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, regardless of the currency of the monetary item.

(c) Fair value through other comprehensive income ("FVOCI") reserves

The account records the cumulative fair value changes of investment securities until they are derecognised and transferred to retained earnings.

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for the financial year ended 31 December 2024

34. Commitments and contingency

(a) Capital commitments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Capital expenditure:				
Approved and contracted for:				
- Property, plant and equipment	7,853	7,680	1,806	4,953
Approved but not contracted for:				
- Property, plant and equipment	4,074	7,061	-	-

(b) Legal claims

(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 RM31.3 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 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 amounting to RM9.0 million to IRB, pending resolution of the above matter.

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

35. Related party disclosures

(a) Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	Note	2024 RM'000	2023 RM'000
Group			
Associate:			
- Sales of products	(i)	46,426	39,709
Director:			
- Legal/Professional fee charges	(ii)	19	-
Company			
Subsidiaries:			
- Purchases of products	(iii)	319,226	284,903
- Interest income	(iv)	3,564	3,505
- Management fee income	(v)	3,000	3,000
- Advances given	(vi)	2,049	2,564
- Rental and service charges (including security services)	(vii)	5,967	4,746
Associate:			
- Sales of products	(i)	46,426	39,709
Director:			
- Legal/Professional fee charges	(ii)	10	-

(i) The sales of products to an associate have been made according to the agreed prices and conditions offered to the major customers of the Group and the Company. It is subject to the Group's and the Company's normal credit terms which range from cash to 30 days.

(ii) Legal/Professional fee was charged by a law firm where a director of the Company and a director of a subsidiary are partners of the said law firm.

(iii) The purchases of products from subsidiaries have been made according to the market prices and are normally settled by the Company on 60-day terms.

(iv) Interest is charged on certain amounts due from subsidiaries. Further details of amount due from subsidiaries are disclosed in Note 26.

(v) Management fee income is receivable from a subsidiary.

(vi) Advances given to subsidiaries are subject to interest as disclosed in Note 26.

(vii) Rental and service charges (including security services) are payable to subsidiaries for lease of office and factory buildings.

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for the financial year ended 31 December 2024

35. Related party disclosures (cont'd)

(a) Related party transactions (cont'd)

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 and 2023 are disclosed in Notes 26 and 31.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short term employee benefits	5,593	6,126	4,539	5,076
Post-employment benefits:				
- Defined contribution plan	616	659	476	523
	6,209	6,785	5,015	5,599

Included in the total compensation of key management personnel was:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors' fees (Note 8)	809	1,034	809	936

36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, liquidity risk, credit risk and market price risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their interest rate risk, foreign currency risk, liquidity risk, credit risk and market price risk. The policies for managing each of these risks are summarised below.

Notes to the Financial Statements
for the financial year ended 31 December 2024

36. Financial risk management objectives and policies (cont'd)

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to the Group's and the Company's cash deposits and debt obligations.

The Group and the Company had placed the cash deposits with reputable banks and financial institutions with a good mix of maturity periods to obtain the most favourable interest rates and ensure funds are available when required.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's and the Company's profit net of tax and equity through the impact on interest income from bank deposits and interest expense on floating rate borrowings at the reporting date:

	Increase (+)/ Decrease (-) in basis point	Group (Decrease)/ Increase in profit net of tax and equity RM'000	Company (Decrease)/ Increase in profit net of tax and equity RM'000
At 31 December 2024			
- Malaysian Ringgit	+25	(303)	(499)
	-25	303	499
- United States Dollar	+25	(142)	(142)
	-25	142	142
At 31 December 2023			
- Malaysian Ringgit	+25	(373)	(629)
	-25	373	629
- United States Dollar	+25	61	61
	-25	(61)	(61)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company have exposure to fluctuations in foreign exchange rates in business transactions. The Group and the Company have foreign exchange risk exposure mainly in United States Dollar.

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36. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk (cont'd)

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 and the Company held forward currency contracts to manage their foreign currency risk on expected future sales receivables and purchases payables in United States Dollar for actual and highly probable forecasted transactions.

At the reporting date, approximately:

(i) 72% (2023: 70%) of the Group's and 19% (2023: 5%) of the Company's trade and other receivables are denominated in foreign currencies, mainly in United States Dollar.

(ii) 34% (2023: 37%) of the Group's and 23% (2023: 28%) of the Company's trade and other payables are denominated in foreign currencies, mainly in United States Dollar.

(iii) 33% (2023: 34%) of the Group's and 71% (2023: 75%) of the Company's cash and bank deposits are denominated in foreign currencies, mainly in United States Dollar.

(iv) 23% (2023: 0.4%) of the Group's and the Company's borrowings are denominated in United States Dollar.

Forward currency contracts not designated as hedges

A net gain of RM37,000 (2023: RM Nil) for the Group and the Company with deferred tax expense of RM9,000 (2023: RM Nil) in the Group and the Company in respect of the forward currency contracts were recognised in profit or loss.

The following table demonstrates the sensitivity to a reasonably possible change in the United States Dollar ("USD") against the respective functional currencies of the Group entities, with all other variables held constant, of the Group's and the Company's profit net of tax and equity at the reporting date:

Group and Company		2024 (Decrease)/ Increase in profit net of tax and equity RM'000	2023 Increase/ (Decrease) in profit net of tax and equity RM'000
USD/RM	strengthened by 5%	(1,365)	1,854
	weakened by 5%	1,365	(1,854)

Notes to the Financial Statements

for the financial year ended 31 December 2024

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage their debt maturity profiles, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity risk management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group and the Company raise committed funding from financial institutions and prudently balance their portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	Note	Within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2024					
Financial liabilities:					
Non-derivative					
Borrowings:					
- Principal	30	343,236	27,778	-	371,014
- Interest		3,805	1,531	-	5,336
Trade and other payables		96,921	-	-	96,921
Lease liabilities					
- Principal	17(b)	273	584	3,419	4,276
- Interest		210	746	2,159	3,115
Total undiscounted financial liabilities		**444,445**	**30,639**	**5,578**	**480,662**

Notes to the Financial Statements

for the financial year ended 31 December 2024

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Group	Note	Within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2023					
Financial liabilities:					
Non-derivative					
Borrowings:					
- Principal	30	317,543	42,222	-	359,765
- Interest		3,718	30	-	3,748
Trade and other payables		102,724	-	-	102,724
Lease liabilities					
- Principal	17(b)	319	734	3,549	4,602
- Interest		224	779	2,336	3,339
Total undiscounted financial liabilities		**424,528**	**43,765**	**5,885**	**474,178**

Company	Note	Within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2024					
Financial liabilities:					
Non-derivative					
Borrowings:					
- Principal	30	343,236	27,778	-	371,014
- Interest		3,805	1,531	-	5,336
Trade and other payables		156,428	-	-	156,428
Lease liabilities					
- Principal	17(b)	165	94	-	259
- Interest		10	4	-	14
Total undiscounted financial liabilities		**503,644**	**29,407**	**-**	**533,051**

Notes to the Financial Statements
for the financial year ended 31 December 2024

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company	Note	Within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2023					
Financial liabilities:					
Non-derivative					
Borrowings:					
- Principal	30	317,543	42,222	-	359,765
- Interest		3,718	30	-	3,748
Trade and other payables		142,368	-	-	142,368
Lease liabilities					
- Principal	17(b)	215	266	-	481
- Interest		20	15	-	35
Total undiscounted financial liabilities		**463,864**	**42,533**	**-**	**506,397**

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Credit risks, or the risks of counterparties defaulting are controlled by the application of credit approvals, limit and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group's management reporting procedures. The Group and the Company place the cash deposits with reputable banks and financial institutions.

Notes to the Financial Statements

for the financial year ended 31 December 2024

36. Financial risk management objectives and policies (cont'd)

(d) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposures to credit risk are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company have a concentration of credit risk that may arise from exposure to a single debtor which constitutes approximately 66.2% (2023: 33.0%) of its trade receivables.

The Group and the Company determine concentrations of credit risk by monitoring the country profile of their trade and other receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade and other receivables (current and non-current) at the reporting date were as follows:

	2024		2023	
Group	**RM'000**	**% of total**	**RM'000**	**% of total**
By country:				
United Kingdom	14,896	47	3,435	35
Malaysia	8,855	28	2,972	30
Japan	5,424	17	2,274	23
Hong Kong and Taiwan	2,705	8	1,110	11
Others	7	-	59	1
	31,887	100	9,850	100

	2024		2023	
Company	**RM'000**	**% of total**	**RM'000**	**% of total**
By country:				
Malaysia	99,883	81	130,192	95
United Kingdom	14,896	12	3,435	2
Japan	5,424	5	2,274	2
Hong Kong and Taiwan	2,705	2	1,110	1
Others	7	-	59	-
	122,915	100	137,070	100

Notes to the Financial Statements
for the financial year ended 31 December 2024

36. Financial risk management objectives and policies (cont'd)

(d) Credit risk (cont'd)

Exposure to credit risk (cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 25. Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions or companies with high credit ratings and have no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 25.

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from their investment in quoted equity instruments. The quoted equity instruments outside Malaysia are listed on TSX Venture Exchange in Canada. These instruments are classified as financial assets at FVOCI.

The following table demonstrates the sensitivity to a reasonably possible change in the share price, with all other variables held constant, of the Group's and the Company's equity at the reporting date:

Group and Company		**2024 Increase/ (Decrease) in equity RM'000**	**2023 Increase/ (Decrease) in equity RM'000**
Share price	increased by 22% (2023: 5%)	5,797	1,812
	decreased by 22% (2023: 5%)	(5,797)	(1,812)

Notes to the Financial Statements
for the financial year ended 31 December 2024

36. Financial risk management objectives and policies (cont'd)

(f) Capital management

The Group's and the Company's policy are to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the various core businesses. The Group and the Company allocate the amount of capital in proportion to risk, manage the capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets or increase borrowings. The Group and the Company monitor the return of capital, which is defined as total shareholders' equity (excluding non-controlling interests), and gearing ratio.

The Group and the Company seek to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Share capital	237,194	237,194	237,194	237,194
Other reserves	42,326	46,558	21,333	28,035
Retained earnings	429,624	470,378	287,077	342,782
Total shareholders' equity	709,144	754,130	545,604	608,011
Non-controlling interests	66,396	62,327	-	-
Total equity	775,540	816,457	545,604	608,011
Total borrowings/ Bank borrowings (Note 30)	371,014	359,765	371,014	359,765
Gearing ratio (total borrowings/ bank borrowings over total equity)	0.5	0.4	0.7	0.6

Notes to the Financial Statements
for the financial year ended 31 December 2024

37. Fair value of assets and liabilities

(a) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of each class of assets and liabilities carried at fair value by level of fair value hierarchy:

Group	Date of valuation	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant other observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
At 31 December 2024					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2024	26,981	-	-	26,981
Revalued land and buildings (Note 16)					
- Land and buildings in Pulau Indah Industrial Park	31.12.2024	-	-	67,730	67,730
- 80 units flats in Bukit Mertajam	31.12.2024	-	-	6,240	6,240
- Land and buildings in Daerah Hulu Perak	31.12.2024	-	-	2,738	2,738
Derivative financial assets					
- Forward currency contracts	31.12.2024	-	37	-	37
		26,981	37	76,708	103,726

Notes to the Financial Statements

for the financial year ended 31 December 2024

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Group	Date of valuation	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant other observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
At 31 December 2023					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2023	36,243	-	-	36,243
Revalued land and buildings (Note 16)					
- Land and buildings in Pulau Indah Industrial Park	31.12.2023	-	-	57,790	57,790
- 80 units flats in Bukit Mertajam	31.12.2023	-	-	5,440	5,440
- Land and buildings in Daerah Hulu Perak	31.12.2023	-	-	2,678	2,678
		36,243	-	65,908	102,151

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Company	Date of valuation	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant other observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
At 31 December 2024					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2024	26,981	-	-	26,981
Revalued buildings (Note 16)					
- Buildings in Pulau Indah Industrial Park	31.12.2024	-	-	16,820	16,820
- 80 units flats in Bukit Mertajam	31.12.2024	-	-	6,240	6,240
Derivative financial assets					
- Forward currency contracts	31.12.2024	-	37	-	37
		26,981	37	23,060	50,078
At 31 December 2023					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2023	36,243	-	-	36,243
Revalued buildings (Note 16)					
- Buildings in Pulau Indah Industrial Park	31.12.2023	-	-	14,070	14,070
- 80 units flats in Bukit Mertajam	31.12.2023	-	-	5,440	5,440
		36,243	-	19,510	55,753

Notes to the Financial Statements
for the financial year ended 31 December 2024

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Fair value hierarchy

The Group and the Company 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)

Determination of fair value

Quoted equity instruments: Fair value is determined directly by reference to the published market closing price at the reporting date.

Derivatives: Forward currency contracts and forward tin contracts are valued using a valuation technique with market observable inputs. These contracts are valued by financial institutions.

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value RM'000	Valuation techniques	Significant unobservable inputs	Adjusting factor	Sensitivity of the input to fair value
Group					
At 31 December 2024					
Revalued land and buildings (Note 16)	76,708	Market comparable approach/ Depreciated replacement cost	Difference in location, zoning, size scheme, tenure and time	-15.0% to 25.0%	Every 1% increase or (decrease) in the adjustments would result in (decrease) or increase in fair value by RM370,000.
At 31 December 2023					
Revalued land and buildings (Note 16)	65,908	Market comparable approach/ Depreciated replacement cost	Difference in location, zoning, size and scheme	-15.0% to 25.0%	Every 1% increase or (decrease) in the adjustments would result in (decrease) or increase in fair value by RM448,000.

Description	Fair value RM'000	Valuation techniques
Company		
At 31 December 2024		
Revalued buildings (Note 16)	23,060	Market comparable approach/ Depreciated replacement cost
At 31 December 2023		
Revalued buildings (Note 16)	19,510	Market comparable approach/ Depreciated replacement cost

Notes to the Financial Statements
for the financial year ended 31 December 2024

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Movements in Level 3 assets measured at fair value

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 financial year ended 31 December 2024.

(b) Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments whose carrying amounts are reasonable approximation of fair value:

	Note
Trade receivables (current)	25
Other receivables (non-current)	26
Other receivables (current)	26
Borrowings (current)	30
Borrowings (non-current)	30
Trade and other payables (current)	31

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the non-current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

38. Segmental information

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.

Notes to the Financial Statements

for the financial year ended 31 December 2024

38. Segmental information (cont'd)

For management purposes, the Group is organised into two business segments within the tin industry, and has 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 tin resources and mining of tin.

(c) Others

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

Business segments

Management monitors the operating results of each business unit separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit before tax.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. These intercompany transactions are eliminated on consolidation.

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

	Note	Tin smelting RM'000	Tin mining RM'000	Others RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
2024						
Revenue						
Sales to external customers		1,691,774	-	-	-	1,691,774
Inter-segment sales		-	319,226	-	(319,226)	-
Total revenue		1,691,774	319,226	-	(319,226)	1,691,774

Notes to the Financial Statements

for the financial year ended 31 December 2024

38. Segmental information (cont'd)

Business segments (cont'd)

2024 (cont'd)	Note	Tin smelting RM'000	Tin mining RM'000	Others RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
Results						
Profit/(Loss) from operations		48,667	112,755	(35)	(9,908)	151,479
Finance costs		(16,320)	(2,311)	(612)	-	(19,243)
Share of results of associate and joint venture		-	-	(233)	-	(233)
Profit/(Loss) before tax		32,347	110,444	(880)	(9,908)	132,003
Income tax (expense)/credit		(8,912)	(31,935)	-	2,378	(38,469)
Profit/(Loss) net of tax		23,435	78,509	(880)	(7,530)	93,534
Assets						
Segment assets		962,302	356,088	26,989	(12,058)	1,333,321
Investments in associate and joint venture		-	-	30,517	-	30,517
Total assets		962,302	356,088	57,506	(12,058)	1,363,838
Liabilities						
Segment liabilities		492,498	95,641	159	-	588,298
Other segment information						
Additions of non-current assets						
- Property, plant and equipment	16	9,348	11,180	-	-	20,528
- Mining assets	22	-	413	-	-	413
Provision for retrenchment compensation	10	971	-	-	-	971
Depreciation expenses	9	7,020	5,583	-	-	12,603
Amortisation of mining rights	9	-	131	-	-	131
Amortisation of corporate club memberships	9	3	5	-	-	8
Amortisation of mine properties	9	-	907	-	-	907
Interest income	6	(3,382)	(3,297)	-	-	(6,679)

Notes to the Financial Statements
for the financial year ended 31 December 2024

38. Segmental information (cont'd)

Business segments (cont'd)

2023	Note	Tin smelting RM'000	Tin mining RM'000	Others RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
Revenue						
Sales to external customers		1,435,725	-	-	-	1,435,725
Inter-segment sales		-	284,903	-	(284,903)	-
Total revenue		1,435,725	284,903	-	(284,903)	1,435,725
Results						
Profit/(Loss) from operations		60,506	89,504	(19)	(4,096)	145,895
Finance costs		(14,940)	(2,276)	(718)	-	(17,934)
Share of results of associate and joint venture		-	-	672	-	672
Profit/(Loss) before tax		45,566	87,228	(65)	(4,096)	128,633
Income tax (expense)/credit		(9,525)	(22,782)	-	890	(31,417)
Profit/(Loss) net of tax		36,041	64,446	(65)	(3,206)	97,216
Assets						
Segment assets		956,073	373,070	36,252	(4,527)	1,360,868
Investments in associate and joint venture		-	-	30,756	-	30,756
Total assets		956,073	373,070	67,008	(4,527)	1,391,624
Liabilities						
Segment liabilities		483,219	91,784	164	-	575,167
Other segment information						
Additions of non-current assets						
- Property, plant and equipment	16	6,577	13,738	-	-	20,315
- Intangible assets	18	-	534	-	-	534
- Mining assets	22	-	1,044	-	-	1,044
Provision for retrenchment compensation	10	1,680	-	-	-	1,680
Depreciation expenses	9	7,324	4,555	-	-	11,879
Amortisation of mining rights	9	-	146	-	-	146
Amortisation of corporate club memberships	9	3	5	-	-	8
Amortisation of mine properties	9	-	870	-	-	870
Interest income	6	(2,856)	(2,756)	-	-	(5,612)

Notes to the Financial Statements

for the financial year ended 31 December 2024

38. Segmental information (cont'd)

Business segments (cont'd)

The following items were added to segment profit before tax to arrive at profit before tax as disclosed in the consolidated statement of profit or loss:

	Group	
	2024 RM'000	2023 RM'000
Realised profit arising from inter-segment sales	5,957	1,861
Unrealised profit arising from inter-segment sales	(15,865)	(5,957)
	(9,908)	(4,096)

The following item was deducted from segment assets to arrive at total assets as disclosed in the consolidated statement of financial position:

	Group	
	2024 RM'000	2023 RM'000
Unrealised profit arising from inter-segment sales, net of tax	(12,058)	(4,527)

Geographical information

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services. The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented.

Information about major customers

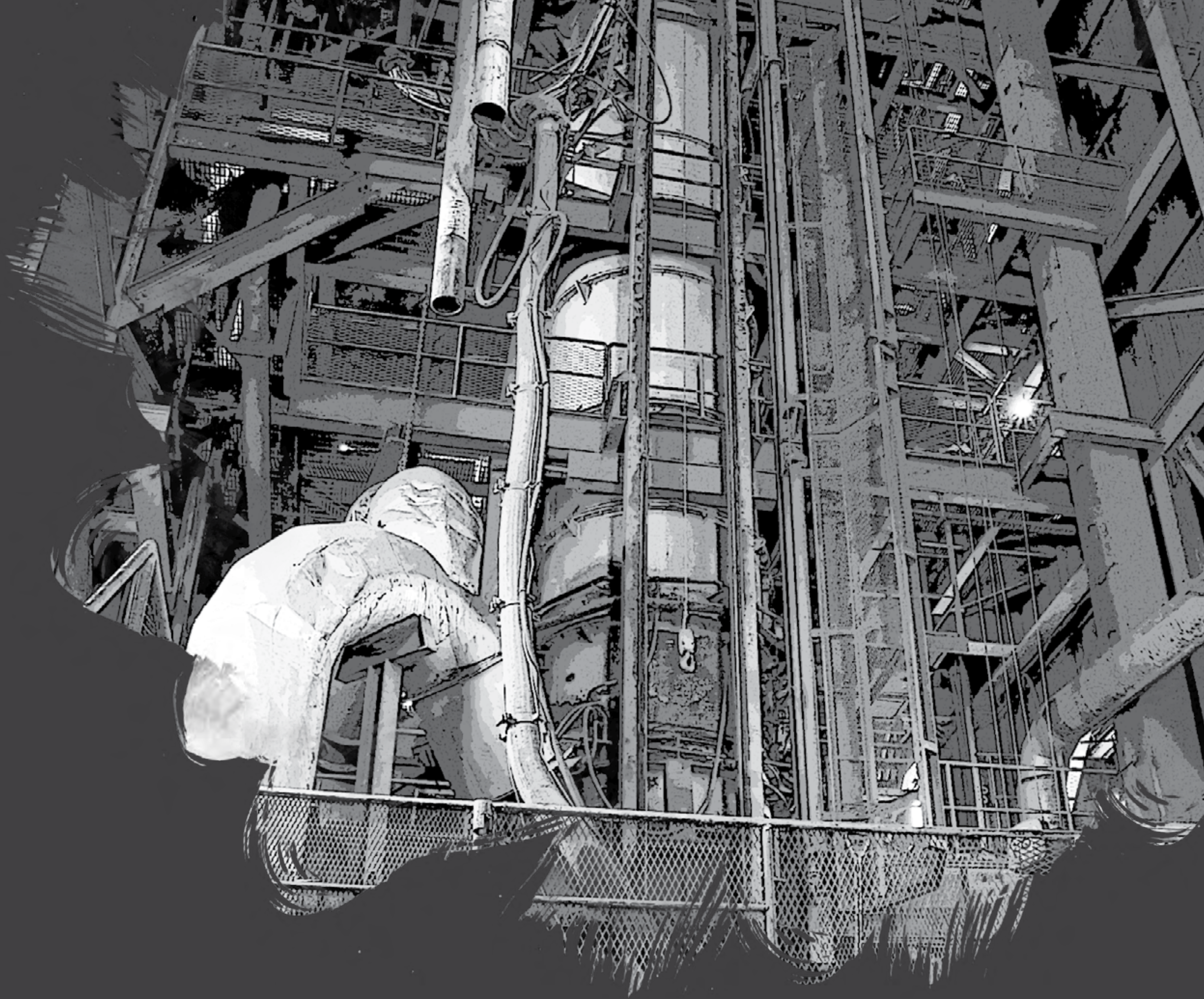
Revenue from five major customers totalling RM1,161,302,000, representing 69% of total revenue (2023: three major customers totalling RM605,462,000, representing 42% of total revenue), arising from sales by the tin smelting segment.

39. Significant event subsequent to the financial year end

On 4 March 2025, the Company announced a proposed bonus issue on the basis of one bonus share for every one existing share held by the shareholders of the Company whose names appear in the Company's Record of Depositors on the entitlement date to be determined later. The proposed bonus issue will increase the total number of issued shares of the Company from 420,000,000 shares to 840,000,000 shares.

40. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 15 April 2025.



SECTION 4

OTHER INFORMATION

List of Properties of the Group

31 December 2024

Location	Description	Approximate area	Tenure	Year of expiry	Approximate age of buildings	Net carrying amount at 31.12.2024 RM'000	Date of last revaluation
MALAYSIA							
1. Lot 6, 8 & 9 Jalan Perigi Nanas 6/1 Pulau Indah Industrial Park West Port, Port Klang 42920 Pulau Indah Selangor	Land with offices and factory buildings	48,725 sq. m	Leasehold	2097	1 to 23 years	67,730	31.12.2024
2. Taman Desa Palma, Alma, 14000 Bukit Mertajam	80 units of flats	4,880 sq. m	Freehold	–	24 years	6,240	31.12.2024
3. Mukim Pengkalan Hulu Daerah Hulu Perak							
(a) Lot 344 & 348	Land with buildings	3.78 hectares	Freehold	–	over 50 years	355	31.12.2024
(b) Lot 2163, 56711, 56740, 56741 & 2071	Land with buildings	6.94 hectares	Leasehold	2068-2111	43 to over 50 years	1,084	31.12.2024
(c) Lot 7700, 7701 & 7702 (formerly PT 1705, 1706 & 1707)	3 units of terrace houses	417 sq. m	Leasehold	2108	14 years	640	31.12.2024
(d) Lot 55671 and 55675	2 units of semi-detached houses	526 sq. m	Freehold	–	11 years	630	31.12.2024
4. Mukim Belukar Semang Daerah Hulu Perak							
(a) Lot 1886	Vacant land	0.4 hectares	Freehold	–	–	25	31.12.2024
(b) Lot 2546, 2547 & 2548	Land with buildings	7.01 hectares	Leasehold	2050	–	4	31.12.2024
5. Lots 20514 - 20517 Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang	For future development	51,755 sq. m	Freehold	–	–	78,654	30.09.2018

Tin Statistics

Deliveries of Refined Tin from MSC
(Tonnes Refined Tin by reported destination)

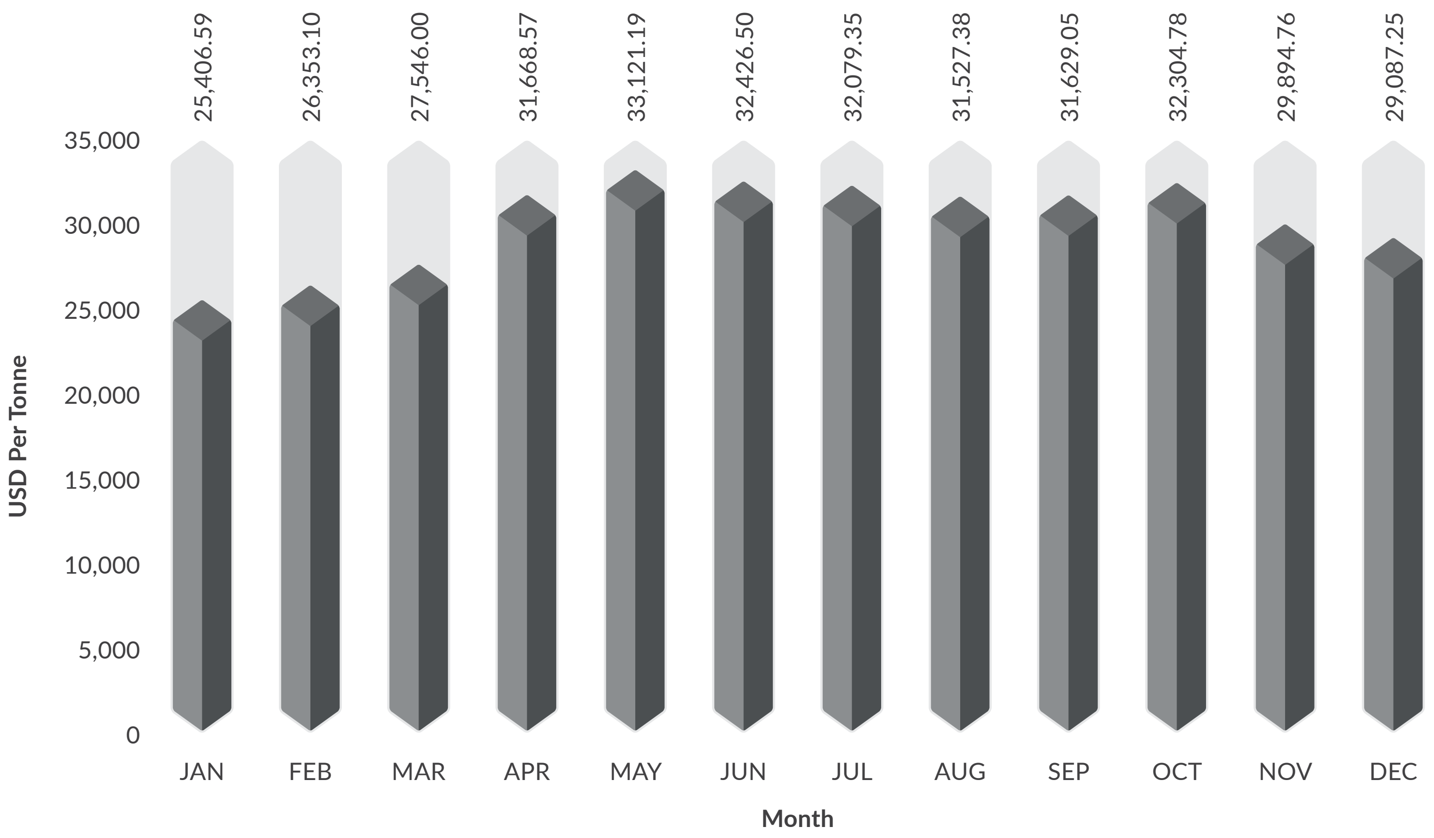
Destination	2020	2021	2022	2023	2024
Africa	450	100	75	40	70
Australia & New Zealand	50	-	-	-	20
China	1,281	120	1,859	2,276	1,777
EEC	1,244	891	800	1,104	238
India, Pakistan & Bangladesh	625	308	285	-	275
Japan	3,612	4,197	4,587	3,454	3,580
Korea	1,205	1,825	680	1,311	1,370
Middle East	933	425	329	380	495
Taiwan	1,717	774	581	423	414
Rest of Asia Pacific	2,421	480	1,103	1,240	60
USA, Canada & Central America	1,960	1,195	270	904	572
	15,498	**10,315**	**10,569**	**11,132**	**8,872**
Malaysia					
For domestic consumption*	7,100	5,818	8,148	9,912	7,673
	22,598	**16,133**	**18,717**	**21,044**	**16,545**

* *Include tin deliveries to LME warehouses in Port Klang*

Tin Statistics

YEAR	PRODUCTION OF TIN-IN-CONCENTRATES IN MALAYSIA (TONNES)	IMPORT OF FOREIGN TIN CONCENTRATES INTO MALAYSIA (TONNES)
2015	4,158	29,121
2016	4,123	27,535
2017	4,576	33,455
2018	3,850	32,785
2019	3,607	31,809
2020	4,128	29,889
2021	2,975	14,486
2022	3,517	21,255
2023	5,384	21,904
2024	5,707	13,824

2024 LME 3-MONTH BUYING AVERAGE TIN PRICES (USD PER TONNE)



Analysis of Shareholdings

As at 28 March 2025

No. of Issued Shares : 420,000,000 Ordinary Shares

Class of Shares : Ordinary Shares

Voting Rights : One (1) Vote per Ordinary Shares

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares Held	Percentage (%)
Less than 100	35	0.65	629	0.00
100 to 1,000	1,083	19.98	782,422	0.19
1,001 to 10,000	2,794	51.56	13,110,236	3.12
10,001 to 100,000	1,219	22.49	39,745,328	9.46
100,001 to less than 5% of issued shares	285	5.26	162,918,185	38.79
5% and above of issued shares	3	0.06	203,443,200	48.44
TOTAL	**5,419**	**100.00**	**420,000,000**	**100.00**

AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

	Direct Interest		Deemed Interest	
Directors	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
Ms. Chew Gek Khim PJG	1,696,500	0.40	-	-
Dato' Dr. (Ir.) Yong Mian Thong	506,500	0.12	-	-
Datuk Kamaruddin Bin Taib	-	-	-	-
Dato' Roslina Binti Zainal	-	-	-	-
Mr. Yap Seng Chong	-	-	-	-
Datuk Lim Hong Tat	-	-	-	-

Analysis of Shareholdings

As at 28 March 2025

THE 30 LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares Held	Percentage (%)
1	The Straits Trading Company Limited	112,360,000	26.75
2	Straits Trading Amalgamated Resources Sdn Bhd	69,498,000	16.55
3	Sword Investments Private Limited	21,585,200	5.14
4	Baxterley Holdings Private Limited	14,800,000	3.52
5	Neoh Choo Ee & Company, Sdn. Berhad	5,464,000	1.30
6	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 19)	5,334,000	1.27
7	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	4,661,700	1.11
8	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall-Cap Fund	4,167,900	0.99
9	Lim Khoon	3,538,400	0.84
10	Lee Pin	3,366,100	0.80
11	Olive Lim Swee Lian	3,210,500	0.76
12	Gan Yoon Soon	2,475,000	0.59
13	Chu Fong Hee	2,190,000	0.52
14	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Ong Tee Thong (PW-M00374) (952041)	2,090,600	0.50
15	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Faai @ Ng Yoke Pei (SRB/NPS)	2,070,000	0.49
16	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (UOB AMM6939-406)	2,062,300	0.49
17	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Mettiz Capital Sdn Bhd (PB)	2,000,000	0.48
18	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Raj Kumar A/L R Gopal Pillai	1,896,000	0.45
19	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mettiz Capital Sdn. Bhd.	1,889,800	0.45
20	OCBC Securities Private Ltd	1,823,800	0.43
21	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (EastspringESG)	1,803,100	0.43
22	Teck Trading Company Sendirian Berhad	1,750,200	0.42
23	Kenanga Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte Ltd (Client Account)	1,673,300	0.40
24	2G Capital Pte Ltd	1,600,000	0.38

Analysis of Shareholdings

As at 28 March 2025

THE 30 LARGEST SHAREHOLDERS (CONT'D)

No.	Shareholders	No. of Shares Held	Percentage (%)
25	Kuek Siaw Kia @ Quek Shiew Poh	1,576,000	0.38
26	Toh Yew Keong	1,554,200	0.37
27	Au Yong Mun Yue	1,530,000	0.36
28	Davinder Singh Dhillon	1,501,000	0.36
29	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Yoon Soon	1,500,000	0.36
30	Lim Boon Tat (Lin Wenda)	1,441,800	0.34

LIST OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Substantial Shareholders	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
The Straits Trading Company Limited	112,360,000	26.75	105,885,200*1	25.21
Straits Trading Amalgamated Resources Sdn. Bhd.	69,498,000	16.55	–	–
Sword Investments Private Limited	21,585,200	5.14	–	–
Tan Chin Tuan Pte. Ltd.	–	–	218,245,200*2	51.96
The Cairns Pte. Ltd.	–	–	218,245,200*2	51.96
Tecity Pte. Ltd.	–	–	218,245,200*2	51.96
Raffles Investments Pte. Ltd.	–	–	218,245,200*2	51.96
Aequitas Pte. Ltd.	–	–	218,245,200*2	51.96
Dr. Tan Kheng Lian	–	–	218,245,200*3	51.96

Notes:-

*1 *Held through Straits Trading Amalgamated Resources Sdn. Bhd., Sword Investments Private Limited, Baxterley Holdings Private Limited and Redring Solder (Malaysia) Sdn. Bhd.*

*2 *Tan Chin Tuan Pte. Ltd., The Cairns Pte. Ltd., Tecity Pte. Ltd., Raffles Investments Pte. Ltd. and Aequitas Pte. Ltd. hold not less than 20% of the voting shares in The Straits Trading Company Limited. Tan Chin Tuan Pte. Ltd. is the ultimate holding company for The Straits Trading Company Limited.*

*3 *Dr. Tan Kheng Lian holds not less than 20% of the voting shares in Tan Chin Tuan Pte. Ltd.*

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Sixth ("46th") Annual General Meeting ("AGM") of MALAYSIA SMELTING CORPORATION BERHAD (the "Company") will be held at Grand Suite, Level 7, Hilton Kuala Lumpur, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur, Malaysia on Thursday, 29 May 2025 at 11.00 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon. **{Please refer to Note B(1)}**

2. To approve the payment of a Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2024. **Resolution 1**

3. To approve the payment of Directors' Fees and Benefits of up to RM885,000.00 from 30 May 2025 until the next AGM of the Company to be held in year 2026. **Resolution 2**

4. To re-elect the following Directors of the Company who are retiring pursuant to Clause 102 of the Constitution of the Company:

   (i) Dato' Dr. (Ir.) Yong Mian Thong **Resolution 3**
   (ii) Datuk Lim Hong Tat **Resolution 4**

5. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions with or without modification:

6. **ORDINARY RESOLUTION -**
   AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 **Resolution 6 {Please refer to Note C(1)}**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue, subject to the Constitution of the Company and approval of all the relevant regulatory bodies being obtained for such allotment and issue."

Notice of Annual General Meeting

7. **ORDINARY RESOLUTION -**
PROPOSED BONUS ISSUE OF 420,000,000 NEW ORDINARY SHARES IN MSC ("MSC SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING MSC SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

Resolution 7
{Please refer to Note C(2)}

"THAT subject to the approvals being obtained from all relevant authorities and/or parties (where applicable), authority be and is hereby given to the Board of Directors of MSC ("Board") to issue and allot 420,000,000 Bonus Shares on the basis of 1 Bonus Share for every 1 existing MSC Share held by the shareholders whose names appear in the Record of Depositors of the Company at 5.00 p.m. on a Bonus Shares entitlement date to be determined and announced later ("Entitlement Date");

THAT fractional entitlements of Bonus Shares arising from the Proposed Bonus Issue, if any, shall be dealt with in such manner as the Board in its absolute discretion deems fit and expedient and in the best interest of the Company;

THAT the Bonus Shares in respect of the Proposed Bonus Issue shall be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves;

THAT the Bonus Shares will, upon allotment and issuance, rank pari passu in all respects with the then existing MSC Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the Entitlement Date;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

8. To transact any other business of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of shareholders at the 46th AGM, a Final Single-Tier Dividend of RM0.07 sen per share in respect of the financial year ended 31 December 2024 will be paid to shareholders on 26 June 2025. The entitlement date for the said Dividend shall be on 16 June 2025.

A Depositor shall qualify for entitlement to the Dividend only in respect of:

(a) Shares transferred to the Depositor's securities account before 4.30 p.m. on 16 June 2025 in respect of transfers.
(b) Shares bought on Bursa Malaysia Securities Berhad and Singapore Exchange Securities Trading Limited on cum entitlement basis according to the Rules of the respective Exchanges.

BY ORDER OF THE BOARD

WONG YOUN KIM
SSM PC No. 201908000410
(MAICSA 7018778)
Company Secretary
Date: 30 April 2025

Notice of Annual General Meeting

Explanatory Notes:

A) Appointment of Proxy

1. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 23 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

2. *A member entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company and there is no restriction as to the qualification of a proxy.*

3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*

4. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than twenty-four (24) hours before the time appointed for taking of the poll at the meeting or any adjournment thereof. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the AGM or Adjourned AGM.*

6. *If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.*

7. *Pursuant to paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote on poll.*

B) Ordinary Business

1. *Audited Financial Statements for the financial year ended 31 December 2024*

   Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders and hence, this item on the Agenda will not be put for voting.

C) Special Business

1. *Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares*

   The Company had, during its last AGM held on 29 May 2024, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Sections 75 and 76 of the Companies Act 2016, which will lapse at the conclusion of 46th AGM to be held on 29 May 2025.

   The renewal of this mandate will provide flexibility to the Company for any fundraising activities, including but not limited to placing of shares, for purpose of funding future investment, working capital and/or acquisitions.

   Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the 45th AGM as the need does not arise for any fund raising activity for the purpose of investment, acquisition or working capital.

2. *Proposed Bonus Issue*

   The proposed adoption of Resolution 7 is to give authority to the Board to issue and allot 420,000,000 Bonus Shares on the basis of 1 Bonus Share for every 1 existing MSC Share held by the shareholders whose names appear in the Record of Depositors of the Company at 5.00 p.m. on a Bonus Shares entitlement date to be determined and announced later. Please refer to the Company's Circular to shareholders in relation to the Proposed Bonus Issue dated 30 April 2025 for further information.

Statement Accompanying the Notice of Annual General Meeting

1. The Directors who are standing for re-election at the Forty-Sixth ("46th") Annual General Meeting of the Company pursuant to Clause 102 of the Company's Constitution are Dato' Dr. (Ir.) Yong Mian Thong and Datuk Lim Hong Tat.

2. The details of the above Directors seeking re-election is set out in the Profile of Directors as disclosed on page 10 of this Annual Report.

3. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2024 are disclosed in the Corporate Governance Overview Statement set out on page 69 of this Annual Report.

4. The details of the interest of the Directors in the securities of the Company are stated on page 207 of the Company's Annual Report 2024.

5. Details of the general mandate for issue of securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note C of the Notice of AGM.

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