



MALAYSIA SMELTING CORPORATION BERHAD

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

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

18 February 2022



Malaysia Smelting Corporation Berhad (197801006055 (43072-A))
Interim Financial Report
For the Fourth Quarter ended 31 December 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

| | | As at 31.12.2021 Unaudited RM'000 | As at 31.12.2020 Audited RM'000 |
|--|-------------|--|--|
| Assets | Note | | |
| Non-current assets | | | |
| Property, plant and equipment | | 138,240 | 137,912 |
| Right-of-use assets | | 5,300 | 6,918 |
| Land held for development | | 78,654 | 78,654 |
| Intangible assets | | 3,595 | 3,165 |
| Investments in associates and joint ventures | | 30,477 | 25,999 |
| Investment securities | | 58,456 | 23,359 |
| Other non-current assets | | 13,734 | 12,167 |
| Deferred tax assets | | 6,348 | 9,085 |
| | | 334,804 | 297,259 |
| Current assets | | | |
| Inventories | | 789,862 | 604,131 |
| Trade receivables | B5 | 11,288 | 25,576 |
| Other receivables | | 546 | 1,148 |
| Trade prepayments | | 36,505 | 10,255 |
| Other prepayments | | 1,250 | 1,056 |
| Tax recoverable | | 17,539 | 17,588 |
| Derivative financial instruments | | - | 625 |
| Cash, bank balances and deposits | | 122,576 | 36,846 |
| | | 979,566 | 697,225 |
| Total assets | | 1,314,370 | 994,484 |
| Equity and liabilities | | | |
| Current liabilities | | | |
| Provisions | | - | 13,798 |
| Borrowings | B6 | 416,306 | 355,223 |
| Trade and other payables | | 187,931 | 133,127 |
| Lease liabilities | | 380 | 1,621 |
| Current tax payable | | 29,335 | 607 |
| Derivative financial instruments | | 310 | 1,075 |
| | | 634,262 | 505,451 |
| Net current assets | | 345,304 | 191,774 |
| Non-current liabilities | | | |
| Provisions | | 52,461 | 39,128 |
| Deferred tax liabilities | | 2,961 | 2,554 |
| Borrowings | B6 | 40,000 | 49,357 |
| Lease liabilities | | 4,045 | 4,187 |
| Derivative financial instruments | | - | 531 |
| | | 99,467 | 95,757 |
| Total liabilities | | 733,729 | 601,208 |
| Net assets | | 580,641 | 393,276 |
| Equity attributable to owners of the Company | | | |
| Share capital | | 237,194 | 200,000 |
| Other reserves | | 57,517 | 21,832 |
| Retained earnings | | 285,727 | 171,669 |
| | | 580,438 | 393,501 |
| Non-controlling interest | | 203 | (225) |
| Total Equity | | 580,641 | 393,276 |
| Total equity and liabilities | | 1,314,370 | 994,484 |
| Net assets per share attributable to owners of the Company (RM) | | 1.38 | 0.98 |

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Note | 4 th Quarter 3 months ended | | Year to Date 12 months ended | |
|--|------------|--------------------------------|----------------------|---------------------------------|----------------------|
| | | 31.12.2021 RM'000 | 31.12.2020 RM'000 | 31.12.2021 RM'000 | 31.12.2020 RM'000 |
| Revenue | A8 | 255,057 | 232,574 | 1,076,560 | 813,359 |
| Operating profit | | 88,539 | 29,010 | 169,697 | 44,400 |
| Finance costs | | (4,351) | (4,411) | (15,768) | (15,961) |
| Share of results of associates and joint ventures | | 1,028 | (4,139) | 4,433 | (4,254) |
| Profit before tax | B2 | 85,216 | 20,460 | 158,362 | 24,185 |
| Income tax expense | B3 | (20,665) | (6,052) | (39,876) | (9,535) |
| Profit net of tax | | 64,551 | 14,408 | 118,486 | 14,650 |
| Attributable to: | | | | | |
| Owners of the Company | | 64,069 | 14,920 | 118,058 | 15,164 |
| Non-controlling interests | | 482 | (512) | 428 | (514) |
| | | 64,551 | 14,408 | 118,486 | 14,650 |
| Earnings per share attributable to owners of the Company (sen): | | | | | |
| Basic and diluted | B12 | 15.3 | 3.7 | 28.3 | 3.8 |

The unaudited condensed consolidated statement of profit or loss should be read in conjunction with the audited annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | 4 th Quarter | | Year to Date | |
|---|----------------|---------------|-----------------|---------------|
| | 3 months ended | | 12 months ended | |
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit net of tax | 64,551 | 14,408 | 118,486 | 14,650 |
| Other comprehensive income: | | | | |
| Items that will not be reclassified to profit or loss: | | | | |
| Revaluation reserves on property, plant and equipment, net | 546 | 4,083 | 546 | 4,083 |
| Net fair value changes in quoted investments at Fair Value through Other Comprehensive Income ("FVOCI") | 8,375 | 9,447 | 35,097 | 13,597 |
| | <u>8,921</u> | <u>13,530</u> | <u>35,643</u> | <u>17,680</u> |
| Items that may be subsequently reclassified to profit or loss: | | | | |
| Foreign currency translation | - | 3 | (3) | 2 |
| Share of foreign currency translation of associate and joint venture | (34) | (621) | 45 | (250) |
| | <u>(34)</u> | <u>(618)</u> | <u>42</u> | <u>(248)</u> |
| Other comprehensive income for the year, net of tax | 8,887 | 12,912 | 35,685 | 17,432 |
| Total comprehensive income for the year | <u>73,438</u> | <u>27,320</u> | <u>154,171</u> | <u>32,082</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 72,956 | 27,832 | 153,743 | 32,596 |
| Non-controlling interests | 482 | (512) | 428 | (514) |
| | <u>73,438</u> | <u>27,320</u> | <u>154,171</u> | <u>32,082</u> |

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Report.



Malaysia Smelting Corporation Berhad (197801006055 (43072-A))
Interim Financial Report
For the Fourth Quarter ended 31 December 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | 31.12.2021 | 12 months ended 31.12.2020 |
|---|----------------|-------------------------------|
| | RM'000 | RM'000 |
| Operating activities | | |
| Operating cash flows before changes in working capital | 153,883 | 56,865 |
| Increase in inventories | (161,731) | (129,588) |
| Decrease/(Increase) in trade and other receivables | 14,917 | (10,145) |
| Increase in trade prepayments | (26,250) | (4,619) |
| (Increase)/Decrease in other prepayments | (313) | 909 |
| Increase in payables | 54,317 | 2,206 |
| Decrease in amount due to immediate holding company | (30) | (33) |
| Cash generated from/(used in) operations | 34,793 | (84,405) |
| Income tax paid | (8,127) | (5,140) |
| Interest paid | (14,066) | (14,873) |
| Payment for voluntary separation compensation | - | (2,016) |
| Net cash generated from/(used in) operating activities | 12,600 | (106,434) |
| Investing activities | | |
| Interest received | 367 | 838 |
| Payment for deferred mine exploration and evaluation expenditures and mine properties | (835) | (1,319) |
| Payment for right-of-use assets | (34) | (781) |
| Proceeds from disposal of property, plant and equipment | - | 115 |
| Purchase of property, plant and equipment | (8,984) | (14,674) |
| Net cash used in investing activities | (9,486) | (15,821) |
| Financing activities | | |
| Dividend paid | (4,000) | (8,000) |
| Drawdown of short term trade borrowings | 10,851 | 138,396 |
| Drawdown of term loan | 40,000 | - |
| Payment of lease liabilities | (1,383) | (6,998) |
| Proceeds from issuance of ordinary shares | 37,194 | - |
| Net cash generated from financing activities | 82,662 | 123,398 |
| Net increase in cash and cash equivalents | 85,776 | 1,143 |
| Effect of changes in foreign exchange rates | (46) | (35) |
| Cash and cash equivalents as at 1 January | 36,846 | 35,738 |
| Cash and cash equivalents as at 31 December | 122,576 | 36,846 |

Reconciliation of liabilities arising from financing activities:

| | ← Non-cash changes → | | | | | | Carrying amount as at 31 December 2021 RM'000 |
|--|--|---------------|----------------------|---------------------|-------------------------|---|--|
| | Carrying amount as at 1 January 2021 | | Cash flows RM'000 | Additions RM'000 | Derecognition RM'000 | Foreign exchange movement RM'000 | |
| | RM'000 | RM'000 | | | | | |
| Lease liabilities | 5,808 | (1,383) | - | - | - | 4,425 | |
| Loan from immediate holding company | 73,461 | - | - | - | - | 73,461 | |
| Short term trade borrowings | 355,223 | 10,851 | - | - | 224 | 366,298 | |
| Term loan | 49,357 | 40,000 | - | - | 651 | 90,008 | |
| Total liabilities from financing activities | 483,849 | 49,468 | - | - | 875 | 534,192 | |

| | ← Non-cash changes → | | | | | | Carrying amount as at 31 December 2020 RM'000 |
|--|--|----------------|----------------------|---------------------|-------------------------|---|--|
| | Carrying amount as at 1 January 2020 | | Cash flows RM'000 | Additions RM'000 | Derecognition RM'000 | Foreign exchange movement RM'000 | |
| | RM'000 | RM'000 | | | | | |
| Lease liabilities | 10,120 | (6,998) | 3,906 | (1,220) | - | 5,808 | |
| Loan from immediate holding company | 73,461 | - | - | - | - | 73,461 | |
| Short term trade borrowings | 216,912 | 138,396 | - | - | (85) | 355,223 | |
| Term loan | 49,259 | - | - | - | 98 | 49,357 | |
| Total liabilities from financing activities | 349,752 | 131,398 | 3,906 | (1,220) | 13 | 483,849 | |

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Report.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

This condensed consolidated Interim Financial Report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020.

These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

A2. Changes in Accounting Policies

i) Amendments and Annual Improvements adopted by the Group

The significant accounting policies adopted in the preparation of the Interim Financial Report are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020 except for the adoption of the pronouncements that became effective from 1 January 2021.

| <i>Description</i> | <i>Effective for annual periods beginning on or after</i> |
|---|---|
| Amendments to MFRS 16 Leases – COVID-19 - Related Rent Concessions | 1 June 2020 |
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform – Phase 2 | 1 January 2021 |

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

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

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

| <i>Description</i> | <i>Effective for annual periods beginning on or after</i> |
|---|---|
| Amendment to MFRS 16 Leases – COVID-19 – Related Rent Concessions beyond 30 June 2021 | 1 April 2021 |
| Amendments to MFRSs contained in the document entitled “ <i>Annual Improvements to MFRS Standards 2018-2020</i> ” | 1 January 2022 |
| Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116 Property, Plant and Equipment – Property, Plant and Equipment – Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract | 1 January 2022 |
| MFRS 17 Insurance Contracts | 1 January 2023 |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. Changes in Accounting Policies (cont'd)

ii) Standards, Amendments and Annual Improvements issued but not yet effective (cont'd)

| <i>Description</i> | <i>Effective for annual periods beginning on or after</i> |
|---|---|
| Amendments to MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting policies | 1 January 2023 |
| Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Initial Application of MFRS 17 and MFRS 9 – Comparative Information (Amendment to MFRS 17 Insurance Contracts) | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

A3. Seasonal or Cyclical Factors

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter and financial year ended 31 December 2021 except for reversal of inventories written down to net realisable value of RM24.0 million as disclosed in Note B2.

A5. Significant Changes in Estimates

There were no significant changes in estimates that have had a material effect during the current quarter and financial year ended 31 December 2021.

A6. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities during the current quarter and financial year ended 31 December 2021 except that the Company issued 20,000,000 new ordinary shares under the private placement exercise as disclosed in Note B4.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. Dividend Paid

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

| | 31.12.2021 | 31.12.2020 |
|---|------------------|-------------------|
| First and final single-tier dividend: | | |
| For financial year ended | 31 December 2020 | 31 December 2019 |
| Approved and declared on | 18 June 2021 | 2 September 2020 |
| Date paid | 23 July 2021 | 30 September 2020 |
| Number of ordinary shares on which dividends were paid ('000) | 400,000 | 400,000 |
| Dividend per share | 1.0 sen | 2.0 sen |
| Dividend paid | RM4,000,000 | RM8,000,000 |

A8. Revenue

Disaggregation of revenue

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

| | Tin Smelting RM'000 | Tin Mining RM'000 | Sub-total RM'000 | (Eliminations)/ Adjustments RM'000 | Total RM'000 |
|--|------------------------|----------------------|---------------------|--|-----------------|
| For 3 months ended 31 December 2021 | | | | | |
| Major products or services: | | | | | |
| Sale of tin | 248,643 | 104,368 | 353,011 | (104,368) | 248,643 |
| Smelting revenue | 3,781 | - | 3,781 | - | 3,781 |
| Sale of by-products | 2,290 | - | 2,290 | - | 2,290 |
| Others | 343 | - | 343 | - | 343 |
| | <u>255,057</u> | <u>104,368</u> | <u>359,425</u> | <u>(104,368)</u> | <u>255,057</u> |
| Timing of revenue recognition | | | | | |
| At a point in time | <u>255,057</u> | <u>104,368</u> | <u>359,425</u> | <u>(104,368)</u> | <u>255,057</u> |
| For 3 months ended 31 December 2020 | | | | | |
| Major products or services: | | | | | |
| Sale of tin | 220,670 | 50,829 | 271,499 | (50,829) | 220,670 |
| Smelting revenue | 9,700 | - | 9,700 | - | 9,700 |
| Sale of by-products | 1,457 | - | 1,457 | - | 1,457 |
| Others | 747 | - | 747 | - | 747 |
| | <u>232,574</u> | <u>50,829</u> | <u>283,403</u> | <u>(50,829)</u> | <u>232,574</u> |
| Timing of revenue recognition | | | | | |
| At a point in time | <u>232,574</u> | <u>50,829</u> | <u>283,403</u> | <u>(50,829)</u> | <u>232,574</u> |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A8. Revenue (cont'd)

| | Tin Smelting RM'000 | Tin Mining RM'000 | Sub-total RM'000 | (Eliminations) / Adjustments RM'000 | Total RM'000 |
|---|---------------------------|-------------------------|---------------------|---|------------------|
| For 12 months ended 31 December 2021 | | | | | |
| Major products or services: | | | | | |
| Sale of tin | 1,047,504 | 303,673 | 1,351,177 | (303,673) | 1,047,504 |
| Smelting revenue | 20,109 | - | 20,109 | - | 20,109 |
| Sale of by-products | 7,299 | - | 7,299 | - | 7,299 |
| Others | 1,648 | - | 1,648 | - | 1,648 |
| | <u>1,076,560</u> | <u>303,673</u> | <u>1,380,233</u> | <u>(303,673)</u> | <u>1,076,560</u> |
| Timing of revenue recognition | | | | | |
| At a point in time | <u>1,076,560</u> | <u>303,673</u> | <u>1,380,233</u> | <u>(303,673)</u> | <u>1,076,560</u> |
| For 12 months ended 31 December 2020 | | | | | |
| Major products or services: | | | | | |
| Sale of tin | 761,196 | 160,425 | 921,621 | (160,425) | 761,196 |
| Smelting revenue | 36,642 | - | 36,642 | - | 36,642 |
| Sale of by-products | 12,799 | - | 12,799 | - | 12,799 |
| Others | 2,722 | - | 2,722 | - | 2,722 |
| | <u>813,359</u> | <u>160,425</u> | <u>973,784</u> | <u>(160,425)</u> | <u>813,359</u> |
| Timing of revenue recognition | | | | | |
| At a point in time | <u>813,359</u> | <u>160,425</u> | <u>973,784</u> | <u>(160,425)</u> | <u>813,359</u> |

A9. Segmental Reporting

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

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

(a) Tin Smelting

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

(b) Tin Mining

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

(c) Others

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (cont'd)

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

| | Tin Smelting RM'000 | Tin Mining RM'000 | Others RM'000 | Sub-total RM'000 | (Eliminations)/ Adjustments RM'000 | Total RM'000 |
|--|---------------------------|-------------------------|------------------|---------------------|--|-----------------|
| Results for 3 months ended 31 December 2021 | | | | | | |
| Revenue | | | | | | |
| Sales to external customers | 255,057 | - | - | 255,057 | - | 255,057 |
| Inter-segment sales | - | 104,368 | - | 104,368 | (104,368) | - |
| Total revenue | 255,057 | 104,368 | - | 359,425 | (104,368) | 255,057 |
| Results | | | | | | |
| Operating profit/(loss) | 17,632 | 58,229 | (24) | 75,837 | 12,702 | 88,539 |
| Finance costs | (3,775) | (330) | (246) | (4,351) | - | (4,351) |
| Share of results of associates and joint ventures | - | - | 1,028 | 1,028 | - | 1,028 |
| Profit before tax | 13,857 | 57,899 | 758 | 72,514 | 12,702 | 85,216 |
| Income tax expense | (3,857) | (13,759) | - | (17,616) | (3,049) | (20,665) |
| Profit net of tax | 10,000 | 44,140 | 758 | 54,898 | 9,653 | 64,551 |
| Results for 3 months ended 31 December 2020 | | | | | | |
| Revenue | | | | | | |
| Sales to external customers | 232,574 | - | - | 232,574 | - | 232,574 |
| Inter-segment sales | - | 50,829 | - | 50,829 | (50,829) | - |
| Total revenue | 232,574 | 50,829 | - | 283,403 | (50,829) | 232,574 |
| Results | | | | | | |
| Operating profit | 21,588 | 11,989 | 47 | 33,624 | (4,614) | 29,010 |
| Finance costs | (3,759) | (554) | (98) | (4,411) | - | (4,411) |
| Share of results of associates and joint ventures | - | - | (4,139) | (4,139) | - | (4,139) |
| Profit/(Loss) before tax | 17,829 | 11,435 | (4,190) | 25,074 | (4,614) | 20,460 |
| Income tax expense | (2,407) | (4,753) | - | (7,160) | 1,108 | (6,052) |
| Profit/(Loss) net of tax | 15,422 | 6,682 | (4,190) | 17,914 | (3,506) | 14,408 |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (cont'd)

| | Tin Smelting RM'000 | Tin Mining RM'000 | Others RM'000 | Sub-total RM'000 | (Eliminations)/ Adjustments RM'000 | Total RM'000 |
|--|---------------------------|-------------------------|------------------|---------------------|--|------------------|
| Results for 12 months ended 31 December 2021 | | | | | | |
| Revenue | | | | | | |
| Sales to external customers | 1,076,560 | - | - | 1,076,560 | - | 1,076,560 |
| Inter-segment sales | - | 303,673 | - | 303,673 | (303,673) | - |
| Total revenue | 1,076,560 | 303,673 | - | 1,380,233 | (303,673) | 1,076,560 |
| Results | | | | | | |
| Operating profit/(loss) | 31,882 | 146,571 | (38) | 178,415 | (8,718) | 169,697 |
| Finance costs | (13,694) | (1,328) | (746) | (15,768) | - | (15,768) |
| Share of results of associates and joint ventures | - | - | 4,433 | 4,433 | - | 4,433 |
| Profit before tax | 18,188 | 145,243 | 3,649 | 167,080 | (8,718) | 158,362 |
| Income tax expense | (6,080) | (35,888) | - | (41,968) | 2,092 | (39,876) |
| Profit net of tax | 12,108 | 109,355 | 3,649 | 125,112 | (6,626) | 118,486 |
| Results for 12 months ended 31 December 2020 | | | | | | |
| Revenue | | | | | | |
| Sales to external customers | 813,359 | - | - | 813,359 | - | 813,359 |
| Inter-segment sales | - | 160,425 | - | 160,425 | (160,425) | - |
| Total revenue | 813,359 | 160,425 | - | 973,784 | (160,425) | 813,359 |
| Results | | | | | | |
| Operating profit | 17,353 | 32,864 | 5 | 50,222 | (5,822) | 44,400 |
| Finance costs | (13,432) | (2,098) | (431) | (15,961) | - | (15,961) |
| Share of results of associates and joint ventures | - | - | (4,254) | (4,254) | - | (4,254) |
| Profit/(Loss) before tax | 3,921 | 30,766 | (4,680) | 30,007 | (5,822) | 24,185 |
| Income tax expense | (760) | (10,173) | - | (10,933) | 1,398 | (9,535) |
| Profit/(Loss) net of tax | 3,161 | 20,593 | (4,680) | 19,074 | (4,424) | 14,650 |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (cont'd)

| | Tin Smelting RM'000 | Tin Mining RM'000 | Others RM'000 | Sub-total RM'000 | (Eliminations)/ Adjustments RM'000 | Total RM'000 |
|--|---------------------------|-------------------------|------------------|---------------------|--|------------------|
| Assets and Liabilities as at 31 December 2021 | | | | | | |
| Assets | | | | | | |
| Segment assets | 1,124,908 | 114,861 | 58,463 | 1,298,232 | (14,339) | 1,283,893 |
| Investment in associates and joint ventures | - | - | 30,477 | 30,477 | - | 30,477 |
| Total assets | 1,124,908 | 114,861 | 88,940 | 1,328,709 | (14,339) | 1,314,370 |
| Liabilities | | | | | | |
| Segment liabilities | 638,568 | 95,034 | 127 | 733,729 | - | 733,729 |
| Assets and Liabilities as at 31 December 2020 | | | | | | |
| Assets | | | | | | |
| Segment assets | 876,237 | 76,593 | 23,367 | 976,197 | (7,712) | 968,485 |
| Investment in associates and joint ventures | - | - | 25,999 | 25,999 | - | 25,999 |
| Total assets | 876,237 | 76,593 | 49,366 | 1,002,196 | (7,712) | 994,484 |
| Liabilities | | | | | | |
| Segment liabilities | 544,999 | 56,106 | 103 | 601,208 | - | 601,208 |

A10. Property, Plant and Equipment

The land and buildings have been revalued in December 2021, giving a net revaluation surplus of RM0.5 million.

A11. Event After the Reporting Period

There was no material event subsequent to financial year ended 31 December 2021.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year ended 31 December 2021.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets during the current quarter and financial year ended 31 December 2021 except for the following:

- (a) A subsidiary defended a legal action brought about by two companies (“Plaintiffs”) for the payment of tributes. Following completion of the trial on 26 July 2019, the decision delivered by the judge on 31 July 2019 was in subsidiary’s favour. The two companies have filed an Appeal at the Court of Appeal (“COA”). The hearing of the Appeal was conducted on 25 August 2021 and 11 October 2021. The COA’s decision was handed down on 25 November 2021 whereby the COA dismissed the appeal in favour of the subsidiary. The Plaintiffs have since applied for leave to appeal to the Federal Court (FC) against the decision of the COA. The hearing for the Plaintiff’s application for leave has been fixed on 11 April 2022. The subsidiary’s legal counsel is of the opinion that there is probable chance in resisting the Plaintiff’s application.

In connection with the abovementioned case, the subsidiary has separately instituted legal action against two former executive officers of the Company, the above two companies, and certain persons connected with the two companies, claiming for damages for breach of fiduciary duties, conspiracy, dishonest assistance. Initially, the Defendants applied to the High Court (“HC”) to strike out the subsidiary’s claim. On 17 December 2020, the HC dismissed all the striking out applications by the Defendants. Except for one Defendant, all the other Defendants had filed an appeal to the Court of Appeal (COA) against the HC’s decision to dismiss their striking out application. On 23 August 2021, the COA dismissed both the appeals in favour of the subsidiary.

On 23 September 2021, the 1st Defendant and 2nd to 5th Defendants, via their respective solicitors, submitted their applications to the Federal Court for leave to appeal against the decision of the COA to dismiss their application to strike out the case. The hearings for their applications have been fixed on 21 February 2022.

In respect of the Defendant that did not appeal against the decision of the HC, the deadline to file an appeal against this decision has passed.

Notwithstanding the above, the trial dates have been fixed for 18 April 2022 to 22 April 2022.

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

- (b) A Plaintiff representing a foreign workers’ contractor, has commenced legal proceedings against the Company, amongst others for the sum of RM2,597,621.48. The Plaintiff’s cause of action is premised upon the purported breach of contract. The Company denies any breach of contract as alleged. The matter was originally fixed for full trial from 12 July 2021 to 14 July 2021 but was vacated due to the FMCO. The new date for the trial was fixed for 7 to 8 February 2022. Shortly before the trial date, the Company was informed that the trial will only proceed for half a day on 7 February 2022 while the scheduled hearing on 8 February 2022 has been vacated. However, on 7 February 2022, the Plaintiff’s lawyer was unwell and the hearing was vacated. The trial for this matter has been rescheduled to 4 and 5 April 2022.

The Board, having obtained advice from its legal counsel, is of the opinion that the Company has a good chance of winning the case and accordingly no provision for liability is required to be made in the financial statements.



PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A13. Changes in Contingent Liabilities and Contingent Assets (cont'd)

- (c) On 23 December 2021, the Company received a letter of demand from a third party demanding RM22,042,117.30 on the basis that the Company and the third party entered into an agreement dated 8 July 2019 for the sale and purchase of 60,000 MT of tin slag at the price of RM50.00 per MT, which was to be delivered within 12 months from the date of the agreement.

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

A14. Capital Commitments

Capital commitments of the Group as at 31 December 2021 are as follows:

| | 31.12.2021 RM'000 | 31.12.2020 RM'000 |
|---------------------------------|------------------------------|------------------------------|
| Approved and contracted for | 8,004 | 9,103 |
| Approved but not contracted for | 1,494 | 1,120 |
| | 9,498 | 10,223 |

A15. Related Party Transactions

There were no significant transactions with related party in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2020.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A16. Fair Value of Assets and Liabilities

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

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

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

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

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

| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|--|-------------------|-------------------|-------------------|-----------------|
| At 31 December 2021 | | | | |
| Assets measured at fair value: | | | | |
| Land and buildings | - | - | 59,613 | 59,613 |
| Investment securities | 58,456 | - | - | 58,456 |
| Liabilities measured at fair value: | | | | |
| Derivative financial instruments – current | - | 310 | - | 310 |
| At 31 December 2020 | | | | |
| Assets measured at fair value: | | | | |
| Land and buildings | - | - | 58,633 | 58,633 |
| Investment securities | 23,359 | - | - | 23,359 |
| Derivative financial instruments – current | - | 625 | - | 625 |
| Liabilities measured at fair value: | | | | |
| Derivative financial instruments – current | 1,075 | - | - | 1,075 |
| Derivative financial instruments – non-current | - | 531 | - | 531 |

There has been no transfer between any levels of the fair value hierarchy and there was no change in the purpose of any financial assets/liabilities that may subsequently result in a different classification of those assets/liabilities during the current quarter and financial year ended 31 December 2021.

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

B1. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was unqualified.

B2. Profit/(Loss) Before Tax

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

| | 4 th Quarter ended 31.12.2021 RM'000 | 4 th Quarter ended 31.12.2020 RM'000 | 12 months ended 31.12.2021 RM'000 | 12 months ended 31.12.2020 RM'000 |
|---|--|--|--|--|
| After charging/(crediting): | | | | |
| Depreciation and amortisation | 2,102 | 2,737 | 12,036 | 17,133 |
| Fair value (gain)/loss in derivative financial instruments | | | | |
| - Forward tin contracts | - | 1,911 | (1,075) | 278 |
| - Forward currency contracts | (8) | (1,574) | 404 | (10) |
| Gain on disposal of property, plant and equipment | - | - | - | (110) |
| Gain on lease modification | - | (17) | - | (17) |
| Net foreign exchange loss | 218 | 1,147 | 3,755 | 1,206 |
| Impairment of corporate club memberships | - | 49 | - | 49 |
| (Reversal of impairment)/Impairment of mine properties | (1,920) | 1,920 | (1,920) | 1,920 |
| (Reversal of impairment)/Impairment of mining rights | (590) | 590 | (590) | 590 |
| Impairment of receivables | - | 36 | - | 36 |
| Interest income | (160) | (134) | (367) | (838) |
| Reversal of impairment of investments in associate and joint venture | - | (67) | - | (67) |
| Reversal of inventories written down to net realisable value | - | (21,100) | (24,000) | (7,100) |
| Other income including investment income | (70) | (55) | (384) | (169) |
| Property, plant and equipment written off | - | 123 | 12 | 123 |
| (Reversal of provision)/Provision for voluntary separation/ retrenchment compensation | (1,440) | 418 | (1,440) | 418 |

Save as disclosed above, there was no material impairment of assets recognised as a loss during the current quarter and financial year ended 31 December 2021.

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

B3. Income Tax (Expense)/Credit

Income tax (expense)/credit comprises the following:

| | 4 th Quarter ended 31.12.2021 RM'000 | 4 th Quarter ended 31.12.2020 RM'000 | 12 months ended 31.12.2021 RM'000 | 12 months ended 31.12.2020 RM'000 |
|---|---|---|---|---|
| Income tax | | | | |
| - Current provision | (15,225) | (4,077) | (37,354) | (9,397) |
| - Over/(Under) provision in prior year | 449 | (451) | 449 | (414) |
| | (14,776) | (4,528) | (36,905) | (9,811) |
| Deferred tax | | | | |
| - Relating to origination and reversal of temporary differences | (5,185) | (2,096) | (2,267) | (397) |
| - (Under)/Over provision in prior year | (704) | 572 | (704) | 673 |
| | (5,889) | (1,524) | (2,971) | 276 |
| Total income tax expense | (20,665) | (6,052) | (39,876) | (9,535) |

For the current financial year ended 31 December 2021, the effective tax rate for the Group was higher than the statutory tax rate in Malaysia mainly due to certain non-tax deductible expenses and the absence of Group tax relief.

B4. Corporate Proposal

There was no corporate proposal announced but not completed as at 12 February 2022, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report except for the following:

Private Placement

On 2 August 2021, 20,000,000 ordinary shares have been listed under the private placement exercise at an issue price of RM1.90 per ordinary share. The private placement raised proceeds of RM37.2 million (net of equity transaction costs).

The status of utilisation of proceeds as at 31 December 2021 is as follows:

| Utilisation purposes | Proposed utilisation (RM'000) | Actual utilisation (RM'000) | Expected timeframe for utilisation of proceeds (from the date of listing of the Placement Shares) |
|--|----------------------------------|--------------------------------|--|
| Repayment of bank borrowings | 30,000 | - | Within 12 months |
| Working capital | 7,194 | 7,194 | Within 12 months |
| Estimated expenses in relation to the Proposed Private Placement | 806 | 806 | Immediately |
| Total | 38,000 | 8,000 | |

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

B5. Trade Receivables

The age analysis of trade receivable of the Group as at 31 December 2021 is as follows:

| | ← | Past due | | | | → | |
|------------------------------------|--------------|-----------|---------------|---------------|----------------|-----------|--------|
| | Not past due | < 30 days | 30 to 60 days | 61 to 90 days | 91 to 120 days | >120 days | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Trade receivables as at 31.12.2021 | 11,019 | - | 14 | 25 | 230 | - | 11,288 |
| Trade receivables as at 31.12.2020 | 25,328 | - | 240 | 6 | - | 2 | 25,576 |

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

The Group has trade receivables amounting to RM269,000 that are past due at the reporting date but not impaired. Although these balances are unsecured in nature, they are from creditworthy customers.

B6. Loans and Borrowings

Details of the Group's loans and borrowings as at 31 December 2021 are as follows:

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|---|-------------------------------|-------------------------------|
| Short Term Borrowings (unsecured) | | |
| Short term trade financing | 11,858 | 23,650 |
| Bankers' acceptances / Trust receipt | 324,440 | 301,573 |
| Revolving credit | 30,000 | 30,000 |
| Unsecured term loan | 50,008 | - |
| | 416,306 | 355,223 |
| Long Term Borrowings | | |
| Secured term loan | 40,000 | - |
| Unsecured term loan | - | 49,357 |
| | 40,000 | 49,357 |
| | 456,306 | 404,580 |
| Amount denominated in foreign currency | '000 | '000 |
| Short term trade financing (US dollars) | 2,841 | 5,871 |
| Term loan (Singapore dollars) | 16,200 | 16,200 |



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

B6. Loans and Borrowings (cont'd)

During the financial year, the Group increased its total borrowings by approximately 12.8% from RM404.6 million as at 31 December 2020 to RM456.3 million as at 31 December 2021 due to drawdown of term loan RM40.0 million and short term borrowings for working capital requirements. Despite increase in borrowings, the gearing ratio of the Group improved to 0.8 as at 31 December 2021 from 1.0 as at 31 December 2020. Gearing ratio is defined as total bank borrowings over total equity.

The weighted average interest rate of short term borrowings excluding revolving credit and term loan as at 31 December 2021 for the Group was 2.7% (2020: 2.8%) per annum. Revolving credit as at 31 December 2021 bears interest rate of 4.1% (2020: 4.1%) per annum.

The unsecured term loan of the Group denominated in Singapore dollar (SGD) was hedged to Ringgit Malaysia (RM) at an average exchange rate of RM/SGD 3.1448. The unsecured term loan bears a fixed interest rate of 3.5% per annum. The secured term loan as at 31 December 2021 bears interest rate of 3.7% per annum.

B7. Derivative Financial Instruments

(a) Foreign Exchange

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

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

(b) Tin Prices

The Group is exposed to tin price risk on sales and purchases of tin. The Group uses forward tin contracts for tin trading, arbitraging for profit and to manage tin price risk.

Derivative financial instruments entered into by the Group are similar to those disclosed in the annual financial statements for the financial year ended 31 December 2020.



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

B7. Derivative Financial Instruments (cont'd)

The outstanding forward foreign currency contracts as at 31 December 2021 are as follows:

| Derivative Financial Instruments | Contract Value RM'000 | Fair Value RM'000 | Fair Value – Financial Assets/(Liabilities) RM'000 |
|--|----------------------------------|------------------------------|---|
| At 31 December 2021 Forward Currency Contracts - Less than 1 year | 50,946 | 50,636 | (310) |
| At 31 December 2020 Forward Tin Contracts - Less than 1 year | 33,171 | 36,693 | (1,075) |
| Forward Currency Contracts - Less than 1 year | 59,747 | 59,122 | 625 |
| - 1 year to 3 years | 50,946 | 50,415 | (531) |

B8. Material Litigation

There was no material litigation as at 12 February 2022, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report, except as disclosed in Note A13.

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

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

Financial review for current quarter compared with immediate preceding quarter

| | Current Quarter 31.12.2021 RM'000 | Immediate Preceding Quarter 30.09.2021 RM'000 | Changes % |
|---|--|--|----------------------|
| Revenue | 255,057 | 218,480 | 17% |
| Operating Profit | 88,539 | 41,260 | > 100% |
| Profit Before Interest and Tax | 89,567 | 42,229 | > 100% |
| Profit Before Tax | 85,216 | 38,866 | > 100% |
| Profit After Tax | 64,551 | 28,917 | > 100% |
| Profit Attributable to Owners of the Company | 64,069 | 28,939 | > 100% |

4Q 2021 vs. 3Q 2021 (QoQ)

The Group recorded revenue of RM 255.1 million in 4Q 2021 as compared with RM 218.5 million in 3Q 2021, while the Group's profit before tax in 4Q 2021 was RM 85.2 million as compared with RM 38.9 million in 3Q 2021. The better Group performance in 4Q 2021 was mainly due to increase in average tin prices from RM141,915 (3Q 2021) to RM158,267 (4Q 2021) per metric tonne.

The tin smelting segment recorded a profit before tax of RM 13.9 million in 4Q 2021 as compared with RM 7.0 million in 3Q 2021 due to higher profit margins from sales of refined tin derived from its tin intermediates.

The tin mining segment recorded a profit before tax of RM57.9 million in 4Q 2021 as compared with RM38.7 million in 3Q 2021. This was mainly due to higher average tin prices as stated above and higher tin production quantity in 4Q 2021.

The Group's share of results of associates and joint ventures recorded a net share of profit of RM 1.0 million in 4Q 2021 as compared with RM 1.0 million in 3Q 2021.

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

B10. Review of Performance

Financial review for current quarter and financial year to date

| | Cumulative Period (12 months) | | Changes % | Individual Period (4th quarter) | | Changes % |
|---|----------------------------------|---|--------------|------------------------------------|--|--------------|
| | Current Year To- date | Preceding Year Corresponding Period | | Current Year Quarter | Preceding Year Corresponding Quarter | |
| | 31.12.2021 RM'000 | 31.12.2020 RM'000 | | 31.12.2021 RM'000 | 31.12.2020 RM'000 | |
| Revenue | 1,076,560 | 813,359 | 32% | 255,057 | 232,574 | 10% |
| Operating Profit | 169,697 | 44,400 | > 100% | 88,539 | 29,010 | > 100% |
| Profit Before Interest and Tax | 174,130 | 40,146 | > 100% | 89,567 | 24,871 | > 100% |
| Profit Before Tax | 158,362 | 24,185 | > 100% | 85,216 | 20,460 | > 100% |
| Profit After Tax | 118,486 | 14,650 | > 100% | 64,551 | 14,408 | > 100% |
| Profit Attributable to Owners of the Company | 118,058 | 15,164 | > 100% | 64,069 | 14,920 | > 100% |

12M 2021 vs. 12M 2020 (YoY)

Group revenue was RM1.1 billion for the year ended 31 December 2021 (2021) as compared with RM813.4 million in 2020. For 2021, refined tin production quantity was lower than 2020 due to disruption in smelting operation from the enforcement of Full Movement Control Order ("FMCO") 3.0 and the declaration of force majeure. However, higher tin price has negated the effect and resulted in higher group revenue.

The Group recorded a profit before tax of RM158.4 million in 2021 as compared with RM24.2 million in 2020. This was mainly due to higher average tin prices for 2021 of RM130,575 as compared with 2020 of RM71,559 per metric tonne.

The tin smelting segment recorded a profit before tax of RM18.2 million in 2021 as compared with RM3.9 million in 2020. This was mainly due to reversal of inventories written down of RM24.0 million in 2021 (2020: RM7.1 million) and higher profit margins from sales of refined tin derived from its tin intermediates, offset by lower smelting revenue and lower profit from sale of by-products, as a result of operation disruption from the enforcement of FMCO 3.0 and the declaration of force majeure.

The tin mining segment recorded a profit before tax of RM145.2 million in 2021 as compared with RM30.8 million in 2020. This was mainly due to higher average tin prices as stated above and higher tin production quantity in 2021.

The Group's share of results of associates and joint ventures recorded a net share of profit of RM4.4 million in 2021 as compared with a net share of loss of RM4.3 million in 2020. The share of loss recorded in 2020 mainly from the investment in a joint venture, of which the investment was written down to zero in 2020.

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

B10. Review of Performance (cont'd)

4Q 2021 vs. 4Q 2020 (YoY)

Group revenue was RM255.1 million in 4Q 2021 as compared with RM232.6 million in 4Q 2020. For 4Q 2021, refined tin production quantity was lower than 4Q 2020 due to continued operation disruption from the declaration of force majeure. The force majeure which has been in force since 7 June 2021 had been lifted on 20th December 2021. However, higher tin price has negated the effect and resulted in higher group revenue.

The Group recorded a profit before tax of RM85.2 million in 4Q 2021 as compared with RM20.5 million in 4Q 2020. The better Group performance in 4Q 2021 was mainly due to higher average tin prices of RM158,267 (4Q 2021) as compared with RM76,870 (4Q 2020) per metric tonne.

The tin smelting segment recorded a profit before tax of RM13.9 million in 4Q 2021 as compared with RM17.8 million in 4Q 2020. This was mainly due to the absence of a reversal of inventories written down of RM21.1 million that was recorded in 4Q 2020. The tin smelting segment's performance in 4Q 2021 benefited from higher profit margins from sales of refined tin derived from its tin intermediates, and also from higher average tin prices as stated above.

The tin mining segment recorded a profit before tax of RM57.9 million in 4Q 2021 as compared with RM11.4 million in 4Q 2020. This was mainly due to higher average tin prices in 4Q 2021 as stated above.

The Group's share of results of associates and joint ventures recorded a net share of profit of RM1.0 million in 4Q 2021 as compared with a net share of loss of RM4.1 million in 4Q 2020.

B11. Prospects

As the world economy recovers from the effects of COVID-19 pandemic, the tin price should remain high in the near to medium term due to increased demand for tin usage driven by global growth of EVs, photovoltaic installations, and electronics applications.

The Group is expected to benefit from the positive movement in the tin price despite inflationary pressure, higher logistics, and operating costs in its smelting and tin mining businesses. Nevertheless, the Group remains cautious, and will continue to focus on its operational efficiencies and improve on all areas of operations, technology, manpower and logistics.

The operation in the Pulau Indah ("PI") plant, using newer and more efficient technology has reached 75% capacity, and is expected to achieve full capacity in 2022. With the PI plant at full commission, the Group expects higher operational efficiency, lower operational and manpower costs, while improving its overall carbon footprint.

For the tin mining segment, apart from improving and increasing daily mining output and overall mining productivity, the Group is also looking at expanding its mining activities via potential joint ventures. In line with its ESG program, the Group is in the process of finalizing the award for upgrading the mini hydro plant which is currently generating 0.75MW to 5.00MW. This will provide zero-carbon energy to the existing mine.



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

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

| | 4 th Quarter ended 31.12.2021 | 4 th Quarter ended 31.12.2020 | 12 months ended 31.12.2021 | 12 months ended 31.12.2020 |
|--|--|--|----------------------------------|----------------------------------|
| Profit net of tax attributable to owners of the Company (RM'000) | 64,069 | 14,920 | 118,058 | 15,164 |
| Weighted average number of ordinary shares in issue ('000) | 420,000 | 400,000 | 416,848 | 400,000 |
| Basic and diluted earnings per share (sen) | 15.3 | 3.7 | 28.3 | 3.8 |

B13. Dividend

The Board of Directors has recommended, for approval at the forthcoming Annual General Meeting, payment of a first and final single tier dividend of RM0.07 per share (2020: RM0.01 per share) amounting to RM29,400,000 (2020: RM4,000,000) for the financial year ended 31 December 2021. The book closure date and the date of the payment of the dividend will be determined and announced at a later date.

Authorised for Issue

The Interim results was authorised for issue by the Board in accordance with a resolution of the Directors on 18 February 2022.