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# **MALAYSIA SMELTING CORPORATION BERHAD**

INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023



**Malaysia Smelting Corporation Berhad (197801006055 (43072-A))**  
**Interim Financial Report**  
**For the Third Quarter ended 30 September 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	Note	As at 30.09.2023 Unaudited RM'000	As at 31.12.2022 Audited RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		159,609	155,888
Right-of-use assets		5,133	5,430
Land held for development		78,654	78,654
Mining rights		142,034	141,617
Corporate club memberships		427	433
Investments in associate and joint venture		30,907	29,974
Investment securities		35,049	32,885
Deferred mine exploration and evaluation expenditures		1,413	1,326
Mine properties		12,229	12,185
Deferred tax assets		6,077	6,541
		471,532	464,933
<b>Current assets</b>			
Inventories		633,288	570,709
Trade receivables	B5	17,474	31,523
Other receivables		2,385	705
Trade prepayments		20,191	66,503
Other prepayments		2,569	1,650
Tax recoverable		2,676	17,495
Derivative financial instruments		-	1,115
Cash, bank balances and deposits		221,453	151,221
		900,036	840,921
<b>Total assets</b>		1,371,568	1,305,854
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Provisions		15,195	14,294
Borrowings	B6	304,453	268,976
Trade and other payables		123,290	111,236
Lease liabilities		1,184	777
Current tax payable		14,257	8,452
Derivative financial instruments		-	153
		458,379	403,888
<b>Net current assets</b>		441,657	437,033
<b>Non-current liabilities</b>			
Provisions		49,878	48,346
Deferred tax liabilities		4,223	3,098
Borrowings	B6	48,889	68,889
Lease liabilities		4,339	4,137
		107,329	124,470
<b>Total liabilities</b>		565,708	528,358
<b>Net assets</b>		805,860	777,496
<b>Equity attributable to owners of the Company</b>			
Share capital		237,194	237,194
Other reserves		40,174	37,859
Retained earnings		461,010	444,127
		738,378	719,180
<b>Non-controlling interests</b>		67,482	58,316
<b>Total Equity</b>		805,860	777,496
<b>Total equity and liabilities</b>		1,371,568	1,305,854
<b>Net assets per share attributable to owners of the Company (RM)</b>		<b>1.76</b>	<b>1.71</b>

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 2022 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	Note	3 rd Quarter		Year to Date	
		3 months ended		9 months ended	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>A8</b>	364,022	344,127	1,031,093	1,112,441
Operating profit/(loss)		24,796	(34,532)	127,285	119,227
Finance costs		(4,888)	(4,915)	(13,876)	(14,521)
Share of results of associate and joint venture		497	(265)	848	451
<b>Profit/(Loss) before tax</b>	<b>B2</b>	20,405	(39,712)	114,257	105,157
Income tax (expense)/credit	<b>B3</b>	(5,102)	9,650	(29,408)	(31,483)
<b>Profit/(Loss) net of tax</b>		15,303	(30,062)	84,849	73,674
<b>Attributable to:</b>					
Owners of the Company		11,824	(31,323)	75,683	72,468
Non-controlling interests		3,479	1,261	9,166	1,206
		15,303	(30,062)	84,849	73,674
<b>Earnings/(Loss) per share attributable to owners of the Company (sen):</b>					
Basic and diluted	<b>B12</b>	2.8	(7.5)	18.0	17.3

The unaudited condensed consolidated statement of profit or loss should be read in conjunction with the audited annual financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	<b>3 rd Quarter</b>		<b>Year to Date</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit/(Loss) net of tax</b>	15,303	(30,062)	84,849	73,674
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Net fair value changes in quoted investments at Fair Value through Other Comprehensive Income ("FVOCI")	(5,930)	(6,963)	2,164	(3,729)
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation	(1)	(6)	(9)	(12)
Share of foreign currency translation of associate and joint venture	24	(81)	160	(171)
	23	(87)	151	(183)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	(5,907)	(7,050)	2,315	(3,912)
<b>Total comprehensive income/(loss) for the period</b>	9,396	(37,112)	87,164	69,762
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	5,917	(38,373)	77,998	68,556
Non-controlling interests	3,479	1,261	9,166	1,206
	9,396	(37,112)	87,164	69,762

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 2022 and the accompanying explanatory notes attached to the Interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

		Attributable to owners of the Company								Non-controlling interests	Total equity
		← Non - Distributable				→ Distributable					
		Share capital	Revaluation reserves	Foreign currency translation reserves	FVOCI reserves	Other reserve	Retained earnings	Total			
RM'000	Note										
<b>At 1 January 2023</b>		237,194	14,264	1,042	20,847	1,706	444,127	719,180	58,316	777,496	
Profit for the period		-	-	-	-	-	75,683	75,683	9,166	84,849	
Other comprehensive income		-	-	151	2,164	-	-	2,315	-	2,315	
Total comprehensive income		-	-	151	2,164	-	75,683	77,998	9,166	87,164	
<b>Transaction with owners of the Company:</b>											
Dividend on ordinary shares		-	-	-	-	-	(58,800)	(58,800)	-	(58,800)	
<b>At 30 September 2023</b>		<b>237,194</b>	<b>14,264</b>	<b>1,193</b>	<b>23,011</b>	<b>1,706</b>	<b>461,010</b>	<b>738,378</b>	<b>67,482</b>	<b>805,860</b>	
<b>At 1 January 2022</b>		237,194	12,906	1,067	41,838	1,706	285,727	580,438	203	580,641	
Profit for the period		-	-	-	-	-	72,468	72,468	1,206	73,674	
Other comprehensive loss		-	-	(183)	(3,729)	-	-	(3,912)	-	(3,912)	
Total comprehensive (loss)/income		-	-	(183)	(3,729)	-	72,468	68,556	1,206	69,762	
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities		-	-	-	(24,111)	-	24,111	-	-	-	
<b>Transactions with owners of the Company:</b>											
Dilution of interest in a subsidiary without a loss in control		-	-	-	-	-	65,382	65,382	73,193	138,575	
Dividend on ordinary shares		-	-	-	-	-	(29,400)	(29,400)	-	(29,400)	
Dividend to non-controlling interests		-	-	-	-	-	-	-	(10,073)	(10,073)	
Total transactions with owners of the Company		-	-	-	-	-	35,982	35,982	63,120	99,102	
<b>At 30 September 2022</b>		<b>237,194</b>	<b>12,906</b>	<b>884</b>	<b>13,998</b>	<b>1,706</b>	<b>418,288</b>	<b>684,976</b>	<b>64,529</b>	<b>749,505</b>	

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited annual financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Report.



**Malaysia Smelting Corporation Berhad (197801006055 (43072-A))**  
**Interim Financial Report**  
**For the Third Quarter ended 30 September 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	9 months ended	
	30.09.2023	30.09.2022
	RM'000	RM'000
<b>Operating activities</b>		
Operating cash flows before changes in working capital	132,777	121,817
(Increase)/Decrease in inventories	(62,579)	89,807
Decrease/(Increase) in trade and other receivables	12,137	(15,162)
Decrease in trade prepayments	46,312	13,660
Increase in other prepayments	(1,037)	(586)
Increase/(Decrease) in payables	20,785	(12,504)
Decrease in amount due to an associate	(449)	-
<b>Cash generated from operations</b>	<u>147,946</u>	<u>197,032</u>
Income tax paid	(7,197)	(56,687)
Interest paid	(11,259)	(12,918)
<b>Net cash generated from operating activities</b>	<u>129,490</u>	<u>127,427</u>
<b>Investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	-	36
Dividend received from an associate	75	28
Dividend received from investment securities	2,303	1,891
Interest received	3,606	1,401
Payment for deferred mine exploration and evaluation expenditures and mine properties	(810)	(467)
Proceeds from disposal of investment securities	-	28,691
Proceeds from disposal of property, plant and equipment	-	35
Purchase of property, plant and equipment	(12,836)	(11,552)
<b>Net cash (used in)/generated from investing activities</b>	<u>(7,662)</u>	<u>20,063</u>
<b>Financing activities</b>		
Dividend paid to shareholders	(58,800)	(29,400)
Dividend paid to a non-controlling shareholder of a subsidiary	(8,168)	(10,073)
Drawdown/(Repayment) of short term trade borrowings	19,905	(62,294)
(Repayment)/Drawdown of term loan	(4,444)	40,000
Repayment of loan from immediate holding company	-	(36,731)
Payment of lease liabilities	(173)	(86)
<b>Net cash used in financing activities</b>	<u>(51,680)</u>	<u>(98,584)</u>
<b>Net increase in cash and cash equivalents</b>	70,148	48,906
Effect of changes in foreign exchange rates	84	633
<b>Cash and cash equivalents as at 1 January</b>	<u>151,221</u>	<u>122,576</u>
<b>Cash and cash equivalents as at 30 September</b>	<u>221,453</u>	<u>172,115</u>

**Reconciliation of liabilities arising from financing activities:**

	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 30 September 2023 RM'000
			Accrued interest RM'000	Additions RM'000			
Lease liabilities	4,914	(173)	181	601	-	5,523	
Short term trade borrowings	257,865	19,905	-	-	16	277,786	
Term loan	80,000	(4,444)	-	-	-	75,556	
<b>Total liabilities from financing activities</b>	<u>342,779</u>	<u>15,288</u>	<u>181</u>	<u>601</u>	<u>16</u>	<u>358,865</u>	

	Carrying amount as at 1 January 2022 RM'000	Cash flows RM'000	← Non-cash changes →			Foreign exchange movement RM'000	Carrying amount as at 30 September 2022 RM'000
			Accrued interest RM'000	Additions RM'000			
Lease liabilities	4,425	(86)	134	443	-	4,916	
Loan from immediate holding company	73,461	(36,731)	-	-	-	36,730	
Short term trade borrowings	366,298	(62,294)	-	-	749	304,753	
Term loans	90,008	40,000	-	-	2,444	132,452	
<b>Total liabilities from financing activities</b>	<u>534,192</u>	<u>(59,111)</u>	<u>134</u>	<u>443</u>	<u>3,193</u>	<u>478,851</u>	

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 2022 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 2022.

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 2022.

### 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 2022 except for the adoption of the pronouncements that became effective from 1 January 2023.

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts ( <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i> )	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 ( <i>Disclosure of Accounting policies</i> )	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors ( <i>Definition of Accounting Estimates</i> )	1 January 2023
Amendments to MFRS 112 Income Taxes ( <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> )	1 January 2023
Amendments to MFRS 112 Income Taxes ( <i>International Tax Reform – Pillar Two Model Rules</i> )	1 January 2023

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

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A2. Changes in Accounting Policies (cont'd)**

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

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

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to MFRS 16 Leases ( <i>Lease Liability in a Sale and Leaseback</i> )	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements ( <i>Non-current Liabilities with Covenants</i> )	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures ( <i>Supplier Finance Arrangements</i> )	1 January 2024
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates ( <i>Lack of Exchangeability</i> )	1 January 2025
Amendments to MFRS 10 and MFRS 128 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

**A3. Seasonal or Cyclical Factors**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter and financial year-to-date ended 30 September 2023.

**A5. Significant Changes in Estimates**

There were no significant changes in estimates that have had a material effect during the current quarter and financial year-to-date ended 30 September 2023.

**A6. Debt and Equity Securities**

There were no issuance and repayment of debts and equity securities during the current quarter and financial year-to-date ended 30 September 2023.





**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A7. Dividend Paid**

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

	30.09.2023	30.09.2022
<b>Single-tier interim dividend:</b>		
For financial year ending	31 December 2023	-
Approved and declared on	29 August 2023	-
Date paid	29 September 2023	-
Number of ordinary shares on which dividends were paid ('000)	420,000	-
Dividend per share	7.0 sen	-
Dividend paid	RM29,400,000	-
<b>First and final single-tier dividend:</b>		
For financial year ended	31 December 2022	31 December 2021
Approved and declared on	26 May 2023	27 May 2022
Date paid	27 June 2023	30 June 2022
Number of ordinary shares on which dividends were paid ('000)	420,000	420,000
Dividend per share	7.0 sen	7.0 sen
Dividend paid	RM29,400,000	RM29,400,000

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**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 RM'000	Total RM'000
<b>For 3 months ended 30 September 2023</b>					
<b>Major products or services:</b>					
Sale of tin	357,144	74,280	431,424	(74,280)	357,144
Smelting revenue	6,157	-	6,157	-	6,157
Sale of by-products	299	-	299	-	299
Others	422	-	422	-	422
	<u>364,022</u>	<u>74,280</u>	<u>438,302</u>	<u>(74,280)</u>	<u>364,022</u>
<b>Timing of revenue recognition</b>					
At a point in time	<u>364,022</u>	<u>74,280</u>	<u>438,302</u>	<u>(74,280)</u>	<u>364,022</u>

**For 3 months ended 30 September 2022**

<b>Major products or services:</b>					
Sale of tin	335,163	64,454	399,617	(64,454)	335,163
Smelting revenue	7,735	-	7,735	-	7,735
Sale of by-products	895	-	895	-	895
Others	334	-	334	-	334
	<u>344,127</u>	<u>64,454</u>	<u>408,581</u>	<u>(64,454)</u>	<u>344,127</u>
<b>Timing of revenue recognition</b>					
At a point in time	<u>344,127</u>	<u>64,454</u>	<u>408,581</u>	<u>(64,454)</u>	<u>344,127</u>

**For 9 months ended 30 September 2023**

<b>Major products or services:</b>					
Sale of tin	992,352	217,169	1,209,521	(217,169)	992,352
Smelting revenue	25,080	-	25,080	-	25,080
Sale of by-products	12,344	-	12,344	-	12,344
Others	1,317	-	1,317	-	1,317
	<u>1,031,093</u>	<u>217,169</u>	<u>1,248,262</u>	<u>(217,169)</u>	<u>1,031,093</u>
<b>Timing of revenue recognition</b>					
At a point in time	<u>1,031,093</u>	<u>217,169</u>	<u>1,248,262</u>	<u>(217,169)</u>	<u>1,031,093</u>

**For 9 months ended 30 September 2022**

<b>Major products or services:</b>					
Sale of tin	1,088,034	269,787	1,357,821	(269,787)	1,088,034
Smelting revenue	19,368	-	19,368	-	19,368
Sale of by-products	4,185	-	4,185	-	4,185
Others	854	-	854	-	854
	<u>1,112,441</u>	<u>269,787</u>	<u>1,382,228</u>	<u>(269,787)</u>	<u>1,112,441</u>
<b>Timing of revenue recognition</b>					
At a point in time	<u>1,112,441</u>	<u>269,787</u>	<u>1,382,228</u>	<u>(269,787)</u>	<u>1,112,441</u>



**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**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
<b>Results for 3 months ended 30 September 2023</b>						
<b>Revenue</b>						
Sales to external customers	364,022	-	-	364,022	-	364,022
Inter-segment sales	-	74,280	-	74,280	(74,280)	-
<b>Total revenue</b>	<b>364,022</b>	<b>74,280</b>	<b>-</b>	<b>438,302</b>	<b>(74,280)</b>	<b>364,022</b>
<b>Results</b>						
Operating profit/(loss)	764	24,374	(11)	25,127	(331)	24,796
Finance costs	(4,202)	(562)	(124)	(4,888)	-	(4,888)
Share of results of associate and joint venture	-	-	497	497	-	497
(Loss)/Profit before tax	(3,438)	23,812	362	20,736	(331)	20,405
Income tax credit/(expense)	757	(5,938)	-	(5,181)	79	(5,102)
<b>(Loss)/Profit net of tax</b>	<b>(2,681)</b>	<b>17,874</b>	<b>362</b>	<b>15,555</b>	<b>(252)</b>	<b>15,303</b>
<b>Results for 3 months ended 30 September 2022</b>						
<b>Revenue</b>						
Sales to external customers	344,127	-	-	344,127	-	344,127
Inter-segment sales	-	64,454	-	64,454	(64,454)	-
<b>Total revenue</b>	<b>344,127</b>	<b>64,454</b>	<b>-</b>	<b>408,581</b>	<b>(64,454)</b>	<b>344,127</b>
<b>Results</b>						
Operating (loss)/profit	(56,695)	11,369	(2)	(45,328)	10,796	(34,532)
Finance costs	(4,366)	(422)	(127)	(4,915)	-	(4,915)
Share of results of associate and joint venture	-	-	(265)	(265)	-	(265)
(Loss)/Profit before tax	(61,061)	10,947	(394)	(50,508)	10,796	(39,712)
Income tax credit/(expense)	15,084	(2,982)	-	12,102	(2,452)	9,650
<b>(Loss)/Profit net of tax</b>	<b>(45,977)</b>	<b>7,965</b>	<b>(394)</b>	<b>(38,406)</b>	<b>8,344</b>	<b>(30,062)</b>



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**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
<b>Results for 9 months ended 30 September 2023</b>						
<b>Revenue</b>						
Sales to external customers	1,031,093	-	-	1,031,093	-	1,031,093
Inter-segment sales	-	217,169	-	217,169	(217,169)	-
<b>Total revenue</b>	<b>1,031,093</b>	<b>217,169</b>	<b>-</b>	<b>1,248,262</b>	<b>(217,169)</b>	<b>1,031,093</b>
<b>Results</b>						
Operating profit/(loss)	62,929	72,461	(16)	135,374	(8,089)	127,285
Finance costs	(11,623)	(1,714)	(539)	(13,876)	-	(13,876)
Share of results of associate and joint venture	-	-	848	848	-	848
Profit/(Loss) before tax	51,306	70,747	293	122,346	(8,089)	114,257
Income tax (expense)/credit	(13,075)	(18,181)	-	(31,256)	1,848	(29,408)
<b>Profit/(Loss) net of tax</b>	<b>38,231</b>	<b>52,566</b>	<b>293</b>	<b>91,090</b>	<b>(6,241)</b>	<b>84,849</b>
<b>Results for 9 months ended 30 September 2022</b>						
<b>Revenue</b>						
Sales to external customers	1,112,441	-	-	1,112,441	-	1,112,441
Inter-segment sales	-	269,787	-	269,787	(269,787)	-
<b>Total revenue</b>	<b>1,112,441</b>	<b>269,787</b>	<b>-</b>	<b>1,382,228</b>	<b>(269,787)</b>	<b>1,112,441</b>
<b>Results</b>						
Operating (loss)/profit	(19,410)	122,551	(10)	103,131	16,096	119,227
Finance costs	(12,835)	(1,267)	(419)	(14,521)	-	(14,521)
Share of results of associate and joint venture	-	-	451	451	-	451
(Loss)/Profit before tax	(32,245)	121,284	22	89,061	16,096	105,157
Income tax credit/(expense)	7,547	(35,306)	-	(27,759)	(3,724)	(31,483)
<b>(Loss)/Profit net of tax</b>	<b>(24,698)</b>	<b>85,978</b>	<b>22</b>	<b>61,302</b>	<b>12,372</b>	<b>73,674</b>

**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
<b>Assets and Liabilities as at 30 September 2023</b>						
<b>Assets</b>						
Segment assets	963,406	349,759	35,058	1,348,223	(7,562)	1,340,661
Investments in associate and joint venture	-	-	30,907	30,907	-	30,907
<b>Total assets</b>	<b>963,406</b>	<b>349,759</b>	<b>65,965</b>	<b>1,379,130</b>	<b>(7,562)</b>	<b>1,371,568</b>
<b>Liabilities</b>						
Segment liabilities	<b>486,149</b>	<b>79,395</b>	<b>164</b>	<b>565,708</b>	<b>-</b>	<b>565,708</b>
<b>Assets and Liabilities as at 31 December 2022</b>						
<b>Assets</b>						
Segment assets	939,267	305,040	32,895	1,277,202	(1,322)	1,275,880
Investments in associate and joint venture	-	-	29,974	29,974	-	29,974
<b>Total assets</b>	<b>939,267</b>	<b>305,040</b>	<b>62,869</b>	<b>1,307,176</b>	<b>(1,322)</b>	<b>1,305,854</b>
<b>Liabilities</b>						
Segment liabilities	<b>445,588</b>	<b>82,613</b>	<b>157</b>	<b>528,358</b>	<b>-</b>	<b>528,358</b>

**A10. Property, Plant and Equipment**

The same valuation of land and buildings has been brought forward from the previous audited financial statements for the year ended 31 December 2022.

**A11. Event After the Reporting Period**

There was no material event subsequent to end of the current quarter.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial year-to-date ended 30 September 2023.



**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-to-date ended 30 September 2023 except for the following:

- (i) Trial in respect of the case against two former executive officers of the Company for breach of fiduciary duties, conspiracy and dishonest assistance was concluded on 25 August 2023. On 8 November 2023, the judge delivered his decision to dismiss the subsidiary's claim. Pursuant thereto, the court awarded cost of RM550,000 to the defendants and allowed a counterclaim of RM500,000 by one of the defendants. The subsidiary has 30 days to appeal against the decision.

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

- (ii) In respect of the suit by a former supplier of foreign workers against the Company for the purported breach of contract, after some delays in scheduling the Oral Hearing (Submission), the hearing for the Oral Submission was scheduled for 6 October 2023. However, due to incomplete documents, it was turned into a case management (CM). During the CM, the Court has directed the Plaintiff to file the complete notes of proceedings and parties to file their reply submissions (if any) on/or before 20 October 2023. A CM was fixed on 30 October 2023. At the CM, the court has fixed the matter for decision on 3 January 2024.

The Board of Directors, having obtained advice from its legal counsel, is of the opinion that the Company has a good chance of winning the case.

- (iii) In respect of the suit against the Company for the purported breach of a sale and purchase agreement to supply 60,000 MT of tin slag, pre-trial matters are on-going. In the meantime, the Company, with the assistance of its lawyers, are exploring with the Plaintiff's lawyers on the possibility of a settlement. Trial dates are fixed on 11-12 September, 17 September and 19 September 2024.

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. Pursuant to this, the Company's legal counsel had sent an official response to the third party's solicitor denying that there has been any breach of the Agreement.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A14. Capital Commitments**

Capital commitments of the Group as at 30 September 2023 are as follows:

	<b>30.09.2023</b> <b>RM'000</b>	<b>31.12.2022</b> <b>RM'000</b>
Approved and contracted for	6,716	14,751
Approved but not contracted for	3,849	5,003
	<b>10,565</b>	<b>19,754</b>

**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 2022.

**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)



**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A16. Fair Value of Assets and Liabilities (cont'd)**

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
<b>At 30 September 2023</b>				
<b>Assets measured at fair value:</b>				
Land and buildings	-	-	59,001	59,001
Investment securities	35,049	-	-	35,049
<b>At 31 December 2022</b>				
<b>Assets measured at fair value:</b>				
Land and buildings	-	-	60,086	60,086
Investment securities	32,885	-	-	32,885

There has been no transfer between any levels of the fair value hierarchy and there was no change in the purpose of any financial assets/liabilities that may subsequently result in a different classification of those assets/liabilities during the current quarter and financial year-to-date ended 30 September 2023.

**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 2022 was unqualified.

**B2. Profit/(Loss) Before Tax**

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

	3 <sup>rd</sup> Quarter ended 30.09.2023 RM'000	3 <sup>rd</sup> Quarter ended 30.09.2022 RM'000	9 months ended 30.09.2023 RM'000	9 months ended 30.09.2022 RM'000
<b>After charging/(crediting):</b>				
Depreciation and amortisation	3,448	3,096	10,154	8,924
Dividend income	(1,175)	-	(2,303)	(1,891)
Gain on disposal of property, plant and equipment	-	-	-	(35)
Net foreign exchange (gain)/loss	(1,169)	1,686	(5,707)	2,389
Interest income	(1,469)	(556)	(3,606)	(1,401)
Other income	(766)	(544)	(1,431)	(682)
Property, plant and equipment written off	61	-	61	12
Provision for legal case settlement	-	4,700	-	4,700
Waiver of debts	-	-	(78)	-

Save as disclosed above, there was no material impairment of assets recognised as a loss during the current quarter and financial year-to-date ended 30 September 2023.

**B3. Income Tax (Expense)/Credit**

Income tax (expense)/credit comprises the following:

	3 <sup>rd</sup> Quarter ended 30.09.2023 RM'000	3 <sup>rd</sup> Quarter ended 30.09.2022 RM'000	9 months ended 30.09.2023 RM'000	9 months ended 30.09.2022 RM'000
Income tax				
- Current provision	(4,994)	3,467	(28,271)	(34,666)
- Over provision in prior years	450	72	450	72
	(4,544)	3,539	(27,821)	(34,594)
Deferred tax				
- Relating to origination and reversal of temporary differences	(883)	5,602	(1,912)	2,602
- Over provision in prior years	325	509	325	509
	(558)	6,111	(1,587)	3,111
<b>Total income tax (expense)/credit</b>	<b>(5,102)</b>	<b>9,650</b>	<b>(29,408)</b>	<b>(31,483)</b>

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

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

For the current financial year-to-date ended 30 September 2023, 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 11 November 2023, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report.

**B5. Trade Receivables**

The age analysis of trade receivable of the Group as at 30 September 2023 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 30.09.2023	17,467	-	4	1	1	1	17,474
Trade receivables as at 31.12.2022	31,516	-	7	-	-	-	31,523

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 RM7,000 that are past due at the reporting date but not impaired. Although these balances are unsecured in nature, they are from creditworthy customers.



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

**B6. Loans and Borrowings**

Details of the Group's loans and borrowings as at 30 September 2023 are as follows:

	<b>As at 30.09.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
<b>Short Term Borrowings</b>		
Unsecured:		
Short term trade financing	3,441	30,144
Bankers' acceptances / Trust receipts	259,345	197,721
Revolving credit	15,000	30,000
Secured term loan	26,667	11,111
	<b>304,453</b>	<b>268,976</b>
<b>Long Term Borrowings</b>		
Secured term loan	48,889	68,889
	<b>353,342</b>	<b>337,865</b>

<b>Amount denominated in foreign currency</b>	<b>'000</b>	<b>'000</b>
Short term trade financing (US dollars)	733	6,828

During the 9 months ended 30 September 2023, the Group increased its total borrowings by approximately 5% from RM337.9 million as at 31 December 2022 to RM353.3 million as at 30 September 2023. The gearing ratio of the Group was 0.4 as at 30 September 2023 and 31 December 2022. 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 30 September 2023 for the Group was 4.1% (2022: 4.1%) per annum. Revolving credit as at 30 September 2023 bears average interest rate of 5.5% (2022: 5.6%) per annum.

The secured term loan as at 30 September 2023 bears interest rate of 5.1% (2022: 4.8%) per annum.



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

**B7. Derivative Financial Instrument**

**Foreign Exchange**

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

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

As at 30 September 2023, there was no outstanding forward currency contract.

**B8. Material Litigation**

There was no material litigation as at 11 November 2023, 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

	<b>Current Quarter 30.09.2023 RM'000</b>	<b>Immediate Preceding Quarter 30.06.2023 RM'000</b>	<b>Changes %</b>
Revenue	364,022	327,013	11%
Operating Profit	24,796	46,155	(46%)
Profit Before Interest and Tax	25,293	46,374	(45%)
Profit Before Tax	20,405	42,218	(52%)
Profit After Tax	15,303	31,458	(51%)
Profit Attributable to Owners of the Company	11,824	28,449	(58%)

3Q 2023 vs. 2Q 2023 (QoQ)

The Group recorded revenue of RM364.0 million in 3Q 2023 as compared with RM327.0 million in 2Q 2023. This was mainly due to increase in average tin price from RM116,500 (2Q 2023) to RM123,800 (3Q 2023) per metric tonne and higher sales quantity of refined tin in 3Q 2023.

The Group recorded a profit before tax of RM20.4 million in 3Q 2023 as compared with RM42.2 million in 2Q 2023.

The tin smelting segment recorded a loss before tax of RM3.4 million in 3Q 2023 as compared with a profit before tax of RM21.6 million in 2Q 2023. The TSL furnace at Pulau Indah was under annual shutdown and maintenance since June 2023, and only resumed smelting activities in August 2023. The smelting segment performance in 3Q 2023 was further affected by lower sale of refined tin from processed tin intermediates and the absence of sale of by-product.

The tin mining segment recorded a profit before tax of RM23.8 million in 3Q 2023 as compared with RM23.2 million in 2Q 2023. This was mainly due to higher average tin price as stated above and higher tin production quantity in 3Q 2023.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.5 million in 3Q 2023 as compared with RM0.2 million in 2Q 2023.



**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 (9 months)		Changes %	Individual Period (3 <sup>rd</sup> quarter)		Changes %
	Current Year To- date	Preceding Year Corresponding Period		Current Year Quarter	Preceding Year Corresponding Quarter	
	30.09.2023 RM'000	30.09.2022 RM'000		30.09.2023 RM'000	30.09.2022 RM'000	
Revenue	1,031,093	1,112,441	(7%)	364,022	344,127	6%
Operating Profit/(Loss)	127,285	119,227	7%	24,796	(34,532)	> 100%
Profit/(Loss) Before Interest and Tax	128,133	119,678	7%	25,293	(34,797)	> 100%
Profit/(Loss) Before Tax	114,257	105,157	9%	20,405	(39,712)	> 100%
Profit/(Loss) After Tax	84,849	73,674	15%	15,303	(30,062)	> 100%
Profit/(Loss) Attributable to Owners of the Company	75,683	72,468	4%	11,824	(31,323)	> 100%

9M 2023 vs. 9M 2022 (YoY)

Group revenue was RM1.0 billion in the 9 months of the current financial year (9M 2023) as compared with RM1.1 billion in 9M 2022. This was mainly due to lower average tin price of RM118,800 (9M 2023) as compared with RM148,800 (9M 2022) per metric tonne, despite higher sales quantity of refined tin in 9M 2023.

The Group recorded a profit before tax of RM114.3 million in 9M 2023 as compared with RM105.2 million in 9M 2022.

The tin smelting segment recorded a profit before tax of RM51.3 million in 9M 2023 as compared with a loss before tax of RM32.2 million in 9M 2022. The better performance in 9M 2023 was mainly due to higher profits from increased sales of refined tin derived from the processed tin intermediates, and higher sales of by-products and smelting revenue.

The tin mining segment recorded a profit before tax of RM70.7 million in 9M 2023 as compared with RM121.3 million in 9M 2022. This was mainly due to lower average tin price in 9M 2023 as stated above.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.8 million in 9M 2023 as compared with RM0.5 million in 9M 2022.



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

**B10. Review of Performance (cont'd)**

3Q 2023 vs. 3Q 2022 (YoY)

Group revenue was RM364.0 million in 3Q 2023 as compared with RM344.1 million in 3Q 2022. This was mainly due to higher average tin price of RM123,800 (3Q 2023) as compared with RM104,700 (3Q 2022) per metric tonne and higher sales quantity of refined tin in 3Q 2023.

The Group recorded a profit before tax of RM20.4 million in 3Q 2023 as compared with a loss before tax of RM39.7 million in 3Q 2022.

The tin smelting segment recorded a loss before tax of RM3.4 million in 3Q 2023 as compared with a loss before tax of RM61.1 million in 3Q 2022. This was mainly due to higher average tin price and higher sales quantity of refined tin as stated above. The TSL furnace at Pulau Indah was under annual shutdown and maintenance since June 2023, and only resumed smelting activities in August 2023. Whereas in 3Q 2022, there were sharp decline in tin prices and longer than expected furnace outage at Pulau Indah plant due to logistic delay to secure specialized fire rated furnace bricks.

The tin mining segment recorded a profit before tax of RM23.8 million in 3Q 2023 as compared with RM10.9 million in 3Q 2022. This was mainly due to higher average tin price in 3Q 2023 as stated above. There was a one-off provision for legal case settlement of RM4.7 million in 3Q 2022.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.5 million in 3Q 2023 as compared with a net share loss RM0.3 million in 3Q 2022.

**B11. Prospects**

The current high inflationary and tight monetary environment, continued geopolitical tensions, and supply chain disruptions could weigh heavily on the global economy, with the fear of a global recession looming.

The Group remains cautious, and continues to focus on operational efficiencies and improvements on all areas of operations, technology, manpower and logistics in its smelting and mining business segments.

With the operation in the Pulau Indah ("PI") plant, using newer and more efficient technology on target for full commission and the planned closure of the old plant at Butterworth, the Group expects higher efficiency from lower operational and manpower costs, and its energy saving initiatives, while reducing its overall carbon footprint. The plan to de-commission the smelting facility at Butterworth in stages, commencing 2024 is on track and the Group anticipates cost savings of up to 30%.

For the tin mining segment, the Group continues to focus on improving and increasing daily mining output and overall mining productivity. This includes taking steps to expand its mining activities and tin mines resources.





**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**

	3 <sup>rd</sup> Quarter ended 30.09.2023	3 <sup>rd</sup> Quarter ended 30.09.2022	9 months ended 30.09.2023	9 months ended 30.09.2022
Profit/(Loss) net of tax attributable to owners of the Company (RM'000)	11,824	(31,323)	75,683	72,468
Weighted average number of ordinary shares in issue ('000)	420,000	420,000	420,000	420,000
<b>Basic and diluted earnings/(loss) per share (sen)</b>	<b>2.8</b>	<b>(7.5)</b>	<b>18.0</b>	<b>17.3</b>

**B13. Dividend**

The Board of Directors had on 29 August 2023, declared a single-tier interim dividend of 7.0 sen per share amounting to RM29,400,000 for the financial year ending 31 December 2023, and paid on 29 September 2023.

No interim dividend was declared in the previous corresponding period.

**Authorised for Issue**

The Interim results was authorised for issue by the Board in accordance with a resolution of the Directors on 17 November 2023.