



MALAYSIA SMELTING CORPORATION BERHAD

INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024



Malaysia Smelting Corporation Berhad (197801006055 (43072-A))
Interim Financial Report
For the First Quarter ended 31 March 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

		As at 31.03.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
Assets	Note		
Non-current assets			
Property, plant and equipment		172,061	171,415
Right-of-use assets		4,458	4,546
Land held for development		78,654	78,654
Mining rights		141,973	142,005
Corporate club memberships		423	425
Investments in associate and joint venture		31,226	30,756
Investment securities		37,266	36,243
Deferred mine exploration and evaluation expenditures		1,617	1,537
Mine properties		11,963	12,148
Deferred tax assets		5,938	5,349
		485,579	483,078
Current assets			
Inventories		608,332	595,240
Trade receivables	B5	16,074	6,885
Other receivables		4,822	2,965
Trade prepayments		29,506	31,659
Other prepayments		3,516	2,184
Tax recoverable		5,229	5,391
Cash, bank balances and deposits		197,999	264,222
		865,478	908,546
Total assets		1,351,057	1,391,624
Equity and liabilities			
Current liabilities			
Provisions		944	1,641
Borrowings	B6	297,259	317,543
Trade and other payables		132,721	127,692
Lease liabilities		338	319
Current tax payable		1,289	5,350
		432,551	452,545
Net current assets		432,927	456,001
Non-current liabilities			
Provisions		70,690	70,165
Deferred tax liabilities		6,029	5,952
Borrowings	B6	-	42,222
Lease liabilities		4,018	4,283
		80,737	122,622
Total liabilities		513,288	575,167
Net assets		837,769	816,457
Equity attributable to owners of the Company			
Share capital		237,194	237,194
Other reserves		47,636	46,558
Retained earnings		488,613	470,378
		773,443	754,130
Non-controlling interests		64,326	62,327
Total Equity		837,769	816,457
Total equity and liabilities		1,351,057	1,391,624
Net assets per share attributable to owners of the Company (RM)		1.84	1.80

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 2023 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 MARCH 2024**

	Note	1 st Quarter 3 months ended		Year to Date 3 months ended	
		31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Revenue	A8	362,483	340,058	362,483	340,058
Operating profit		31,443	56,334	31,443	56,334
Finance costs		(4,399)	(4,832)	(4,399)	(4,832)
Share of results of associate and joint venture		439	132	439	132
Profit before tax	B2	27,483	51,634	27,483	51,634
Income tax expense	B3	(7,249)	(13,546)	(7,249)	(13,546)
Profit net of tax		20,234	38,088	20,234	38,088
Attributable to:					
Owners of the Company		18,235	35,410	18,235	35,410
Non-controlling interests		1,999	2,678	1,999	2,678
		20,234	38,088	20,234	38,088
Earnings per share attributable to owners of the Company (sen):					
Basic and diluted	B12	4.3	8.4	4.3	8.4

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 2023 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2024**

	1 st Quarter		Year to Date	
	3 months ended		3 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	20,234	38,088	20,234	38,088
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Net fair value changes in quoted investments at Fair Value through Other Comprehensive Income ("FVOCI")	1,023	74	1,023	74
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	(4)	-	(4)	-
Share of foreign currency translation of associate and joint venture	59	78	59	78
	55	78	55	78
Other comprehensive income for the period, net of tax	1,078	152	1,078	152
Total comprehensive income for the period	21,312	38,240	21,312	38,240
Total comprehensive income attributable to:				
Owners of the Company	19,313	35,562	19,313	35,562
Non-controlling interests	1,999	2,678	1,999	2,678
	21,312	38,240	21,312	38,240

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 2023 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2024**

		Attributable to owners of the Company								
		← Non - Distributable →					Distributable			
RM'000	Note	Share capital	Revaluation reserves	Foreign currency translation reserves	FVOCI reserves	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2024		237,194	19,426	1,221	24,205	1,706	470,378	754,130	62,327	816,457
Profit for the period		-	-	-	-	-	18,235	18,235	1,999	20,234
Other comprehensive income		-	-	55	1,023	-	-	1,078	-	1,078
Total comprehensive income		-	-	55	1,023	-	18,235	19,313	1,999	21,312
At 31 March 2024		237,194	19,426	1,276	25,228	1,706	488,613	773,443	64,326	837,769
At 1 January 2023		237,194	14,264	1,042	20,847	1,706	444,127	719,180	58,316	777,496
Profit for the period		-	-	-	-	-	35,410	35,410	2,678	38,088
Other comprehensive income		-	-	78	74	-	-	152	-	152
Total comprehensive income		-	-	78	74	-	35,410	35,562	2,678	38,240
At 31 March 2023		237,194	14,264	1,120	20,921	1,706	479,537	754,742	60,994	815,736

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 2023 and the accompanying explanatory notes attached to the Interim Financial Report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Operating activities		
Operating cash flows before changes in working capital	32,782	59,352
(Increase)/Decrease in inventories	(13,092)	3,258
(Increase)/Decrease in trade and other receivables	(11,204)	18,905
Decrease in trade prepayments	2,153	1,852
Increase in other prepayments	(1,613)	(832)
Increase/(Decrease) in payables	12,818	(4,654)
Decrease in amount due to an associate	(445)	(946)
Cash generated from operations	<u>21,399</u>	<u>76,935</u>
Income tax paid	(11,663)	(7,395)
Interest paid	(3,475)	(3,810)
Net cash generated from operating activities	<u>6,261</u>	<u>65,730</u>
Investing activities		
Dividend received from an associate	28	75
Dividend received from investment securities	-	1,128
Interest received	1,812	784
Payment for deferred mine exploration and evaluation expenditures and mine properties	(79)	(82)
Purchase of property, plant and equipment	(3,407)	(7,355)
Net cash used in investing activities	<u>(1,646)</u>	<u>(5,450)</u>
Financing activities		
Dividend paid to a non-controlling shareholder of a subsidiary	(8,168)	(8,168)
Repayment of short term trade borrowings	(55,885)	(9,588)
Repayment of term loan	(6,667)	-
Payment of lease liabilities	(254)	(55)
Net cash used in financing activities	<u>(70,974)</u>	<u>(17,811)</u>
Net (decrease)/increase in cash and cash equivalents	(66,359)	42,469
Effect of changes in foreign exchange rates	136	(324)
Cash and cash equivalents as at 1 January	<u>264,222</u>	<u>151,221</u>
Cash and cash equivalents as at 31 March	<u>197,999</u>	<u>193,366</u>

Reconciliation of liabilities arising from financing activities:

	← Non-cash changes →				
	Carrying amount as at	Cash flows	Accrued interest	Foreign exchange movement	Carrying amount
	1 January 2024 RM'000				31 March 2024 RM'000
Lease liabilities	4,602	(254)	8	-	4,356
Short term trade borrowings	290,876	(55,885)	-	46	235,037
Term loan	68,889	(6,667)	-	-	62,222
Total liabilities from financing activities	<u>364,367</u>	<u>(62,806)</u>	<u>8</u>	<u>46</u>	<u>301,615</u>

	← Non-cash changes →				
	Carrying amount as at	Cash flows	Accrued interest	Foreign exchange movement	Carrying amount
	1 January 2023 RM'000				31 March 2023 RM'000
Lease liabilities	4,914	(55)	45	-	4,904
Short term trade borrowings	257,865	(9,588)	-	154	248,431
Term loans	80,000	-	-	-	80,000
Total liabilities from financing activities	<u>342,779</u>	<u>(9,643)</u>	<u>45</u>	<u>154</u>	<u>333,335</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 2023 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 2023.

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 2023.

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 2023 except for the adoption of the pronouncements that became effective from 1 January 2024.

Description

Amendments to MFRS 16 Leases (*Lease Liability in a Sale and Leaseback*)

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

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (*Supplier Finance Arrangements*)

The adoption of the above 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 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.

A5. Significant Changes in Estimates

There were no significant changes in estimates that have had a material effect during the current quarter.

A6. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities during the current quarter.

A7. Dividend Paid

There was no dividend paid during the current quarter and previous year corresponding quarter.

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 Group's timing of revenue recognition is at a point in time.

	Tin Smelting RM'000	Tin Mining RM'000	Sub-total RM'000	Eliminations RM'000	Total RM'000
For 3 months ended 31 March 2024					
Major products or services:					
Sale of tin	357,536	68,467	426,003	(68,467)	357,536
Smelting revenue	4,608	-	4,608	-	4,608
Others	339	-	339	-	339
	<u>362,483</u>	<u>68,467</u>	<u>430,950</u>	<u>(68,467)</u>	<u>362,483</u>
For 3 months ended 31 March 2023					
Major products or services:					
Sale of tin	323,436	72,856	396,292	(72,856)	323,436
Smelting revenue	9,555	-	9,555	-	9,555
Sale of by-products	6,554	-	6,554	-	6,554
Others	513	-	513	-	513
	<u>340,058</u>	<u>72,856</u>	<u>412,914</u>	<u>(72,856)</u>	<u>340,058</u>

A9. Segmental Reporting

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

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

(a) Tin Smelting

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

(b) Tin Mining

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

(c) Others

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (cont'd)

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

	Tin Smelting	Tin Mining	Others	Sub-total	(Eliminations)/ Adjustments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results for 3 months ended 31 March 2024						
Revenue						
Sales to external customers	362,483	-	-	362,483	-	362,483
Inter-segment sales	-	68,467	-	68,467	(68,467)	-
Total revenue	362,483	68,467	-	430,950	(68,467)	362,483
Results						
Operating profit/(loss)	16,913	19,982	(9)	36,886	(5,443)	31,443
Finance costs	(3,648)	(578)	(173)	(4,399)	-	(4,399)
Share of results of associate and joint venture	-	-	439	439	-	439
Profit/(Loss) before tax	13,265	19,404	257	32,926	(5,443)	27,483
Income tax (expense)/credit	(3,385)	(5,170)	-	(8,555)	1,306	(7,249)
Profit/(Loss) net of tax	9,880	14,234	257	24,371	(4,137)	20,234
Results for 3 months ended 31 March 2023						
Revenue						
Sales to external customers	340,058	-	-	340,058	-	340,058
Inter-segment sales	-	72,856	-	72,856	(72,856)	-
Total revenue	340,058	72,856	-	412,914	(72,856)	340,058
Results						
Operating profit/(loss)	37,254	24,272	(3)	61,523	(5,189)	56,334
Finance costs	(4,091)	(555)	(186)	(4,832)	-	(4,832)
Share of results of associate and joint venture	-	-	132	132	-	132
Profit/(Loss) before tax	33,163	23,717	(57)	56,823	(5,189)	51,634
Income tax (expense)/credit	(8,521)	(6,177)	-	(14,698)	1,152	(13,546)
Profit/(Loss) net of tax	24,642	17,540	(57)	42,125	(4,037)	38,088

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (cont'd)

	Tin Smelting	Tin Mining	Others	Sub-total	(Eliminations)/ Adjustments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets and Liabilities as at 31 March 2024						
Assets						
Segment assets	945,186	346,033	37,276	1,328,495	(8,664)	1,319,831
Investments in associate and joint venture	-	-	31,226	31,226	-	31,226
Total assets	945,186	346,033	68,502	1,359,721	(8,664)	1,351,057
Liabilities						
Segment liabilities	428,149	84,968	171	513,288	-	513,288
Assets and Liabilities as at 31 December 2023						
Assets						
Segment assets	956,073	373,070	36,252	1,365,395	(4,527)	1,360,868
Investments in associate and joint venture	-	-	30,756	30,756	-	30,756
Total assets	956,073	373,070	67,008	1,396,151	(4,527)	1,391,624
Liabilities						
Segment liabilities	483,219	91,784	164	575,167	-	575,167

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 2023.

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.

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 except for the following:

In respect of the suit against the Company with claim amount of RM2,152,533 for the purported breach of a sale and purchase agreement to supply 60,000 MT of tin slag, pre-trial matters are on-going. Trial dates are fixed on 11-12 September and 17-19 September 2024 respectively.

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.

A14. Capital Commitments

Capital commitments of the Group as at 31 March 2024 are as follows:

	31.03.2024	31.12.2023
	RM'000	RM'000
Approved and contracted for	9,633	7,680
Approved but not contracted for	3,839	7,061
	13,472	14,741

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 2023.

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 March 2024				
Assets measured at fair value:				
Land and buildings	-	-	70,523	70,523
Investment securities	37,266	-	-	37,266
At 31 December 2023				
Assets measured at fair value:				
Land and buildings	-	-	65,908	65,908
Investment securities	36,243	-	-	36,243

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.

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 2023 was unqualified.

B2. Profit/(Loss) Before Tax

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

	3 months ended 31.03.2024 RM'000	3 months ended 31.03.2023 RM'000
<i>After charging/(crediting):</i>		
Depreciation and amortisation	3,070	3,305
Dividend income	-	(1,128)
Interest income	(1,812)	(784)
Net foreign exchange gain	(2,132)	(997)
Other income	(397)	(98)

Save as disclosed above, there was no material impairment of assets recognised as a loss during the current quarter.

B3. Income Tax (Expense)/Credit

Income tax (expense)/credit comprises the following:

	3 months ended 31.03.2024 RM'000	3 months ended 31.03.2023 RM'000
Income tax		
- Current provision	(7,763)	(12,640)
Deferred tax		
- Relating to origination and reversal of temporary differences	514	(906)
Total income tax expense	(7,249)	(13,546)

For the current quarter, 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.

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

B4. Corporate Proposal

There was no corporate proposal announced but not completed as at 18 May 2024, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report.

B5. Trade Receivables

The age analysis of trade receivable of the Group as at 31 March 2024 is as follows:

	Not past due RM'000	Past due					Total RM'000
		< 30 days RM'000	30 to 60 days RM'000	61 to 90 days RM'000	91 to 120 days RM'000	>120 days RM'000	
Trade receivables as at 31.03.2024	16,068	-	6	-	-	-	16,074
Trade receivables as at 31.12.2023	6,875	-	9	1	-	-	6,885

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 RM6,000 that are past due at the reporting date but not impaired. Although these balances are unsecured in nature, they are from creditworthy customers.

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

B6. Loans and Borrowings

Details of the Group's loans and borrowings as at 31 March 2024 are as follows:

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Short Term Borrowings		
Unsecured:		
Short term trade financing	9,290	1,476
Bankers' acceptances / Trust receipts	220,747	279,400
Revolving credit	5,000	10,000
Secured term loan	62,222	26,667
	297,259	317,543
Long Term Borrowings		
Secured term loan	-	42,222
	297,259	359,765

Amount denominated in foreign currency	'000	'000
Short term trade financing (US dollars)	1,961	321

During the 3 months ended 31 March 2024, the Group decreased its total borrowings by approximately 17% from RM359.8 million as at 31 December 2023 to RM297.3 million as at 31 March 2024. The gearing ratio of the Group was 0.4 as at 31 March 2024 and 31 December 2023. 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 March 2024 for the Group was 4.1% (2023: 4.0%) per annum. Revolving credit as at 31 March 2024 bears average interest rate of 5.6% (2023: 5.7%) per annum.

The secured term loan as at 31 March 2024 bears interest rate of 5.1% (2023: 5.2%) 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 31 March 2024, there was no outstanding forward currency contract.

B8. Material Litigation

There was no material litigation as at 18 May 2024, 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 31.03.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000	Changes %
Revenue	362,483	404,632	(10%)
Operating Profit	31,443	18,610	69%
Profit Before Interest and Tax	31,882	18,434	73%
Profit Before Tax	27,483	14,376	91%
Profit After Tax	20,234	12,367	64%
Profit Attributable to Owners of the Company	18,235	9,368	95%

1Q 2024 vs. 4Q 2023 (QoQ)

The Group recorded revenue of RM362.5 million in 1Q 2024 as compared with RM404.6 million in 4Q 2023. This was mainly due to lower sales quantity of refined tin and lower smelting revenue in 1Q 2024, despite higher average tin price of RM124,900 (1Q 2024) as compared with RM116,000 (4Q 2023) per metric tonne.

The Group recorded a profit before tax of RM27.5 million in 1Q 2024 as compared with RM14.4 million in 4Q 2023.

The tin smelting segment recorded a profit before tax of RM13.3 million in 1Q 2024 as compared with a loss before tax of RM5.7 million in 4Q 2023. Profit in 1Q 2024 was mainly due to higher tin prices and foreign exchange gain; while loss in 4Q 2023 was mainly due to foreign exchange loss, and additional provisions for staff bonus and retrenchment compensation cost.

The tin mining segment recorded a profit before tax of RM19.4 million in 1Q 2024 as compared with RM16.5 million in 4Q 2023. This was mainly due to higher average tin price as stated above.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.4 million in 1Q 2024 as compared with a net share loss of RM0.2 million in 4Q 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

	Individual Period (1 st quarter)		Changes %
	Current Year Quarter	Preceding Year Corresponding Quarter	
	31.03.2024 RM'000	31.03.2023 RM'000	
Revenue	362,483	340,058	7%
Operating Profit	31,443	56,334	(44%)
Profit Before Interest and Tax	31,882	56,466	(44%)
Profit Before Tax	27,483	51,634	(47%)
Profit After Tax	20,234	38,088	(47%)
Profit Attributable to Owners of the Company	18,235	35,410	(49%)

1Q 2024 vs. 1Q 2023 (YoY)

Group revenue was RM362.5 million in 1Q 2024 as compared with RM340.1 million in 1Q 2023. This was mainly due to higher average tin price of RM124,900 (1Q 2024) as compared with RM116,100 (1Q 2023) per metric tonne, despite lower smelting revenue during the period.

The Group recorded a profit before tax of RM27.5 million in 1Q 2024 as compared with RM51.6 million in 1Q 2023.

The tin smelting segment recorded a profit before tax of RM13.3 million in 1Q 2024 as compared with RM33.2 million in 1Q 2023. Lower profit mainly due to the absence of sale of refined tin derived from the processed tin intermediates and sale of by-products, and lower smelting revenue.

The tin mining segment recorded a profit before tax of RM19.4 million in 1Q 2024 as compared with RM23.7 million in 1Q 2023. This was mainly due to lower tin production quantity.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.4 million in 1Q 2024 as compared with RM0.1 million in 1Q 2023.

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

B11. Prospects

Global economic prospects remain fragile as the world continues to navigate the challenges from prolonged inflation, monetary policy tightening and supply chain disruptions. Geopolitical risks from the conflict in the Middle East and the long-drawn Russian/Ukraine war continue to weigh down heavily on the global economy with negative implications from surging energy prices and further inflationary pressures.

Notwithstanding the above, the tin ore supply disruption at Wa State, Myanmar has abated. The Indonesian Government has also lifted restriction on their tin export. These two factors may bode well for the Group as we expect more tin bearing materials available to the Group's smelting and trading business.

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

With the full commission of the Pulau Indah ("PI") plant operation in the near term, 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 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 expanding its mining activities and mine resources, and participating in new mining joint ventures.

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

	3 months ended 31.03.2024	3 months ended 31.03.2023
Profit net of tax attributable to owners of the Company (RM'000)	18,235	35,410
Weighted average number of ordinary shares in issue ('000)	420,000	420,000
Basic and diluted earnings per share (sen)	4.3	8.4

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

B13. Dividend

The Board of Directors has recommended, for approval at the forthcoming Annual General Meeting, payment of a final single-tier dividend of 7 sen per share (2022: a first and final single-tier dividend of 7 sen per share) amounting to RM29,400,000 (2022: RM29,400,000) for the financial year ended 31 December 2023.

The final dividend will be paid to shareholders on 28 June 2024. The entitlement date for the final dividend shall be on 14 June 2024.

For the financial year ended 31 December 2023, the Board declared a total dividend of 14 sen per share (2022: 7 sen per share).

There was no dividend declared for the current quarter.

Authorised for Issue

The Interim results was authorised for issue by the Board in accordance with a resolution of the Directors on 24 May 2024.