MALAYSIA SMELTING CORPORATION BERHAD

INTERIM FINANCIAL REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

	Note	As at 30.09.2025 Unaudited RM'000	As at 31.12.2024 Audited RM'000
Assets			
Non-current assets			
Property, plant and equipment		191,080	183,246
Right-of-use assets		3,924	4,175
Land held for development		78,654	78,654
Mining rights		141,781	141,874
Corporate club memberships		411	417
Investments in associate and joint venture		31,795	30,517
Investment securities		24,573	26,981
Mining assets		13,695	13,191
Deferred tax assets		4,995	4,125
		490,908	483,180
Current assets			
Inventories		680,233	615,844
Trade receivables	**B5**	54,055	8,137
Other receivables		35,119	23,750
Trade prepayments		470	3,015
Other prepayments		4,308	3,238
Tax recoverable		13,653	14,789
Derivative financial instruments		-	37
Cash, bank balances and deposits		166,966	211,848
		954,804	880,658
Total assets		1,445,712	1,363,838
Equity and liabilities			
Current liabilities			
Provisions		13,602	16,529
Borrowings	**B6**	407,382	343,236
Trade and other payables		162,947	124,579
Lease liabilities		183	273
Current tax payable		7,175	4,385
		591,289	489,002
Net current assets		363,515	391,656
Non-current liabilities			
Provisions		61,019	59,303
Deferred tax liabilities		8,360	8,212
Borrowings	**B6**	17,778	27,778
Lease liabilities		3,796	4,003
		90,953	99,296
Total liabilities		682,242	588,298
Net assets		763,470	775,540
Equity attributable to owners of the Company			
Share capital		237,194	237,194
Other reserves		39,975	42,326
Retained earnings		408,693	429,624
		685,862	709,144
Non-controlling interests		77,608	66,396
Total Equity		763,470	775,540
Total equity and liabilities		1,445,712	1,363,838
Net assets per share attributable to owners of the Company (RM)		**0.82**	**0.84**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the Interim Financial Report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

		3 rd Quarter		Year to Date	
		3 months ended		9 months ended	
	Note	30.09.2025 RM'000	30.09.2024 RM'000	30.09.2025 RM'000	30.09.2024 RM'000
Revenue	**A8**	529,536	470,053	1,278,267	1,243,323
Operating profit		39,540	32,441	100,695	95,874
Finance costs		(4,701)	(5,157)	(15,538)	(14,122)
Share of results of associate and joint venture		458	254	1,237	287
Profit before tax	**B2**	35,297	27,538	86,394	82,039
Income tax expense	**B3**	(9,501)	(7,124)	(33,113)	(21,548)
Profit net of tax		25,796	20,414	53,281	60,491
Attributable to:					
Owners of the Company		20,400	14,293	42,069	49,247
Non-controlling interests		5,396	6,121	11,212	11,244
		25,796	20,414	53,281	60,491
Earnings per share attributable to owners of the Company (sen):					
Basic and diluted	**B12**	2.4	1.7	5.0	5.9

The unaudited condensed consolidated statement of profit or loss should be read in conjunction with the audited annual financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the Interim Financial Report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	3 rd Quarter		Year to Date	
	3 months ended		9 months ended	
	30.09.2025 RM'000	30.09.2024 RM'000	30.09.2025 RM'000	30.09.2024 RM'000
Profit net of tax	25,796	20,414	53,281	60,491
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")	3,015	(719)	(2,408)	5,247
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	-	19	7	15
Share of foreign currency translation of associate and joint venture	(61)	(58)	50	(2)
	(61)	(39)	57	13
Other comprehensive income/(loss) for the period, net of tax	2,954	(758)	(2,351)	5,260
Total comprehensive income for the period	28,750	19,656	50,930	65,751
Total comprehensive income attributable to:				
Owners of the Company	23,354	13,535	39,718	54,507
Non-controlling interests	5,396	6,121	11,212	11,244
	28,750	19,656	50,930	65,751

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 2024 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 2025

		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 2025		237,194	22,255	1,248	17,117	1,706	429,624	709,144	66,396	775,540
Profit for the period		-	-	-	-	-	42,069	42,069	11,212	53,281
Other comprehensive income/(loss)		-	-	57	(2,408)	-	-	(2,351)	-	(2,351)
Total comprehensive income/(loss)		-	-	57	(2,408)	-	42,069	39,718	11,212	50,930
Transaction with owners:										
Dividend on ordinary shares	**A7**	-	-	-	-	-	(63,000)	(63,000)	-	(63,000)
At 30 September 2025		**237,194**	**22,255**	**1,305**	**14,709**	**1,706**	**408,693**	**685,862**	**77,608**	**763,470**
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		-	-	-	-	-	49,247	49,247	11,244	60,491
Other comprehensive income		-	-	13	5,247	-	-	5,260	-	5,260
Total comprehensive income		-	-	13	5,247	-	49,247	54,507	11,244	65,751
Transaction with owners:										
Dividend on ordinary shares	**A7**	-	-	-	-	-	(58,800)	(58,800)	-	(58,800)
At 30 September 2024		**237,194**	**19,426**	**1,234**	**29,452**	**1,706**	**460,825**	**749,837**	**73,571**	**823,408**

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited annual financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the Interim Financial Report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	9 months ended 30.09.2025 RM'000	9 months ended 30.09.2024 RM'000
Operating activities		
Operating cash flows before changes in working capital	110,216	100,366
Increase in inventories	(64,389)	(15,254)
Increase in receivables	(59,530)	(34,931)
Decrease/(Increase) in trade prepayments	2,545	(9,989)
Increase in other prepayments	(845)	(1,943)
Increase/(Decrease) in payables	37,559	(34,015)
Increase/(Decrease) in amount due to an associate	350	(1,026)
Cash generated from operations	25,906	3,208
Income tax paid	(29,912)	(36,005)
Interest paid	(13,569)	(12,148)
Payment for retrenchment compensation	(2,927)	(875)
Net cash used in operating activities	(20,502)	(45,820)
Investing activities		
Dividend received from an associate	9	28
Dividend received from investment securities	-	1,181
Interest received	3,688	5,195
Payment for deferred mine exploration and evaluation expenditures and mine properties	(1,098)	(292)
Proceeds from disposal of property, plant and equipment	6	-
Purchase of property, plant and equipment	(18,090)	(14,518)
Net cash used in investing activities	(15,485)	(8,406)
Financing activities		
Dividend paid to shareholders	(63,000)	(29,400)
Dividend paid to a non-controlling shareholder of a subsidiary	-	(8,168)
Drawdown of short term trade borrowings	65,551	68,944
Repayment of term loan	(11,111)	(20,000)
Payment of lease liabilities	(297)	(320)
Net cash (used in)/generated from financing activities	(8,857)	11,056
Net decrease in cash and cash equivalents	(44,844)	(43,170)
Effect of changes in foreign exchange rates	(38)	(3)
Cash and cash equivalents as at 1 January	211,848	264,222
Cash and cash equivalents as at 30 September	166,966	221,049

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 January 2025 RM'000	Cash flows RM'000	Non-cash changes Foreign exchange movement RM'000	Carrying amount as at 30 September 2025 RM'000
Lease liabilities	4,276	(297)	-	3,979
Short term trade borrowings	328,792	65,551	(294)	394,049
Term loan	42,222	(11,111)	-	31,111
Total liabilities from financing activities	375,290	54,143	(294)	429,139

	Carrying amount as at 1 January 2024 RM'000	Cash flows RM'000	Non-cash changes Foreign exchange movement RM'000	Carrying amount as at 30 September 2024 RM'000
Lease liabilities	4,602	(320)	-	4,282
Short term trade borrowings	290,876	68,944	(458)	359,362
Term loan	68,889	(20,000)	-	48,889
Total liabilities from financing activities	364,367	48,624	(458)	412,533

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the Interim Financial Report.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

This condensed consolidated Interim Financial Report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2024.

These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2024.

A2. Changes in Accounting Policies

i) Amendments and Annual Improvements adopted by the Group

The significant accounting policies adopted in the preparation of the Interim Financial Report are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2024 except for the adoption of the pronouncement that became effective from 1 January 2025.

Description
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates *(Lack of Exchangeability)*

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. Changes in Accounting Policies (cont'd)

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

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

Description	***Effective for annual periods beginning on or after***
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures *(Amendments to the Classification and Measurement of Financial Instruments)*	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11: • MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards • MFRS 7 Financial Instruments: Disclosures • MFRS 9 Financial Instruments • MFRS 10 Consolidated Financial Statements • MFRS 107 Statement of Cash Flows	1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures *(Contracts Referencing Nature-dependent Electricity)*	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 2025.

A5. Significant Changes in Estimates

There were no significant changes in estimates that have had a material effect during the current quarter and financial year-to-date ended 30 September 2025.

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 2025 except that on 15 July 2025, the number of ordinary shares of the Company was increased from 420,000,000 shares to 840,000,000 shares, following the completion of Bonus Issue, as disclosed in Note B4.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. Dividend Paid

The following dividends were paid by the Company

	30.09.2025	30.09.2024
Interim single-tier dividend:		
For financial year ending	31 December 2025	-
Date paid	9 September 2025	-
Number of ordinary shares on which dividends were paid ('000)	840,000	-
Dividend per share	4.0 sen	-
Dividend paid	RM33,600,000	-
Final single-tier dividend:		
For financial year ended	31 December 2024	31 December 2023
Date paid	26 June 2025	28 June 2024
Number of ordinary shares on which dividends were paid ('000)	420,000	420,000
Dividend per share	7.0 sen	7.0 sen
Dividend paid	RM29,400,000	RM29,400,000

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 30 September 2025					
Major products or services:					
Sale of tin	482,965	87,994	570,959	(87,994)	482,965
Smelting revenue	1,323	-	1,323	-	1,323
Sale of tin bearing slag	45,021	-	45,021	-	45,021
Others	227	-	227	-	227
	529,536	87,994	617,530	(87,994)	529,536

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A8. Revenue (cont'd)

	Tin Smelting RM'000	Tin Mining RM'000	Sub-total RM'000	Eliminations RM'000	Total RM'000
For 3 months ended 30 September 2024					
Major products or services:					
Sale of tin	455,492	82,796	538,288	(82,796)	455,492
Smelting revenue	4,478	-	4,478	-	4,478
Sale of tin bearing slag	9,754	-	9,754	-	9,754
Others	329	-	329	-	329
	470,053	82,796	552,849	(82,796)	470,053
For 9 months ended 30 September 2025					
Major products or services:					
Sale of tin	1,183,378	249,464	1,432,842	(249,464)	1,183,378
Smelting revenue	4,908	-	4,908	-	4,908
Sale of tin bearing slag	79,978	-	79,978	-	79,978
Sale of by-products	9,152	-	9,152	-	9,152
Others	851	-	851	-	851
	1,278,267	249,464	1,527,731	(249,464)	1,278,267
For 9 months ended 30 September 2024					
Major products or services:					
Sale of tin	1,219,053	235,180	1,454,233	(235,180)	1,219,053
Smelting revenue	13,492	-	13,492	-	13,492
Sale of tin bearing slag	9,754	-	9,754	-	9,754
Others	1,024	-	1,024	-	1,024
	1,243,323	235,180	1,478,503	(235,180)	1,243,323

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 30 September 2025						
Revenue						
Sales to external customers	529,536	-	-	529,536	-	529,536
Inter-segment sales	-	87,994	-	87,994	(87,994)	-
Total revenue	529,536	87,994	-	617,530	(87,994)	529,536
Results						
Operating profit/(loss)	2,455	33,496	(7)	35,944	3,596	39,540
Finance costs	(3,916)	(622)	(163)	(4,701)	-	(4,701)
Share of results of associate and joint venture	-	-	458	458	-	458
(Loss)/Profit before tax	(1,461)	32,874	288	31,701	3,596	35,297
Income tax expense	(119)	(8,519)	-	(8,638)	(863)	(9,501)
(Loss)/Profit net of tax	**(1,580)**	**24,355**	**288**	**23,063**	**2,733**	**25,796**
Results for 3 months ended 30 September 2024						
Revenue						
Sales to external customers	470,053	-	-	470,053	-	470,053
Inter-segment sales	-	82,796	-	82,796	(82,796)	-
Total revenue	470,053	82,796	-	552,849	(82,796)	470,053
Results						
Operating (loss)/profit	(9,309)	31,030	(6)	21,715	10,726	32,441
Finance costs	(4,357)	(578)	(222)	(5,157)	-	(5,157)
Share of results of associate and joint venture	-	-	254	254	-	254
(Loss)/Profit before tax	(13,666)	30,452	26	16,812	10,726	27,538
Income tax credit/(expense)	3,359	(7,909)	-	(4,550)	(2,574)	(7,124)
(Loss)/Profit net of tax	**(10,307)**	**22,543**	**26**	**12,262**	**8,152**	**20,414**

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
Results for 9 months ended 30 September 2025						
Revenue						
Sales to external customers	1,278,267	-	-	1,278,267	-	1,278,267
Inter-segment sales	-	249,464	-	249,464	(249,464)	-
Total revenue	1,278,267	249,464	-	1,527,731	(249,464)	1,278,267
Results						
Operating profit/(loss)	7,912	93,146	(17)	101,041	(346)	100,695
Finance costs	(13,236)	(1,866)	(436)	(15,538)	-	(15,538)
Share of results of associate and joint venture	-	-	1,237	1,237	-	1,237
(Loss)/Profit before tax	(5,324)	91,280	784	86,740	(346)	86,394
Income tax credit/(expense)	1,541	(34,737)	-	(33,196)	83	(33,113)
(Loss)/Profit net of tax	**(3,783)**	**56,543**	**784**	**53,544**	**(263)**	**53,281**
Results for 9 months ended 30 September 2024						
Revenue						
Sales to external customers	1,243,323	-	-	1,243,323	-	1,243,323
Inter-segment sales	-	235,180	-	235,180	(235,180)	-
Total revenue	1,243,323	235,180	-	1,478,503	(235,180)	1,243,323
Results						
Operating profit/(loss)	17,585	85,095	(28)	102,652	(6,778)	95,874
Finance costs	(11,798)	(1,733)	(591)	(14,122)	-	(14,122)
Share of results of associate and joint venture	-	-	287	287	-	287
Profit/(Loss) before tax	5,787	83,362	(332)	88,817	(6,778)	82,039
Income tax (expense)/credit	(1,502)	(21,673)	-	(23,175)	1,627	(21,548)
Profit/(Loss) net of tax	**4,285**	**61,689**	**(332)**	**65,642**	**(5,151)**	**60,491**

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 30 September 2025						
Assets						
Segment assets	1,032,124	369,532	24,581	1,426,237	(12,320)	1,413,917
Investments in associate and joint venture	-	-	31,795	31,795	-	31,795
Total assets	**1,032,124**	**369,532**	**56,376**	**1,458,032**	**(12,320)**	**1,445,712**
Liabilities						
Segment liabilities	**579,439**	**102,655**	**148**	**682,242**	**-**	**682,242**
Assets and Liabilities as at 31 December 2024						
Assets						
Segment assets	962,302	356,088	26,989	1,345,379	(12,058)	1,333,321
Investments in associate and joint venture	-	-	30,517	30,517	-	30,517
Total assets	**962,302**	**356,088**	**57,506**	**1,375,896**	**(12,058)**	**1,363,838**
Liabilities						
Segment liabilities	**492,498**	**95,641**	**159**	**588,298**	**-**	**588,298**

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 2024.

A11. Event After the Reporting Period

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 2025.

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 2025 except for the following:

i. In respect of the suit against the Company with claim amount of RM2,152,533 for the purported breach of a sale and purchase agreement to supply 60,000 MT of tin slag, the original trial dates were fixed for 27-28 August 2025. However, trial has been postponed to 4 and 5 February 2026.

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

ii. On 27 June 2024, the Inland Revenue Board ("IRB") issued Notices of Additional Assessment with penalties for YA 2019, YA 2021 and YA 2022 ("Notices") totalling RM31.3 million to Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), an 80% owned subsidiary of the Company. The Notices were raised pursuant to the disallowance of past tribute payments incurred from YA 2010 to YA 2017, and related legal and professional fees incurred by RHT in YA 2021 and YA 2022.

   The subsidiary company had earlier lodged the Notice of Appeal (Form Q) to the Special Commissioners of IRB on 25 July 2024, and the matter was referred to IRB's Dispute Resolution Panel for both parties to negotiate for an amicable settlement.

   Subsequently, IRB issued Notices of Reduced Assessment for YA 2019, YA 2021 and YA 2022 on 21 May 2025, effectively reducing the additional tax from RM31.3 million to RM14.1 million. The tax impact has been adjusted to the Interim Financial Report in 1Q 2025.

   The Notices of Reduced Assessment for YA 2019, YA 2021 and YA 2022 has been fully settled and the Notice of Appeal (Form Q) has been withdrawn.

A14. Capital Commitments

Capital commitments of the Group as at 30 September 2025 are as follows:

	30.09.2025 RM'000	31.12.2024 RM'000
Approved and contracted for	9,820	7,853
Approved but not contracted for	10,190	4,074
	20,010	11,927

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A15. Related Party Transactions

There were no significant transactions with related party in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2024.

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 30 September 2025				
Assets measured at fair value:				
Land and buildings	-	-	75,275	75,275
Investment securities	24,573	-	-	24,573
At 31 December 2024				
Assets measured at fair value:				
Land and buildings	-	-	76,708	76,708
Investment securities	26,981	-	-	26,981
Derivative financial instruments - current	-	37	-	37

There has been no transfer between any levels of the fair value hierarchy and there was no change in the purpose of any financial assets/liabilities that may subsequently result in a different classification of those assets/liabilities during the current quarter and financial year-to-date ended 30 September 2025.

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

B1. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2024 was unqualified.

B2. Profit/(Loss) Before Tax

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

	3rd Quarter ended 30.09.2025 RM'000	3rd Quarter ended 30.09.2024 RM'000	9 months ended 30.09.2025 RM'000	9 months ended 30.09.2024 RM'000
After charging/(crediting):				
Bad debts recovered	-	-	-	(3,807)
Depreciation and amortisation	3,893	3,420	10,893	9,674
Dividend income	-	-	-	(1,181)
Gain on disposal of property, plant and equipment	(6)	-	(6)	-
Interest income	(1,116)	(1,702)	(3,688)	(5,195)
Net fair value loss in forward currency contracts	121	-	37	-
Net foreign exchange (gain)/loss	(1,668)	5,515	(4,398)	3,418
Other income	(120)	(897)	(1,392)	(5,980)
Property, plant and equipment written off	137	296	310	296

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 2025.

B3. Income Tax (Expense)/Credit

Income tax (expense)/credit comprises the following:

	3rd Quarter ended 30.09.2025 RM'000	3rd Quarter ended 30.09.2024 RM'000	9 months ended 30.09.2025 RM'000	9 months ended 30.09.2024 RM'000
Income tax				
- Current provision	(8,622)	(3,790)	(23,907)	(20,916)
- Over/(Under) provision in prior years	1,017	607	(9,931)	607
	(7,605)	(3,183)	(33,838)	(20,309)
Deferred tax				
- Relating to origination and reversal of temporary differences	(1,673)	(3,852)	948	(1,150)
- Under provision in prior years	(223)	(89)	(223)	(89)
	(1,896)	(3,941)	725	(1,239)
Total income tax expense	(9,501)	(7,124)	(33,113)	(21,548)

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 2025, the effective tax rate for the Group was higher than the statutory tax rate in Malaysia mainly due to additional tax from RHT as disclosed in Note A13(ii), 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 19 November 2025, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report.

The Bonus Issue of new ordinary shares on the basis of 1 Bonus Share for every 1 existing MSC Share was approved by the shareholders at the Annual General Meeting held on 29 May 2025.

Subsequently the Bonus Shares was issued on 15 July 2025 and the number of ordinary shares of the Company was increased from 420,000,000 shares to 840,000,000 shares. The Bonus Issue was completed following the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities and the Main Board of SGX on 16 July 2025.

B5. Trade Receivables

The age analysis of trade receivable of the Group as at 30 September 2025 is as follows:

		←		Past due		→	
	Not past due 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	Total RM'000
Trade receivables as at 30.09.2025	54,047	-	7	1	-	-	54,055
Trade receivables as at 31.12.2024	8,137	-	-	-	-	-	8,137

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

The Group has trade receivables amounting to RM8,000 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 2025 are as follows:

	As at 30.09.2025 RM'000	As at 31.12.2024 RM'000
Short Term Borrowings		
Unsecured:		
Short term trade financing	107,284	86,962
Bankers' acceptances / Trust receipts	286,765	241,830
Secured term loan	13,333	14,444
	407,382	343,236
Long Term Borrowings		
Secured term loan	17,778	27,778
	425,160	**371,014**

Amount denominated in foreign currency	**'000**	**'000**
Short term trade financing (US dollars)	25,456	19,498

During the 9 months ended 30 September 2025, the Group's total borrowings increased by approximately 15% from RM371.0 million as at 31 December 2024 to RM425.2 million as at 30 September 2025. The gearing ratio of the Group are 0.56 as at 30 September 2025 and 0.48 as at 31 December 2024 respectively. Gearing ratio is defined as total bank borrowings over total equity.

The weighted average interest rate of short term borrowings excluding term loan as at 30 September 2025 for the Group was 4.2% (2024: 4.4%) per annum.

The secured term loan as at 30 September 2025 bears interest rate of 4.8% (2024: 5.1%) per annum.

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

B7. Derivative Financial Instrument

Foreign Exchange

The Group has exposure to fluctuations in foreign exchange rates in 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 2025, there was no outstanding forward currency contract.

B8. Material Litigation

There was no material litigation as at 19 November 2025, 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 30.09.2025 RM'000	Immediate Preceding Quarter 30.06.2025 RM'000	Changes %
Revenue	529,536	378,960	40%
Operating Profit	39,540	30,221	31%
Profit Before Interest and Tax	39,998	30,693	30%
Profit Before Tax	35,297	24,444	44%
Profit After Tax	25,796	18,934	36%
Profit Attributable to Owners of the Company	20,400	13,948	46%

3Q 2025 vs. 2Q 2025 (QoQ)

The Group recorded revenue of RM529.5 million in 3Q 2025 as compared with RM379.0 million in 2Q 2025. This was mainly due to higher sales quantity of refined tin and tin bearing intermediates, and higher average tin price per metric tonne of RM143,500 (3Q 2025) as compared with RM139,800 (2Q 2025).

The Group recorded a profit before tax of RM35.3 million in 3Q 2025 as compared with RM24.4 million in 2Q 2025.

The tin smelting segment recorded a loss before tax of RM1.5 million in 3Q 2025 as compared with a loss before tax of RM9.6 million in 2Q 2025. The relatively better smelting performance in 3Q 2025 was mainly due to higher sale and encashment of tin intermediates with higher margin, while in 2Q 2025 the operation was impacted by lower ore intake from suppliers and disruption of production arising from the gas pipeline fire incident at Putra Heights.

The tin mining segment recorded a profit before tax of RM32.9 million in 3Q 2025 as compared with RM29.1 million in 2Q 2025. This was mainly due to higher tin production quantity and higher average tin price as stated above.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.5 million in 3Q 2025 and 2Q 2025.

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

B10. Review of Performance

Financial review for current quarter and financial year to date

	Cumulative Period (9 months)		Changes %	Individual Period (3rd quarter)		Changes %
	Current Year To-date 30.09.2025 RM'000	Preceding Year Corresponding Period 30.09.2024 RM'000		Current Year Quarter 30.09.2025 RM'000	Preceding Year Corresponding Quarter 30.09.2024 RM'000	
Revenue	1,278,267	1,243,323	3%	529,536	470,053	13%
Operating Profit	100,695	95,874	5%	39,540	32,441	22%
Profit Before Interest and Tax	101,932	96,161	6%	39,998	32,695	22%
Profit Before Tax	86,394	82,039	5%	35,297	27,538	28%
Profit After Tax	53,281	60,491	(12%)	25,796	20,414	26%
Profit Attributable to Owners of the Company	42,069	49,247	(15%)	20,400	14,293	43%

9M 2025 vs. 9M 2024 (YoY)

Group revenue was RM1.28 billion in the 9 months of the current financial year (9M 2025) as compared with RM1.24 billion in 9M 2024. This was mainly due to sales of tin bearing intermediates and slightly higher average tin price per metric tonne of RM141,900 (9M 2025) as compared with RM140,100 (9M 2024), despite lower sales quantity of refined tin in 9M 2025.

The Group recorded a profit before tax of RM86.4 million in 9M 2025 as compared with RM82.0 million in 9M 2024.

The tin smelting segment recorded a loss before tax of RM5.3 million in 9M 2025 as compared with a profit before tax of RM5.8 million in 9M 2024. The performance was affected by lower ore intake from suppliers and the disruption of production arising from the gas pipeline fire incident at Putra Heights in 2Q 2025.

The tin mining segment recorded a profit before tax of RM91.3 million in 9M 2025 as compared with RM83.4 million in 9M 2024. This was mainly due to higher tin production quantity and higher average tin price as stated above.

The Group's share of results of associate and joint venture recorded a net share profit of RM1.2 million in 9M 2025 as compared with RM0.3 million in 9M 2024.

B10. Review of Performance (cont'd)

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

3Q 2025 vs. 3Q 2024 (YoY)

Group revenue was RM529.5 million in 3Q 2025 as compared with RM470.1 million in 3Q 2024. This was mainly due to higher sales quantity of refined tin and tin bearing intermediates, and higher average tin price per metric tonne of RM143,500 (3Q 2025) as compared with RM141,500 (3Q 2024).

The Group recorded a profit before tax of RM35.3 million in 3Q 2025 as compared with RM27.5 million in 3Q 2024.

The tin smelting segment recorded a loss before tax of RM1.5 million in 3Q 2025 as compared with a loss before tax of RM13.7 million in 3Q 2024. The relatively better smelting performance in 3Q 2025 was mainly due to higher sale and encashment of tin intermediates with higher margin, while 3Q 2024 performance was affected by trading and foreign exchange losses from the impact of the strengthened Ringgit against the US Dollar in August and September 2024.

The tin mining segment recorded a profit before tax of RM32.9 million in 3Q 2025 as compared with RM30.5 million in 3Q 2024. This was mainly due to higher tin production quantity and higher average tin price as stated above.

The Group’s share of results of associate and joint venture recorded a net share profit of RM0.5 million in 3Q 2025 as compared with RM0.3 million in 3Q 2024.

B11. Prospects

Sustained growth in demand for tin from clean energy sector, electronics, artificial intelligence infrastructure, and defence technologies is expected to outpace supply, leaving markets structurally tight and supply chains vulnerable to disruption. Output of tin metal may also be constrained by unexpected regulatory changes and policy shifts in certain output countries. Notably recent action in Indonesia’s tin sector to curb illegal mining, could also weigh on mining output.

The Group remains steadfast to emphasize on business competitiveness, operational efficiencies, improvements on operations, technology, manpower, logistics and potential new business developments in its smelting and mining segments.

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

For the tin mining segment, the Group continues to focus on improving and increasing daily mining output and overall mining productivity. This includes expanding its mining activities and mine resources, adopting new cost-effective mining, modernised processing methodology to scavenge tin from low grade materials, and participating in potential new mining joint ventures.

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

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

Pursuant to the requirements of MFRS 133 *Earnings per Share*, the weighted average number of ordinary shares used in the calculation of basic and diluted EPS for the current and previous quarters and financial year-to-date ended 30 September 2025 and 30 September 2024 have been retrospectively adjusted to reflect the bonus issue.

	3rd Quarter ended 30.09.2025	**3rd Quarter ended 30.09.2024**	**9 months ended 30.09.2025**	**9 months ended 30.09.2024**
Profit net of tax attributable to owners of the Company (RM'000)	20,400	14,293	42,069	49,247
Weighted average number of ordinary shares in issue ('000)	840,000	840,000	840,000	840,000
Basic and diluted earnings per share (sen)	**2.4**	**1.7**	**5.0**	**5.9**

B13. <u>Dividend</u>

There was no dividend declared for the current quarter.

Total dividend declared for the current financial period is 4.0 sen per share.

<u>Authorised for Issue</u>

The Interim results was authorised for issue by the Board in accordance with a resolution of the Directors on 25 November 2025.