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# **MALAYSIA SMELTING CORPORATION BERHAD**

## **INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2026**

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

22 MAY 2026

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2026**

		As at 31.03.2026 Unaudited RM'000	As at 31.12.2025 Audited RM'000
<b>Assets</b>	<b>Note</b>		
<b>Non-current assets</b>			
Property, plant and equipment		203,798	197,250
Land held for development		78,654	78,654
Mining rights		141,716	141,750
Corporate club memberships		407	409
Investments in associate and joint venture		32,753	31,937
Investment securities		27,077	28,581
Mining assets		13,680	13,486
Other receivables		5,782	5,782
Deferred tax assets		6,268	5,003
		<u>510,135</u>	<u>502,852</u>
<b>Current assets</b>			
Inventories		731,314	678,601
Trade receivables	<b>B5</b>	647	10,164
Other receivables		150,590	62,270
Trade prepayments		44,505	6,771
Other prepayments		10,793	9,283
Tax recoverable		3,883	6,622
Cash, bank balances and deposits		194,640	226,125
		<u>1,136,372</u>	<u>999,836</u>
Non-current assets classified as held for sale	<b>A10</b>	2,010	8,355
		<u>1,138,382</u>	<u>1,008,191</u>
<b>Total assets</b>		<u>1,648,517</u>	<u>1,511,043</u>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Provisions		3,064	6,134
Borrowings	<b>B6</b>	448,537	365,888
Trade and other payables		235,488	233,674
Lease liabilities		132	192
Current tax payable		15,017	6,315
Derivative financial instruments		112	-
		<u>702,350</u>	<u>612,203</u>
<b>Net current assets</b>		<u>436,032</u>	<u>395,988</u>
<b>Non-current liabilities</b>			
Provisions		68,077	67,478
Deferred tax liabilities		12,558	11,167
Borrowings	<b>B6</b>	11,112	14,445
Lease liabilities		3,611	3,815
		<u>95,358</u>	<u>96,905</u>
<b>Total liabilities</b>		<u>797,708</u>	<u>709,108</u>
<b>Net assets</b>		<u>850,809</u>	<u>801,935</u>
<b>Equity attributable to owners of the Company</b>			
Share capital		237,194	237,194
Other reserves		40,477	45,408
Retained earnings		494,981	448,598
		<u>772,652</u>	<u>731,200</u>
<b>Non-controlling interests</b>		78,157	70,735
<b>Total Equity</b>		<u>850,809</u>	<u>801,935</u>
<b>Total equity and liabilities</b>		<u>1,648,517</u>	<u>1,511,043</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<u>0.92</u>	<u>0.87</u>

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 2025 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 2026**

	Note	1 st Quarter		Year to Date	
		3 months ended		3 months ended	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>A8</b>	457,039	369,771	457,039	369,771
Operating profit		70,231	30,934	70,231	30,934
Finance costs		(4,917)	(4,588)	(4,917)	(4,588)
Share of results of associate		794	307	794	307
<b>Profit before tax</b>	<b>B2</b>	66,108	26,653	66,108	26,653
Income tax expense	<b>B3</b>	(15,752)	(18,102)	(15,752)	(18,102)
<b>Profit net of tax</b>		50,356	8,551	50,356	8,551
<b>Attributable to:</b>					
Owners of the Company		42,934	7,721	42,934	7,721
Non-controlling interests		7,422	830	7,422	830
		50,356	8,551	50,356	8,551
<b>Earnings per share attributable to owners of the Company (sen):</b>					
Basic and diluted	<b>B12</b>	5.1	0.9	5.1	0.9

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 2025 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2026**

	<b>1 st Quarter</b>		<b>Year to Date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit net of tax</b>	50,356	8,551	50,356	8,551
<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")	(1,504)	(14,657)	(1,504)	(14,657)
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation	-	1	-	1
Share of foreign currency translation of associate	22	60	22	60
	22	61	22	61
<b>Other comprehensive loss for the period, net of tax</b>	(1,482)	(14,596)	(1,482)	(14,596)
<b>Total comprehensive income/(loss) for the period</b>	<b>48,874</b>	<b>(6,045)</b>	<b>48,874</b>	<b>(6,045)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	41,452	(6,875)	41,452	(6,875)
Non-controlling interests	7,422	830	7,422	830
	<b>48,874</b>	<b>(6,045)</b>	<b>48,874</b>	<b>(6,045)</b>

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 2025 and the accompanying explanatory notes attached to the Interim Financial Report.





**Malaysia Smelting Corporation Berhad (197801006055 (43072-A))**  
**Interim Financial Report**  
**For the First Quarter ended 31 March 2026**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2026**

	3 months ended	
	31.03.2026	31.03.2025
	RM'000	RM'000
<b>Operating activities</b>		
Operating cash flows before changes in working capital	77,236	33,841
Increase in inventories	(52,713)	(33,681)
Increase in receivables	(81,193)	(24,534)
(Increase)/Decrease in trade prepayments	(37,734)	765
Increase in other prepayments	(1,384)	(1,500)
Increase in payables	10,979	34,934
Increase/(Decrease) in amount due to an associate	1,062	(296)
<b>Cash (used in)/generated from operations</b>	<b>(83,747)</b>	<b>9,529</b>
Income tax paid	(4,189)	(9,904)
Interest paid	(4,565)	(3,774)
Payment for retrenchment compensation	(2,946)	-
<b>Net cash used in operating activities</b>	<b>(95,447)</b>	<b>(4,149)</b>
<b>Investing activities</b>		
Dividend received from an associate	-	9
Interest received	892	1,285
Payment for deferred mine exploration and evaluation expenditures and mine properties	(401)	(547)
Proceeds from disposal of non-current assets classified as held for sale	6,189	-
Proceeds from disposal of right-of-use assets	182	-
Purchase of property, plant and equipment	(10,407)	(7,830)
<b>Net cash used in investing activities</b>	<b>(3,545)</b>	<b>(7,083)</b>
<b>Financing activities</b>		
Dividend paid to a non-controlling shareholder of a subsidiary	(10,073)	-
Drawdown of short term trade borrowings	80,556	20,411
Repayment of term loan	(3,333)	(4,444)
Payment of lease liabilities	(272)	(252)
<b>Net cash generated from financing activities</b>	<b>66,878</b>	<b>15,715</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(32,114)</b>	<b>4,483</b>
Effect of changes in foreign exchange rates	629	(51)
<b>Cash and cash equivalents as at 1 January</b>	<b>226,125</b>	<b>211,848</b>
<b>Cash and cash equivalents as at 31 March</b>	<b>194,640</b>	<b>216,280</b>

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

	← Non-cash changes →						
	Carrying amount as at	Cash flows	Accrued interests	Remeasure -ment	Foreign exchange movement		Carrying amount as at
	1 January 2026		RM'000	RM'000	RM'000		RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Lease liabilities	4,007	(272)	5	3	-	3,743	
Short term trade borrowings	352,555	80,556	-	-	2,093	435,204	
Term loan	27,778	(3,333)	-	-	-	24,445	
<b>Total liabilities from financing activities</b>	<b>384,340</b>	<b>76,951</b>	<b>5</b>	<b>3</b>	<b>2,093</b>	<b>463,392</b>	

	← Non-cash changes →						
	Carrying amount as at	Cash flows	Accrued interests	Remeasure -ment	Foreign exchange movement		Carrying amount as at
	1 January 2025		RM'000	RM'000	RM'000		RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Lease liabilities	4,276	(252)	6	-	-	4,030	
Short term trade borrowings	328,792	20,411	-	-	(298)	348,905	
Term loan	42,222	(4,444)	-	-	-	37,778	
<b>Total liabilities from financing activities</b>	<b>375,290</b>	<b>15,715</b>	<b>6</b>	<b>-</b>	<b>(298)</b>	<b>390,713</b>	

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 2025 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 2025.

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 2025.

### 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 2025 except for the adoption of the pronouncement that became effective from 1 January 2026.

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#### ***Description***

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

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

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures  
(*Contracts Referencing Nature-dependent Electricity*)

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:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
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 121 The Effects of Changes in Foreign Exchange Rates ( <i>Translation to a Hyperinflationary Presentation Currency</i> )	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.

**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
<b>For 3 months ended 31 March 2026</b>					
<b>Major products or services:</b>					
Sale of tin	425,694	116,979	542,673	(116,979)	425,694
Smelting revenue	2,235	-	2,235	-	2,235
Sale of tin bearing slag	29,071	-	29,071	-	29,071
Others	39	-	39	-	39
	<u>457,039</u>	<u>116,979</u>	<u>574,018</u>	<u>(116,979)</u>	<u>457,039</u>
<b>For 3 months ended 31 March 2025</b>					
<b>Major products or services:</b>					
Sale of tin	361,026	79,317	440,343	(79,317)	361,026
Smelting revenue	1,949	-	1,949	-	1,949
Sale of tin bearing slag	6,448	-	6,448	-	6,448
Others	348	-	348	-	348
	<u>369,771</u>	<u>79,317</u>	<u>449,088</u>	<u>(79,317)</u>	<u>369,771</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 two business segments within the tin industry, and has three reportable operating segments as follows:

**(a) Tin Smelting**

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

**(b) Tin Mining**

Tin mining includes activities involving exploration for 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 31 March 2026</b>						
<b>Revenue</b>						
Sales to external customers	457,039	-	-	457,039	-	457,039
Inter-segment sales	-	116,979	-	116,979	(116,979)	-
<b>Total revenue</b>	<b>457,039</b>	<b>116,979</b>	<b>-</b>	<b>574,018</b>	<b>(116,979)</b>	<b>457,039</b>
<b>Results</b>						
Operating profit/(loss)	19,658	55,848	(5)	75,501	(5,270)	70,231
Finance costs	(4,129)	(648)	(140)	(4,917)	-	(4,917)
Share of results of associate and joint venture	-	-	794	794	-	794
Profit/(Loss) before tax	15,529	55,200	649	71,378	(5,270)	66,108
Income tax (expense)/credit	(3,058)	(13,959)	-	(17,017)	1,265	(15,752)
<b>Profit/(Loss) net of tax</b>	<b>12,471</b>	<b>41,241</b>	<b>649</b>	<b>54,361</b>	<b>(4,005)</b>	<b>50,356</b>
<b>Results for 3 months ended 31 March 2025</b>						
<b>Revenue</b>						
Sales to external customers	369,771	-	-	369,771	-	369,771
Inter-segment sales	-	79,317	-	79,317	(79,317)	-
<b>Total revenue</b>	<b>369,771</b>	<b>79,317</b>	<b>-</b>	<b>449,088</b>	<b>(79,317)</b>	<b>369,771</b>
<b>Results</b>						
Operating profit/(loss)	9,627	29,965	(3)	39,589	(8,655)	30,934
Finance costs	(3,878)	(622)	(88)	(4,588)	-	(4,588)
Share of results of associate and joint venture	-	-	307	307	-	307
Profit/(Loss) before tax	5,749	29,343	216	35,308	(8,655)	26,653
Income tax (expense)/credit	(1,623)	(18,556)	-	(20,179)	2,077	(18,102)
<b>Profit/(Loss) net of tax</b>	<b>4,126</b>	<b>10,787</b>	<b>216</b>	<b>15,129</b>	<b>(6,578)</b>	<b>8,551</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 31 March 2026</b>						
<b>Assets</b>						
Segment assets	1,254,593	351,978	27,086	1,633,657	(19,903)	1,613,754
Investments in associate and joint venture	-	-	32,753	32,753	-	32,753
Non-current assets classified as held for sale	2,010	-	-	2,010	-	2,010
<b>Total assets</b>	<b>1,256,603</b>	<b>351,978</b>	<b>59,839</b>	<b>1,668,420</b>	<b>(19,903)</b>	<b>1,648,517</b>
<b>Liabilities</b>						
Segment liabilities	<b>674,229</b>	<b>123,329</b>	<b>150</b>	<b>797,708</b>	<b>-</b>	<b>797,708</b>
<b>Assets and Liabilities as at 31 December 2025</b>						
<b>Assets</b>						
Segment assets	1,062,115	395,945	28,589	1,486,649	(15,898)	1,470,751
Investments in associate and joint venture	-	-	31,937	31,937	-	31,937
Non-current assets classified as held for sale	8,355	-	-	8,355	-	8,355
<b>Total assets</b>	<b>1,070,470</b>	<b>395,945</b>	<b>60,526</b>	<b>1,526,941</b>	<b>(15,898)</b>	<b>1,511,043</b>
<b>Liabilities</b>						
Segment liabilities	<b>595,789</b>	<b>113,173</b>	<b>146</b>	<b>709,108</b>	<b>-</b>	<b>709,108</b>

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

**A10. Property, Plant and Equipment**

As at 31 March 2026, non-current assets classified as held for sale are as follows:

Plant, machinery and factory equipment at Butterworth plant

On 17 September 2025, the Company has awarded a contract to a contractor for the comprehensive decommissioning and dismantling of its smelter plant in Butterworth. The contractor agreed to acquire certain assets in the Butterworth plant, shown as the assets classified as held for sale below, for a total cash consideration of RM6,000,000. The project is expected to be completed by third quarter of 2026.

The asset classified as held for sale as at 31 March 2026 is as follows:

	<b>RM'000</b>
<b>Assets:</b>	
Plant, machinery and factory equipment	<u>2,010</u>

Other than the above, the same valuation of land and buildings has been brought forward from the previous audited financial statements for the year ended 31 December 2025.

**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 ("Agreement"), the hearing took place on 4 and 5 February 2026. Trial will continue on 9 to 11 June 2026, 21 August 2026 and 24 November 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.

**A14. Capital Commitments**

Capital commitments of the Group as at 31 March 2026 are as follows:

	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved and contracted for	4,768	8,260
Approved but not contracted for	12,291	4,261
	<b>17,059</b>	<b>12,521</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 2025.

**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
<b>At 31 March 2026</b>				
<b>Assets measured at fair value:</b>				
Land and buildings	-	-	79,953	79,953
Investment securities	27,077	-	-	27,077
<b>Liabilities measured at fair value:</b>				
Derivative financial instruments - current	-	112	-	112
<b>At 31 December 2025</b>				
<b>Assets measured at fair value:</b>				
Land and buildings	-	-	74,072	74,072
Investment securities	28,581	-	-	28,581

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 2025 was unqualified.

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

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

	<b>3 months ended 31.03.2026 RM'000</b>	<b>3 months ended 31.03.2025 RM'000</b>
<b><i>After charging/(crediting):</i></b>		
Depreciation and amortisation	4,009	3,519
Gain on early termination of lease	(88)	-
Interest income	(892)	(1,285)
Net fair value loss in forward currency contracts	112	37
Net foreign exchange loss	1,697	2,276
Other income	(401)	(1,097)
Property, plant and equipment written off	1	-

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:

	<b>3 months ended 31.03.2026 RM'000</b>	<b>3 months ended 31.03.2025 RM'000</b>
Income tax		
- Current provision	(15,629)	(9,032)
- Under provision in prior years	-	(10,948)
	(15,629)	(19,980)
Deferred tax		
- Relating to origination and reversal of temporary differences	(123)	1,878
<b>Total income tax expense</b>	<b>(15,752)</b>	<b>(18,102)</b>

For the current quarter, the effective tax rate for the Group was slightly lower than the statutory tax rate in Malaysia mainly due to certain income that is not subject to tax.

**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 16 May 2026, 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 2026 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 31.03.2026	647	-	-	-	-	-	647
Trade receivables as at 31.12.2025	10,163	-	-	-	-	1	10,164

The Group's normal trade terms are cash terms or by Letter of Credit. Other credit terms are assessed and approved on a case-by-case basis.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS  
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**B6. Loans and Borrowings**

Details of the Group's loans and borrowings as at 31 March 2026 are as follows:

	<b>As at 31.03.2026 RM'000</b>	<b>As at 31.12.2025 RM'000</b>
<b>Short Term Borrowings</b>		
Unsecured:		
Short term trade financing	144,067	109,023
Bankers' acceptances / Trust receipts	291,137	243,532
Secured term loan	13,333	13,333
	<b>448,537</b>	<b>365,888</b>
<b>Long Term Borrowings</b>		
Secured term loan	11,112	14,445
	<b>459,649</b>	<b>380,333</b>

<b>Amount denominated in foreign currency</b>	<b>'000</b>	<b>'000</b>
Short term trade financing (US dollars)	35,669	26,899

During the 3 months ended 31 March 2026, the Group's total borrowings increased by approximately 20.9% from RM380.3 million as at 31 December 2025 to RM459.6 million as at 31 March 2026. The gearing ratio of the Group are 0.54 as at 31 March 2026 and 0.47 as at 31 December 2025 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 31 March 2026 for the Group was 4.1% (2025: 4.1%) per annum.

The secured term loan as at 31 March 2026 bears interest rate of 4.8% (2025: 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 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.

The outstanding forward currency contracts as at 31 March 2026 are as follows:

<b>Derivative Financial Instruments</b>	<b>Contract Value RM'000</b>	<b>Fair Value RM'000</b>	<b>Fair Value – Financial Liabilities RM'000</b>
<b>At 31 March 2026</b>			
Forward Currency Contracts			
- Less than 1 year	9,593	9,705	112

**B8. Material Litigation**

There was no material litigation as at 16 May 2026, 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  
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**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 31.03.2026 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2025 RM'000</b>	<b>Changes %</b>
Revenue	457,039	480,702	(5%)
Operating Profit	70,231	57,027	23%
Profit Before Interest and Tax	71,025	57,239	24%
Profit Before Tax	66,108	51,936	27%
Profit After Tax	50,356	43,081	17%
Profit Attributable to Owners of the Company	42,934	39,905	8%

1Q 2026 vs. 4Q 2025 (QoQ)

The Group recorded revenue of RM457.0 million in 1Q 2026 as compared with RM480.7 million in 4Q 2025. This was mainly due to lower sales quantity of refined tin, despite higher average tin price per metric tonne of RM193,100 (1Q 2026) as compared with RM158,100 (4Q 2025).

The Group recorded a profit before tax of RM66.1 million in 1Q 2026 as compared with RM51.9 million in 4Q 2025.

The tin smelting segment recorded a profit before tax of RM15.5 million in 1Q 2026 as compared with RM31.3 million in 4Q 2025. This was mainly due to lower sales and encashment of tin intermediates, the absence of sales of tantalum slag, and foreign exchange loss, offset by the positive contribution from cost savings from the closure of Butterworth plant.

The tin mining segment recorded a profit before tax of RM55.2 million in 1Q 2026 as compared with RM25.4 million in 4Q 2025. This was mainly due to higher tin production quantity and higher average tin price as stated above, while 4Q 2025 performance was affected by the temporary suspension of mining operations for 3 weeks, from 13 November 2025 to 3 December 2025.

The Group's share of results of associate and joint venture recorded a net share profit of RM0.8 million in 1Q 2026 as compared with RM0.2 million in 4Q 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

	Individual Period (1 <sup>st</sup> quarter)		Changes %
	Current Year Quarter	Preceding Year Corresponding Quarter	
	31.03.2026 RM'000	31.03.2025 RM'000	
Revenue	457,039	369,771	24%
Operating Profit	70,231	30,934	> 100%
Profit Before Interest and Tax	71,025	31,241	> 100%
Profit Before Tax	66,108	26,653	> 100%
Profit After Tax	50,356	8,551	> 100%
Profit Attributable to Owners of the Company	42,934	7,721	> 100%

1Q 2026 vs. 1Q 2025 (YoY)

Group revenue was RM457.0 million in 1Q 2026 as compared with RM369.8 million in 1Q 2025. This was mainly due to higher average tin price per metric tonne of RM193,100 (1Q 2026) as compared with RM142,000 (1Q 2025) and higher sales of tin bearing intermediates, despite lower sales quantity of refined tin in 1Q 2026.

The Group recorded a profit before tax of RM66.1 million in 1Q 2026 as compared with RM26.7 million in 1Q 2025.

The tin smelting segment recorded a profit before tax of RM15.5 million in 1Q 2026 as compared with RM5.7 million in 1Q 2025. Better performance was mainly due to higher profit from encashment of tin intermediates, contributed by higher tin price and higher margin, despite lower tin encashment quantity. The improved performance was partially due to cost savings from closure of Butterworth plant.

The tin mining segment recorded a profit before tax of RM55.2 million in 1Q 2026 as compared with RM29.3 million in 1Q 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 RM0.8 million in 1Q 2026 as compared with RM0.3 million in 1Q 2025.

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

**B11. Prospects**

The recent Middle East conflict presents a significant impact on commodity markets and inflation expectations. The ongoing closure of the Strait of Hormuz and damage sustained by the energy infrastructures in the conflict region is leading into a global energy crisis.

Geopolitical tensions and divides had caused the world to be more fragmented, with certain policymakers' reactions and decisions driving markets and economies. The supply chain of tin being constrained by sudden regulatory changes and policy shifts, and geopolitical tensions is still imminent. Demand for tin primarily from AI, data centre infrastructures, clean energy and semiconductor electronics remains supportive.

With the ongoing headwinds and faced with potentially higher energy costs, the Group continues to emphasize on business competitiveness and operational efficiencies in its smelting and mining segments.

The closure and decommissioning of its old smelter plant at Butterworth had benefited the Group in terms of operational cost savings. The more efficient Isasmelt plant at Pulau Indah has a smaller carbon footprint as it utilises 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**

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 previous year corresponding quarter ended 31 March 2025 have been retrospectively adjusted to reflect the bonus issue.

	<b>3 months ended 31.03.2026</b>	<b>3 months ended 31.03.2025</b>
Profit net of tax attributable to owners of the Company (RM'000)	42,934	7,721
Weighted average number of ordinary shares in issue ('000)	840,000	840,000
<b>Basic and diluted earnings per share (sen)</b>	<b>5.1</b>	<b>0.9</b>

**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 4.0 sen per share amounting to RM33,600,000 for the financial year ended 31 December 2025.

The final dividend will be paid to shareholders on 26 June 2026. The entitlement date for the final dividend shall be on 16 June 2026.

Special single-tier dividend

The Board of Directors is pleased to declare a special single-tier dividend of 4.0 sen per share amounting to RM33,600,000 for the financial year ending 31 December 2026.

The special single-tier dividend will be paid to shareholders on 26 June 2026. The entitlement date for the special single-tier dividend is 11 June 2026.

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

**Authorised for Issue**

The Interim results was authorised for issue by the Board in accordance with a resolution of the Directors on 22 May 2026.