MALAYSIA SMELTING CORPORATION BERHAD

INTERIM FINANCIAL REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	As at 30.06.2026 Unaudited RM'000	As at 31.12.2025 Audited RM'000
Assets			
Non-current assets			
Property, plant and equipment		200,745	197,250
Land held for development		78,654	78,654
Mining rights		141,684	141,750
Corporate club memberships		405	409
Investments in associate and joint venture		33,683	31,937
Investment securities		34,456	28,581
Mining assets		13,782	13,486
Other receivables		5,782	5,782
Deferred tax assets		7,966	5,003
		517,157	502,852
Current assets			
Inventories		854,690	678,601
Trade receivables	**B5**	61,257	10,164
Other receivables		51,233	62,270
Trade prepayments		31,522	6,771
Other prepayments		9,755	9,283
Tax recoverable		3,883	6,622
Cash, bank balances and deposits		131,643	226,125
		1,143,983	999,836
Non-current assets classified as held for sale	**A10**	2,010	8,355
		1,145,993	1,008,191
Total assets		1,663,150	1,511,043
Equity and liabilities			
Current liabilities			
Provisions		3,064	6,134
Borrowings	**B6**	442,176	365,888
Trade and other payables		277,332	233,674
Lease liabilities		150	192
Current tax payable		24,120	6,315
		746,842	612,203
Net current assets		399,151	395,988
Non-current liabilities			
Provisions		68,677	67,478
Deferred tax liabilities		13,520	11,167
Borrowings	**B6**	7,778	14,445
Lease liabilities		3,641	3,815
		93,616	96,905
Total liabilities		840,458	709,108
Net assets		822,692	801,935
Equity attributable to owners of the Company			
Share capital		237,194	237,194
Other reserves		47,895	45,408
Retained earnings		461,799	448,598
		746,888	731,200
Non-controlling interests		75,804	70,735
Total Equity		822,692	801,935
Total equity and liabilities		1,663,150	1,511,043
Net assets per share attributable to owners of the Company (RM)		**0.89**	**0.87**

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 30 JUNE 2026**

		2 nd Quarter		Year to Date	
		3 months ended		6 months ended	
	Note	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Revenue	**A8**	637,269	378,960	1,094,308	748,731
Operating profit		60,942	30,221	131,173	61,155
Finance costs		(5,266)	(6,249)	(10,183)	(10,837)
Share of results of associate		891	472	1,685	779
Profit before tax	**B2**	56,567	24,444	122,675	51,097
Income tax expense	**B3**	(14,829)	(5,510)	(30,581)	(23,612)
Profit net of tax		41,738	18,934	92,094	27,485
Attributable to:					
Owners of the Company		34,018	13,948	76,952	21,669
Non-controlling interests		7,720	4,986	15,142	5,816
		41,738	18,934	92,094	27,485
Earnings per share attributable to owners of the Company (sen):					
Basic and diluted	**B12**	4.0	1.7	9.2	2.6

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 30 JUNE 2026

	2 nd Quarter 3 months ended		Year to Date 6 months ended	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Profit net of tax	41,738	18,934	92,094	27,485
Other comprehensive income/(loss):				
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")	7,379	9,234	5,875	(5,423)
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	-	6	-	7
Share of foreign currency translation of associate	39	51	61	111
	39	57	61	118
Other comprehensive income/(loss) for the period, net of tax	7,418	9,291	5,936	(5,305)
Total comprehensive income for the period	49,156	28,225	98,030	22,180
Total comprehensive income attributable to:				
Owners of the Company	41,436	23,239	82,888	16,364
Non-controlling interests	7,720	4,986	15,142	5,816
	49,156	28,225	98,030	22,180

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2026

		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 2026		237,194	23,670	1,315	18,717	1,706	448,598	731,200	70,735	801,935
Profit for the period		-	-	-	-	-	76,952	76,952	15,142	92,094
Other comprehensive income		-	-	61	5,875	-	-	5,936	-	5,936
Total comprehensive income		-	-	61	5,875	-	76,952	82,888	15,142	98,030
Transfer of revaluation reserves of non-current assets classified as held for sale to retained earnings		-	(3,449)	-	-	-	3,449	-	-	-
Transactions with owners:										
Dividend on ordinary shares	**A7**	-	-	-	-	-	(67,200)	(67,200)	-	(67,200)
Dividend to non-controlling interests		-	-	-	-	-	-	-	(10,073)	(10,073)
Total transactions with owners		-	-	-	-	-	(67,200)	(67,200)	(10,073)	(77,273)
At 30 June 2026		**237,194**	**20,221**	**1,376**	**24,592**	**1,706**	**461,799**	**746,888**	**75,804**	**822,692**
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		-	-	-	-	-	21,669	21,669	5,816	27,485
Other comprehensive income/(loss)		-	-	118	(5,423)	-	-	(5,305)	-	(5,305)
Total comprehensive income/(loss)		-	-	118	(5,423)	-	21,669	16,364	5,816	22,180
Transaction with owners:										
Dividend on ordinary shares	**A7**	-	-	-	-	-	(29,400)	(29,400)	-	(29,400)
At 30 June 2025		**237,194**	**22,255**	**1,366**	**11,694**	**1,706**	**421,893**	**696,108**	**72,212**	**768,320**

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2026

	6 months ended 30.06.2026 RM'000	6 months ended 30.06.2025 RM'000
Operating activities		
Operating cash flows before changes in working capital	142,780	63,296
Increase in inventories	(176,089)	(123,208)
Increase in receivables	(43,950)	(17,664)
(Increase)/Decrease in trade prepayments	(24,751)	129
Increase in other prepayments	(554)	(942)
Increase in payables	51,063	18,484
Increase in amount due to an associate	2,100	520
Cash used in operations	(49,401)	(59,385)
Income tax paid	(10,648)	(18,808)
Interest paid	(8,515)	(9,199)
Payment for retrenchment compensation	(3,070)	(667)
Net cash used in operating activities	(71,634)	(88,059)
Investing activities		
Dividend received from an associate	-	9
Dividend received from investment securities	3,026	-
Interest received	2,071	2,572
Payment for deferred mine exploration and evaluation expenditures and mine properties	(708)	(655)
Proceeds from disposal of non-current assets classified as held for sale	6,189	-
Proceeds from disposal of property, plant and equipment	182	-
Purchase of property, plant and equipment	(14,126)	(13,845)
Net cash used in investing activities	(3,366)	(11,919)
Financing activities		
Dividend paid to shareholders	(67,200)	(29,400)
Dividend paid to a non-controlling shareholder of a subsidiary	(20,146)	-
Drawdown of short term trade borrowings	74,627	111,300
Repayment of term loan	(6,667)	(7,778)
Payment of lease liabilities	(229)	(259)
Net cash (used in)/generated from financing activities	(19,615)	73,863
Net decrease in cash and cash equivalents	(94,615)	(26,115)
Effect of changes in foreign exchange rates	133	(41)
Cash and cash equivalents as at 1 January	226,125	211,848
Cash and cash equivalents as at 30 June	131,643	185,692

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 January 2026 RM'000	Cash flows RM'000	Non-cash changes: Accrued interests RM'000	Non-cash changes: Remeasure-ment RM'000	Non-cash changes: Foreign exchange movement RM'000	Carrying amount as at 30 June 2026 RM'000
Lease liabilities	4,007	(229)	10	3	-	3,791
Short term trade borrowings	352,555	74,627	-	-	1,661	428,843
Term loan	27,778	(6,667)	-	-	-	21,111
Total liabilities from financing activities	384,340	67,731	10	3	1,661	453,745

	Carrying amount as at 1 January 2025 RM'000	Cash flows RM'000	Non-cash changes: Accrued interests RM'000	Non-cash changes: Remeasure-ment RM'000	Non-cash changes: Foreign exchange movement RM'000	Carrying amount as at 30 June 2025 RM'000
Lease liabilities	4,276	(259)	11	-	-	4,028
Short term trade borrowings	328,792	111,300	-	-	(4,596)	435,496
Term loan	42,222	(7,778)	-	-	-	34,444
Total liabilities from financing activities	375,290	103,263	11	-	(4,596)	473,968

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.

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:

Description	***Effective for annual periods beginning on or after***
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 *(Translation to a Hyperinflationary Presentation Currency)*	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 June 2026.

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 June 2026.

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 June 2026.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. Dividend Paid

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

	30.06.2026	30.06.2025
Special single-tier dividend:		
For financial year ending	31 December 2026	-
Date paid	26 June 2026	-
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 2025	31 December 2024
Date paid	26 June 2026	26 June 2025
Number of ordinary shares on which dividends were paid ('000)	840,000	420,000
Dividend per share	4.0 sen	7.0 sen
Dividend paid	RM33,600,000	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 June 2026					
Major products or services:					
Sale of tin	634,647	129,095	763,742	(129,095)	634,647
Smelting revenue	3,059	-	3,059	-	3,059
Sale of tin bearing slag	(479)	-	(479)	-	(479)
Others	42	-	42	-	42
	637,269	129,095	766,364	(129,095)	637,269
For 3 months ended 30 June 2025					
Major products or services:					
Sale of tin	339,387	82,153	421,540	(82,153)	339,387
Smelting revenue	1,636	-	1,636	-	1,636
Sale of tin bearing slag	28,509	-	28,509	-	28,509
Sale of by-products	9,152	-	9,152	-	9,152
Others	276	-	276	-	276
	378,960	82,153	461,113	(82,153)	378,960

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 6 months ended 30 June 2026					
Major products or services:					
Sale of tin	1,060,341	246,074	1,306,415	(246,074)	1,060,341
Smelting revenue	5,294	-	5,294	-	5,294
Sale of tin bearing slag	28,592	-	28,592	-	28,592
Others	81	-	81	-	81
	1,094,308	246,074	1,340,382	(246,074)	1,094,308
For 6 months ended 30 June 2025					
Major products or services:					
Sale of tin	700,413	161,470	861,883	(161,470)	700,413
Smelting revenue	3,585	-	3,585	-	3,585
Sale of tin bearing slag	34,957	-	34,957	-	34,957
Sale of by-products	9,152	-	9,152	-	9,152
Others	624	-	624	-	624
	748,731	161,470	910,201	(161,470)	748,731

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	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 June 2026						
Revenue						
Sales to external customers	637,269	-	-	637,269	-	637,269
Inter-segment sales	-	129,095	-	129,095	(129,095)	-
Total revenue	637,269	129,095	-	766,364	(129,095)	637,269
Results						
Operating profit/(loss)	8,238	59,780	(7)	68,011	(7,069)	60,942
Finance costs	(4,457)	(649)	(160)	(5,266)	-	(5,266)
Share of results of associate and joint venture	-	-	891	891	-	891
Profit/(Loss) before tax	3,781	59,131	724	63,636	(7,069)	56,567
Income tax (expense)/credit	(1,470)	(15,055)	-	(16,525)	1,696	(14,829)
Profit/(Loss) net of tax	**2,311**	**44,076**	**724**	**47,111**	**(5,373)**	**41,738**
Results for 3 months ended 30 June 2025						
Revenue						
Sales to external customers	378,960	-	-	378,960	-	378,960
Inter-segment sales	-	82,153	-	82,153	(82,153)	-
Total revenue	378,960	82,153	-	461,113	(82,153)	378,960
Results						
Operating (loss)/profit	(4,170)	29,685	(7)	25,508	4,713	30,221
Finance costs	(5,442)	(622)	(185)	(6,249)	-	(6,249)
Share of results of associate and joint venture	-	-	472	472	-	472
(Loss)/Profit before tax	(9,612)	29,063	280	19,731	4,713	24,444
Income tax credit/(expense)	3,283	(7,662)	-	(4,379)	(1,131)	(5,510)
(Loss)/Profit net of tax	**(6,329)**	**21,401**	**280**	**15,352**	**3,582**	**18,934**

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 6 months ended 30 June 2026						
Revenue						
Sales to external customers	1,094,308	-	-	1,094,308	-	1,094,308
Inter-segment sales	-	246,074	-	246,074	(246,074)	-
Total revenue	1,094,308	246,074	-	1,340,382	(246,074)	1,094,308
Results						
Operating profit/(loss)	27,896	115,628	(12)	143,512	(12,339)	131,173
Finance costs	(8,586)	(1,297)	(300)	(10,183)	-	(10,183)
Share of results of associate and joint venture	-	-	1,685	1,685	-	1,685
Profit/(Loss) before tax	19,310	114,331	1,373	135,014	(12,339)	122,675
Income tax (expense)/credit	(4,528)	(29,014)	-	(33,542)	2,961	(30,581)
Profit/(Loss) net of tax	**14,782**	**85,317**	**1,373**	**101,472**	**(9,378)**	**92,094**
Results for 6 months ended 30 June 2025						
Revenue						
Sales to external customers	748,731	-	-	748,731	-	748,731
Inter-segment sales	-	161,470	-	161,470	(161,470)	-
Total revenue	748,731	161,470	-	910,201	(161,470)	748,731
Results						
Operating profit/(loss)	5,457	59,650	(10)	65,097	(3,942)	61,155
Finance costs	(9,320)	(1,244)	(273)	(10,837)	-	(10,837)
Share of results of associate and joint venture	-	-	779	779	-	779
(Loss)/Profit before tax	(3,863)	58,406	496	55,039	(3,942)	51,097
Income tax credit/(expense)	1,660	(26,218)	-	(24,558)	946	(23,612)
(Loss)/Profit net of tax	**(2,203)**	**32,188**	**496**	**30,481**	**(2,996)**	**27,485**

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 June 2026						
Assets						
Segment assets	1,298,022	320,245	34,465	1,652,732	(25,275)	1,627,457
Investments in associate and joint venture	-	-	33,683	33,683	-	33,683
Non-current assets classified as held for sale	2,010	-	-	2,010	-	2,010
Total assets	**1,300,032**	**320,245**	**68,148**	**1,688,425**	**(25,275)**	**1,663,150**
Liabilities						
Segment liabilities	**707,010**	**133,308**	**140**	**840,458**	**-**	**840,458**
Assets and Liabilities as at 31 December 2025						
Assets						
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
Total assets	**1,070,470**	**395,945**	**60,526**	**1,526,941**	**(15,898)**	**1,511,043**
Liabilities						
Segment liabilities	**595,789**	**113,173**	**146**	**709,108**	**-**	**709,108**

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A10. Property, Plant and Equipment

As at 30 June 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 30 June 2026 is as follows:

	RM'000
Assets:	
Plant, machinery and factory equipment	2,010

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 the end of the current quarter.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date ended 30 June 2026.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets during the current quarter and financial year-to-date ended 30 June 2026 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 is scheduled to continue on 21 August 2026, 24 November 2026 and from 21 to 23 December 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 30 June 2026 are as follows:

	30.06.2026 RM'000	31.12.2025 RM'000
Approved and contracted for	3,637	8,260
Approved but not contracted for	11,685	4,261
	15,322	12,521

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**
At 30 June 2026				
Assets measured at fair value:				
Land and buildings	-	-	79,424	79,424
Investment securities	34,456	-	-	34,456
At 31 December 2025				
Assets measured at fair value:				
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 and financial year-to-date ended 30 June 2026.

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:

	2nd Quarter ended 30.06.2026 RM'000	2nd Quarter ended 30.06.2025 RM'000	6 months ended 30.06.2026 RM'000	6 months ended 30.06.2025 RM'000
After charging/(crediting):				
Depreciation and amortisation	4,011	3,481	8,020	7,000
Dividend income	(3,026)	-	(3,026)	-
Gain on early termination of lease	-	-	(88)	-
Interest income	(1,179)	(1,287)	(2,071)	(2,572)
Net fair value gain in forward currency contracts	(112)	(121)	-	(84)
Net foreign exchange loss/(gain)	4,589	(5,006)	6,286	(2,730)
Other income	(2,875)	(175)	(3,276)	(1,272)
Property, plant and equipment written off	-	173	1	173
Stock written off	3,000	-	3,000	-

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 June 2026.

B3. Income Tax (Expense)/Credit

Income tax (expense)/credit comprises the following:

	2nd Quarter ended 30.06.2026 RM'000	2nd Quarter ended 30.06.2025 RM'000	6 months ended 30.06.2026 RM'000	6 months ended 30.06.2025 RM'000
Income tax				
- Current provision	(15,562)	(6,253)	(31,191)	(15,285)
- Under provision in prior years	-	-	-	(10,948)
	(15,562)	(6,253)	(31,191)	(26,233)
Deferred tax				
- Relating to origination and reversal of temporary differences	733	743	610	2,621
Total income tax expense	(14,829)	(5,510)	(30,581)	(23,612)

For the current financial year-to-date ended 30 June 2026, 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 6 August 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 30 June 2026 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 30.06.2026	61,256	-	-	1	-	-	61,257
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.

The Group has trade receivables amounting to RM1,000 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 June 2026 are as follows:

	As at 30.06.2026 RM'000	As at 31.12.2025 RM'000
Short Term Borrowings		
Unsecured:		
Short term trade financing	195,909	109,023
Bankers' acceptances / Trust receipts	232,934	243,532
Secured term loan	13,333	13,333
	442,176	365,888
Long Term Borrowings		
Secured term loan	7,778	14,445
	449,954	**380,333**

Amount denominated in foreign currency	'000	'000
Short term trade financing (US dollars)	48,361	26,899

During the 6 months ended 30 June 2026, the Group's total borrowings increased by approximately 18.3% from RM380.3 million as at 31 December 2025 to RM450.0 million as at 30 June 2026. The gearing ratio of the Group are 0.55 as at 30 June 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 30 June 2026 for the Group was 4.3% (2025: 4.1%) per annum.

The secured term loan as at 30 June 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.

As at 30 June 2026, there was no outstanding forward currency contract.

B8. Material Litigation

There was no material litigation as at 6 August 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 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 30.06.2026 RM'000	Immediate Preceding Quarter 31.03.2026 RM'000	Changes %
Revenue	637,269	457,039	39%
Operating Profit	60,942	70,231	(13%)
Profit Before Interest and Tax	61,833	71,025	(13%)
Profit Before Tax	56,567	66,108	(14%)
Profit After Tax	41,738	50,356	(17%)
Profit Attributable to Owners of the Company	34,018	42,934	(21%)

2Q 2026 vs. 1Q 2026 (QoQ)

The Group recorded revenue of RM637.3 million in 2Q 2026 as compared with RM457.0 million in 1Q 2026. This was mainly due to higher sales quantity of refined tin and higher average tin price per metric tonne of RM208,400 (2Q 2026) as compared with RM193,100 (1Q 2026).

The Group recorded a profit before tax of RM56.6 million in 2Q 2026 as compared with RM66.1 million in 1Q 2026.

The tin smelting segment recorded a profit before tax of RM3.8 million in 2Q 2026 as compared with RM15.5 million in 1Q 2026. Subdued financial performance was mainly due to lower sales and encashment of tin intermediates, and foreign exchange loss.

The tin mining segment recorded a profit before tax of RM59.1 million in 2Q 2026 as compared with RM55.2 million in 1Q 2026. 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 RM0.9 million in 2Q 2026 as compared with RM0.8 million in 1Q 2026.

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 (6 months)		Changes %	Individual Period (2nd quarter)		Changes %
	Current Year To-date 30.06.2026 RM'000	Preceding Year Corresponding Period 30.06.2025 RM'000		Current Year Quarter 30.06.2026 RM'000	Preceding Year Corresponding Quarter 30.06.2025 RM'000	
Revenue	1,094,308	748,731	46%	637,269	378,960	68%
Operating Profit	131,173	61,155	> 100%	60,942	30,221	> 100%
Profit Before Interest and Tax	132,858	61,934	> 100%	61,833	30,693	> 100%
Profit Before Tax	122,675	51,097	> 100%	56,567	24,444	> 100%
Profit After Tax	92,094	27,485	> 100%	41,738	18,934	> 100%
Profit Attributable to Owners of the Company	76,952	21,669	> 100%	34,018	13,948	> 100%

1H 2026 vs. 1H 2025 (YoY)

Group revenue was RM1,094.3 million in the first 6 months of the current financial year (1H 2026) as compared with RM748.7 million in 1H 2025. This was mainly due to higher sales quantity of refined tin and higher average tin price per metric tonne of RM200,700 (1H 2026) as compared with RM140,900 (1H 2025).

The Group recorded a profit before tax of RM122.7 million in 1H 2026 as compared with RM51.1 million in 1H 2025.

The tin smelting segment recorded a profit before tax of RM19.3 million in 1H 2026 as compared with a loss before tax of RM3.9 million in 1H 2025. Better performance was mainly due to higher profit from sales and encashment of tin intermediates, contributed by higher tin price and margin, despite slightly lower tin encashment quantity. The improved performance was partially contributed by cost savings from closure of Butterworth plant. The 1H 2025 performance was negatively affected by the disruption of tin production as explained in Page 22.

The tin mining segment recorded a profit before tax of RM114.3 million in 1H 2026 as compared with RM58.4 million in 1H 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 RM1.7 million in 1H 2026 as compared with RM0.8 million in 1H 2025.

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

B10. Review of Performance (cont'd)

2Q 2026 vs. 2Q 2025 (YoY)

Group revenue was RM637.3 million in 2Q 2026 as compared with RM379.0 million in 2Q 2025. This was mainly due to higher sales quantity of refined tin and higher average tin price per metric tonne of RM208,400 (2Q 2026) as compared with RM139,800 (2Q 2025).

The Group recorded a profit before tax of RM56.6 million in 2Q 2026 as compared with RM24.4 million in 2Q 2025.

The tin smelting segment recorded a profit before tax of RM3.8 million in 2Q 2026 as compared with a loss before tax of RM9.6 million in 2Q 2025. Better performance was mainly due to higher profit from sales and encashment of tin intermediates, and positive cost savings from closure of Butterworth plant, offset by foreign exchange loss. The 2Q 2025 performance was negatively affected by the disruption of tin production arising from the gas pipeline fire incident at Putra Heights.

The tin mining segment recorded a profit before tax of RM59.1 million in 2Q 2026 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 RM0.9 million in 2Q 2026 as compared with RM0.5 million in 2Q 2025.

B11. Prospects

The continuing conflict in the Middle East has triggered increases in energy prices and renewed inflationary pressures. Tin prices remained elevated, reflecting tightening supply conditions in key producing countries like Indonesia, Myanmar and DRC constrained by regulatory, geopolitical, and operational challenges. Global demand for tin remains strong, underpinned by rising AI and data centres applications, semiconductors, photovoltaic panels, and other energy-transition technologies.

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

The smelting segment operates the more efficient and modern TSL furnace and refinery facility strategically located at Pulau Indah, after the closure of the old Butterworth operations. From an ESG standpoint, the plant benefits from having a smaller carbon footprint as it utilises natural gas and generates renewal energy from 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.

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

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

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 and financial year-to-date ended 30 June 2025 have been retrospectively adjusted to reflect the bonus issue.

	2nd Quarter ended 30.06.2026	2nd Quarter ended 30.06.2025	6 months ended 30.06.2026	6 months ended 30.06.2025
Profit net of tax attributable to owners of the Company (RM'000)	34,018	13,948	76,952	21,669
Weighted average number of ordinary shares in issue ('000)	840,000	840,000	840,000	840,000
Basic and diluted earnings per share (sen)	**4.0**	**1.7**	**9.2**	**2.6**

B13. Dividend

There was no dividend declared for the current quarter.

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 12 August 2026.