FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal activities

The principal activities of the Company are investment holding, the smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal under the MSC brand name and the sales and delivery of refined tin metal and by-products.

The principal activities of the subsidiaries are tin mining, tin warehousing, property holding and rental, and investment holding. Other information relating to the subsidiaries are disclosed in Note 19 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit net of tax	**97,216**	**69,931**
Profit attributable to:		
Owners of the Company	85,051	69,931
Non-controlling interests	12,165	-
	97,216	**69,931**

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid by the Company since 31 December 2022 were as follows:

	RM'000
In respect of the financial year ended 31 December 2022:	
First and final single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, declared on 26 May 2023 and paid on 27 June 2023	29,400
In respect of the financial year ended 31 December 2023:	
A single-tier interim dividend of RM0.07 per share on 420,000,000 ordinary shares, declared on 28 August 2023 and paid on 29 September 2023	29,400

Subject to the approval of the members at the forthcoming Annual General Meeting of the Company, the directors recommend the payment of a final single-tier dividend of RM0.07 per share amounting to RM29,400,000 for the financial year ended 31 December 2023.

DIRECTORS' REPORT

Dividends (cont'd)

The financial statements for the financial year ended 31 December 2023 do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

Share capital

No shares were issued by the Company and no option has been granted to any person or party to acquire shares in the Company during the financial year.

Directors

The name of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Ms. Chew Gek Khim	(Chairman)
Mr. John Mathew A/L Mathai	
Mr. Yap Seng Chong*	
Datuk Kamaruddin Bin Taib*	
Dato' Dr. (Ir.) Yong Mian Thong	
Dato' Roslina Binti Zainal	
Datuk Lim Hong Tat*	
Mr. Chia Chee Ming, Timothy	(Retired on 26 May 2023)

* Being members of Audit Committee as at the date of this report

In accordance with Clause 102 of the Constitution of the Company, Dato' Roslina Binti Zainal and Mr. Yap Seng Chong retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

The name of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report are:

Ms. Chew Gek Khim	
Mr. John Mathew A/L Mathai	
Dato' Dr. (Ir.) Yong Mian Thong	
Mr. Lee Hock Chye	
Mr. Madzlan Bin Zam	
Dato' Abdul Aziz Bin Mohamed (Alternate: Dato' Hj Mohd Abdah Bin Mohd Alif)	
Mr. Nicolas Chen Seong Lee	
Mr. Zihanz Alymann Bin Kamarul Zaman	
Mr. Yeo Eng Kwang	(Appointed on 27 June 2023)
Mr. Lam Hoi Khong	(Appointed on 24 August 2023)
Ms. Tan Wei Tze	(Resigned on 27 June 2023)
Mr. Raveentiran A/L Krishnan	(Resigned on 24 August 2023)

DIRECTORS' REPORT

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits paid and payable are as follows:

	Group RM'000	Company RM'000
Fees	1,034	936
Salary, bonus and benefits-in-kind	5,434	2,501
Insurance effected to indemnify directors	130	130
	6,598	3,567

Indemnities of directors or officers

During the financial year, the directors and officers of the Group and of the Company are covered under the Directors & Officers Management Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Group and of the Company subject to the terms of the D&O Insurance. The total insured limit of D&O Insurance effected for the directors and officers of the Group and of the Company was RM30 million.

DIRECTORS' REPORT

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the holding companies, the Company and its related corporations during the financial year were as follows:

	← Number of ordinary shares →			
	1 January 2023	**Bought**	**Sold**	**31 December 2023**
Ultimate holding company				
Tan Chin Tuan Pte. Ltd.				
Direct interest				
Ms. Chew Gek Khim	92,478,922	-	-	92,478,922
Immediate holding company				
The Straits Trading Company Limited				
Direct interest				
Ms. Chew Gek Khim	741,200	-	-	741,200
The Company				
Direct interest				
Ms. Chew Gek Khim	1,600,000	70,000	-	1,670,000
Dato' Dr. (Ir.) Yong Mian Thong	421,100	-	-	421,100

None of the other directors in office at the end of the financial year had any interest in shares in the holding companies, the Company or its related corporations during the financial year.

Holding companies

The immediate holding company of the Company is The Straits Trading Company Limited, a public limited liability company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The penultimate holding and ultimate holding companies of the Company are The Cairns Pte. Ltd. and Tan Chin Tuan Pte. Ltd. respectively, both of which are private limited liability companies incorporated in Singapore.

DIRECTORS' REPORT

Other statutory information

(a) Before the statements of profit or loss and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT		
- Statutory audits	1,012	497
- Other services	13	13
	1,025	510

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the board in accordance with a resolution of the directors dated 15 April 2024.

Chew Gek Khim

Dato' Dr. (Ir.) Yong Mian Thong

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Chew Gek Khim and Dato' Dr. (Ir.) Yong Mian Thong, being two of the directors of Malaysia Smelting Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 93 to 192 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the board in accordance with a resolution of the directors dated 15 April 2024.

Chew Gek Khim

Dato' Dr. (Ir.) Yong Mian Thong

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Lam Hoi Khong, being the officer primarily responsible for the financial management of Malaysia Smelting Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 93 to 192 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared
by the abovenamed Lam Hoi Khong
at Klang, Selangor
on 15 April 2024

Lam Hoi Khong
(CA 18848)

Before me,

SITI NORAZMIZA BT MOHAMED NORSAIDI (B 675)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALAYSIA SMELTING CORPORATION BERHAD (Incorporated In Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Malaysia Smelting Corporation Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 93 to 192.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MALAYSIA SMELTING CORPORATION BERHAD (Incorporated In Malaysia)

Key audit matters (cont'd)

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Inventories

As disclosed in Note 24 to the financial statements, the Group and the Company recorded a carrying amount of tin inventories amounting to RM572.1 million and RM577.6 million (2022: RM549.6 million and RM550.8 million) as at 31 December 2023, representing 63% and 65% (2022: 65% and 65%) of the Group's and the Company's total current assets respectively.

The Company contracts with various suppliers on different terms and conditions for the purchases of tin-in-concentrates. Given the high number of different purchase contracts and with different terms and conditions, we identified the timing of recognition of tin-in-concentrates to be an area of focus. Accordingly, we identified the existence of tin-in–concentrate to be an area of focus in view of the magnitude of amount and voluminous quantity; and valuation of tin-in-concentrates, tin-in-process and refined tin metal as an area of focus due to the magnitude of the balances.

In addressing the area of focus in respect of the existence of physical quantities and timing of recognition of tin-in-concentrates, we performed, amongst others, the following procedures:

(a) We read the significant purchase contracts to obtain an understanding of the terms and conditions to establish the Company's rights and obligations over tin-in-concentrates purchased.

(b) We tested the relevant internal controls over the timing of recognition of tin-in-concentrates.

(c) We inspected, on a sample basis, documents which evidenced the receipt of tin-in-concentrates from suppliers.

(d) We also focused on testing purchase transactions close to the year end to establish whether the transactions were recorded in the correct accounting period.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MALAYSIA SMELTING CORPORATION BERHAD (Incorporated In Malaysia)

Inventories (cont'd)

In addressing the area of focus in respect of the existence of physical quantities and timing of recognition of tin-in-concentrates, we performed, amongst others, the following procedures: (cont'd)

(e) We attended and observed the physical stock counts and obtained an understanding of the tin content sampling methodology used by management.

(f) We obtained an understanding of the work performed by management's expert involved in the physical stock count.

(g) We evaluated the competence, capabilities and objectivity of the management's expert.

(h) We evaluated the appropriateness of the work performed by management's expert.

(i) We inspected, on a sample basis, roll-forward of tin inventories from physical stock count cut-off date to the reporting date, which consists of documents evidenced the receipt of tin-in-concentrates from suppliers and documents evidenced the delivery of refined tin metal to customers.

(j) We evaluated management's assessment of allowance for tin loss.

In addressing the area of focus in respect of the valuation of tin-in-concentrates, tin-in-process and refined tin metal, we performed, amongst others, the following procedures:

(a) We obtained an understanding of the Company's production process and the types of costs included in the valuation of tin-in-concentrates, tin-in-process and refined tin metal.

(b) We also obtained an understanding of the internal controls over the recording of tin-in-concentrates consumed and the valuation of different stages of tin-in-process.

(c) We inspected, on a sample basis, documents which evidenced the cost of purchase of tin-in-concentrates from suppliers and cost of production of tin-in-process and refined tin metal.

(d) We tested the arithmetic calculation of the costing of tin inventories.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MALAYSIA SMELTING CORPORATION BERHAD (Incorporated In Malaysia)

Provision for mine restoration costs

As disclosed in Note 29(a) to the financial statements, the Group recorded a provision for mine restoration costs of RM53.9 million in respect of mine restoration obligations of its subsidiary, Rahman Hydraulic Tin Sdn. Bhd. as at 31 December 2023. The Group is required to obtain approval on its mine restoration plan from the Perak State Mineral Resources Committee, under the Mineral (Perak) Enactment 2003. The Group recognises a provision for these costs at each reporting date based on the estimated costs required to fulfil this obligation according to the methodology and plan formulated by the external consultant.

The timing of the cash outflow can only be confirmed by uncertain future events not wholly within the control of the Group and may develop in ways not initially expected. Therefore, the Group continually assesses the timing and development of the mine restoration plan, through discussion with the relevant authorities. Such assessment required management to make significant judgment and estimates. Accordingly, we consider this to be an area of audit focus.

In addressing this area of focus, we performed, amongst others, the following procedures:

(a) We evaluated the competence, capabilities and objectivity of the external mine restoration consultant engaged by the Group.

(b) We obtained an understanding of the methodology adopted by the consultant in formulating the restoration plan.

(c) We also evaluated the significant cost components through enquiries with the external consultant and, where relevant, we compared the cost components to past experience or quotations obtained from third party contractors and suppliers.

(d) We assessed whether the discount rate used in determining the net present value of the restoration cost reflects current market assessments of the time value of money to the liability.

(e) We also evaluated the adequacy of the Group's disclosure about the significant judgements and estimates involved in determining the provision for mine restoration costs.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MALAYSIA SMELTING CORPORATION BERHAD (Incorporated In Malaysia)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. We have obtained the Directors' Report prior to the date of this auditors' report. The remaining other information expected to be included in the annual report are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information expected to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MALAYSIA SMELTING CORPORATION BERHAD (Incorporated In Malaysia)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALAYSIA SMELTING CORPORATION BERHAD (Incorporated In Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALAYSIA SMELTING CORPORATION BERHAD (Incorporated In Malaysia)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Liew Foo Shen
No. 03349/01/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
15 April 2024

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	4	1,435,725	1,503,591	1,435,725	1,503,591
Other items of income					
Dividend income	5	2,303	3,071	35,048	76,062
Interest income	6	5,612	2,198	6,361	2,402
Other income	7	20,618	15,069	23,527	17,539
Expenses					
Costs of tin mining and smelting	8	(1,214,171)	(1,270,393)	(1,348,115)	(1,467,529)
Depreciation expense	9	(11,879)	(9,685)	(6,634)	(5,931)
Amortisation expenses	9	(1,024)	(1,029)	(3)	(3)
Employee benefits expense	10	(78,712)	(67,107)	(42,922)	(41,909)
Finance costs	11	(17,934)	(18,991)	(15,658)	(16,178)
Other expenses	12	(12,577)	(12,652)	(8,063)	(3,272)
Total expenses		(1,336,297)	(1,379,857)	(1,421,395)	(1,534,822)
Share of results of associate and joint venture		672	(456)	-	-
Profit before tax	8	128,633	143,616	79,266	64,772
Income tax (expense)/credit	13	(31,417)	(42,172)	(9,335)	1,991
Profit net of tax		97,216	101,444	69,931	66,763
Attributable to:					
Owners of the Company		85,051	98,307	69,931	66,763
Non-controlling interests		12,165	3,137	-	-
		97,216	101,444	69,931	66,763

		Group	
		2023	2022
Earnings per share attributable to owners of the Company (sen per share):			
- Basic and diluted	14	20.3	23.4

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit net of tax	97,216	101,444	69,931	66,763
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Revaluation reserves on properties, net	5,176	1,382	572	826
Net fair value changes in quoted investments at Fair Value through Other Comprehensive Income ("FVOCI")	3,358	3,120	3,358	3,120
	8,534	4,502	3,930	3,946
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	(6)	(6)	-	-
Share of foreign currency translation of associate and joint venture	185	(19)	-	-
	179	(25)	-	-
Other comprehensive income for the year, net of tax	8,713	4,477	3,930	3,946
Total comprehensive income for the year	105,929	105,921	73,861	70,709
Total comprehensive income attributable to:				
Owners of the Company	93,750	102,760	73,861	70,709
Non-controlling interests	12,179	3,161	-	-
Total comprehensive income for the year	105,929	105,921	73,861	70,709

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Assets					
Non-current assets					
Property, plant and equipment	16	171,415	155,888	69,805	69,734
Right-of-use assets	17(a)	4,546	5,430	496	729
Land held for development		78,654	78,654	-	-
Intangible assets	18	142,430	142,050	137	140
Investments in subsidiaries	19	-	-	148,781	148,781
Investments in associate and joint venture	20	30,756	29,974	10,473	10,473
Investment securities	21	36,243	32,885	36,243	32,885
Mining assets	22	13,685	13,511	-	-
Deferred tax assets	23	5,349	6,541	3,934	5,859
		483,078	464,933	269,869	268,601
Current assets					
Inventories	24	595,240	570,709	594,396	566,686
Trade receivables	25	6,885	31,523	6,884	31,522
Other receivables	26	2,965	705	130,186	106,334
Trade prepayments	27	31,659	66,503	31,659	66,503
Other prepayments		2,184	1,650	1,468	1,289
Tax recoverable		5,391	17,495	-	17,466
Derivative financial instruments		-	1,115	-	1,115
Cash, bank balances and deposits	28	264,222	151,221	119,669	57,664
		908,546	840,921	884,262	848,579
Total assets		1,391,624	1,305,854	1,154,131	1,117,180

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Equity and liabilities					
Current liabilities					
Provisions	29	1,641	14,294	759	13,138
Borrowings	30	317,543	268,976	317,543	268,976
Trade and other payables	31	127,692	111,236	167,336	168,405
Lease liabilities	17(b)	319	777	215	213
Current tax payable		5,350	8,452	3,292	3,960
Derivative financial instruments		-	153	-	153
		452,545	403,888	489,145	454,845
Net current assets		456,001	437,033	395,117	393,734
Non-current liabilities					
Provisions	29	70,165	48,346	14,487	-
Deferred tax liabilities	23	5,952	3,098	-	-
Borrowings	30	42,222	68,889	42,222	68,889
Lease liabilities	17(b)	4,283	4,137	266	496
		122,622	124,470	56,975	69,385
Total liabilities		575,167	528,358	546,120	524,230
Net assets		816,457	777,496	608,011	592,950
Equity attributable to owners of the Company					
Share capital	32	237,194	237,194	237,194	237,194
Other reserves	33	46,558	37,859	28,035	24,105
Retained earnings		470,378	444,127	342,782	331,651
		754,130	719,180	608,011	592,950
Non-controlling interests		62,327	58,316	-	-
Total equity		816,457	777,496	608,011	592,950
Total equity and liabilities		1,391,624	1,305,854	1,154,131	1,117,180

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		← Attributable to owners of the Company →								
				← Non-distributable →					Distributable	
Group	Note	Total equity RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	FVOCI reserves RM'000	Other reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000
At 1 January 2022		580,641	580,438	237,194	12,906	1,067	41,838	1,706	285,727	203
Profit for the year		101,444	98,307	-	-	-	-	-	98,307	3,137
Other comprehensive income		4,477	4,453	-	1,358	(25)	3,120	-	-	24
Total comprehensive income		105,921	102,760	-	1,358	(25)	3,120	-	98,307	3,161
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities		-	-	-	-	-	(24,111)	-	24,111	-
Transactions with owners of the Company:										
Dilution of interest in a subsidiary without a loss in control		138,575	65,382	-	-	-	-	-	65,382	73,193
Dividend on ordinary shares	15	(29,400)	(29,400)	-	-	-	-	-	(29,400)	-
Dividend to non-controlling interests		(18,241)	-	-	-	-	-	-	-	(18,241)
Total transactions with owners of the Company		90,934	35,982	-	-	-	-	-	35,982	54,952
At 31 December 2022		777,496	719,180	237,194	14,264	1,042	20,847	1,706	444,127	58,316

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			Attributable to owners of the Company							
				Non-distributable					Distributable	
	Note	Total equity RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	FVOCI reserves RM'000	Other reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000
Group										
At 1 January 2023		777,496	719,180	237,194	14,264	1,042	20,847	1,706	444,127	58,316
Profit for the year		97,216	85,051	-	-	-	-	-	85,051	12,165
Other comprehensive income		8,713	8,699	-	5,162	179	3,358	-	-	14
Total comprehensive income		105,929	93,750	-	5,162	179	3,358	-	85,051	12,179
Transactions with owners of the Company:										
Dividend on ordinary shares	15	(58,800)	(58,800)	-	-	-	-	-	(58,800)	-
Dividend to non-controlling interests		(8,168)	-	-	-	-	-	-	-	(8,168)
Total transactions with owners of the Company		(66,968)	(58,800)	-	-	-	-	-	(58,800)	(8,168)
At 31 December 2023		816,457	754,130	237,194	19,426	1,221	24,205	1,706	470,378	62,327

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Total equity RM'000	← Non-distributable	→		Distributable *
			Share capital RM'000	Revaluation reserves RM'000	FVOCI reserves RM'000	Retained earnings RM'000
Company						
At 1 January 2022		551,641	237,194	2,432	41,838	270,177
Profit for the year		66,763	-	-	-	66,763
Other comprehensive income		3,946	-	826	3,120	-
Total comprehensive income		70,709	-	826	3,120	66,763
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities		-	-	-	(24,111)	24,111
Transaction with owners of the Company:						
Dividend on ordinary shares	15	(29,400)	-	-	-	(29,400)
At 31 December 2022		592,950	237,194	3,258	20,847	331,651

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			← Non-distributable →			Distributable *
	Note	Total equity RM'000	Share capital RM'000	Revaluation reserves RM'000	FVOCI reserves RM'000	Retained earnings RM'000
Company						
At 1 January 2023		592,950	237,194	3,258	20,847	331,651
Profit for the year		69,931	-	-	-	69,931
Other comprehensive income		3,930	-	572	3,358	-
Total comprehensive income		73,861	-	572	3,358	69,931
Transaction with owners of the Company:						
Dividend on ordinary shares	15	(58,800)	-	-	-	(58,800)
At 31 December 2023		608,011	237,194	3,830	24,205	342,782

* The Company is able to distribute dividends out of its entire retained earnings under the single-tier tax system.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating activities					
Profit before tax		128,633	143,616	79,266	64,772
Adjustments for:					
Amortisation	9	1,024	1,029	3	3
Depreciation	9	11,879	9,685	6,634	5,931
Dividend income	5	(2,303)	(3,071)	(35,048)	(76,062)
Fair value changes in forward currency contracts	7,12	(153)	(157)	(153)	153
Fair value changes in forward tin contracts	7,12	1,115	(1,115)	1,115	(1,115)
Gain on disposal of property, plant and equipment	7	-	(35)	-	(35)
Interest expense		15,447	17,212	15,215	15,909
Interest income	6	(5,612)	(2,198)	(6,361)	(2,402)
Property, plant and equipment written off	12	61	12	61	-
Movement in provision for retrenchment compensation	10	1,680	1,067	1,680	1,067
Reversal of impairment of trade and other receivables		(6)	-	(6)	-
Share of results of associate and joint venture		(672)	456	-	-
Unrealised loss/(gain) on exchange	7,12	1,519	(1,122)	1,519	(1,122)
Unwinding of discount on provision	11	2,472	1,764	428	254
Operating cash flows before changes in working capital		155,084	167,143	64,353	7,353

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Operating activities (cont'd)					
(Increase)/Decrease in inventories		(24,531)	219,153	(27,710)	237,873
Decrease/(Increase) in receivables		22,848	(19,741)	24,081	(19,669)
Decrease in amount due from subsidiaries		-	-	4,427	4,212
Decrease/(Increase) in trade prepayments		34,844	(29,998)	34,844	(29,998)
Increase in other prepayments		(420)	(117)	(66)	(90)
Increase/(Decrease) in payables		15,372	(13,920)	12,076	(6,007)
Decrease in amount due to subsidiaries		-	-	(14,289)	(64,043)
Increase in amount due to an associate		517	2,683	517	2,683
Cash generated from operations		203,714	325,203	98,233	132,314
Income tax (paid)/refunded		(20,003)	(63,498)	9,207	(346)
Interest paid		(15,881)	(18,080)	(15,649)	(16,240)
Net cash generated from operating activities		167,830	243,625	91,791	115,728
Investing activities					
Acquisition of subsidiaries, net of cash acquired		-	36	-	-
Advances given to subsidiaries		-	-	(2,564)	(55,088)
Interest received		5,612	2,198	2,856	682
Dividend received from a subsidiary		-	-	11,487	61,476
Dividend received from an associate		75	28	75	28
Dividend received from investment securities	5	2,303	3,071	2,303	3,071
Payment for deferred mine exploration and evaluation expenditures and mine properties	22	(1,044)	(536)	-	-
Proceeds from disposal of investment securities		-	28,691	-	28,691
Proceeds from disposal of property, plant and equipment		-	35	-	35
Purchase of property, plant and equipment		(15,301)	(17,870)	(5,780)	(8,769)
Net cash (used in)/generated from investing activities		(8,355)	15,653	8,377	30,126

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Financing activities					
Advances received from a subsidiary		-	-	-	15,000
Dividend paid to shareholders	15	(58,800)	(29,400)	(58,800)	(29,400)
Dividend paid to a non-controlling shareholder of a subsidiary		(8,168)	(10,073)	-	-
(Repayment)/Drawdown of term loans - net		(11,111)	(10,008)	(11,111)	40,000
Drawdown/(Repayment) of short term trade borrowings		33,070	(107,384)	33,070	(107,384)
Payment of lease liabilities	17(b)	(371)	(133)	(228)	(133)
Repayment of loan from immediate holding company		-	(73,461)	-	(73,461)
Net cash used in financing activities		(45,380)	(230,459)	(37,069)	(155,378)
Net increase/(decrease) in cash and cash equivalents		114,095	28,819	63,099	(9,524)
Effect of changes in foreign exchange rates		(1,094)	(174)	(1,094)	(175)
Cash and cash equivalents as at 1 January		151,221	122,576	57,664	67,363
Cash and cash equivalents as at 31 December	28	264,222	151,221	119,669	57,664

Reconciliation of liabilities arising from financing activities:

Group

2023	Carrying amount as at 1 January 2023 RM'000	Cash flows RM'000	Non-cash changes: Additions RM'000	Non-cash changes: Remeasure-ment RM'000	Non-cash changes: Foreign exchange movement RM'000	Carrying amount as at 31 December 2023 RM'000
Lease liabilities	4,914	(371)	601	(542)	-	4,602
Short term trade borrowings	257,865	33,070	-	-	(59)	290,876
Term loans	80,000	(11,111)	-	-	-	68,889
Total liabilities from financing activities	**342,779**	**21,588**	**601**	**(542)**	**(59)**	**364,367**

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of liabilities arising from financing activities (cont'd):

Group

2022	Carrying amount as at 1 January 2022 RM'000	Cash flows RM'000	Accrued interest RM'000 (Non-cash changes)	Additions RM'000 (Non-cash changes)	Foreign exchange movement RM'000 (Non-cash changes)	Carrying amount as at 31 December 2022 RM'000
Lease liabilities	4,425	(133)	179	443	-	4,914
Loan from immediate holding company	73,461	(73,461)	-	-	-	-
Short term trade borrowings	366,298	(107,384)	-	-	(1,049)	257,865
Term loans	90,008	(10,008)	-	-	-	80,000
Total liabilities from financing activities	**534,192**	**(190,986)**	**179**	**443**	**(1,049)**	**342,779**

Company

2023	Carrying amount as at 1 January 2023 RM'000	Cash flows RM'000	Non-cash changes Foreign exchange movement RM'000	Carrying amount as at 31 December 2023 RM'000
Lease liabilities	709	(228)	-	481
Short term trade borrowings	257,865	33,070	(59)	290,876
Term loan	80,000	(11,111)	-	68,889
Total liabilities from financing activities	**338,574**	**21,731**	**(59)**	**360,246**

2022	Carrying amount as at 1 January 2022 RM'000	Cash flows RM'000	Additions RM'000 (Non-cash changes)	Foreign exchange movement RM'000 (Non-cash changes)	Carrying amount as at 31 December 2022 RM'000
Lease liabilities	399	(133)	443	-	709
Loan from immediate holding company	73,461	(73,461)	-	-	-
Short term trade borrowings	366,298	(107,384)	-	(1,049)	257,865
Term loan	40,000	40,000	-	-	80,000
Total liabilities from financing activities	**480,158**	**(140,978)**	**443**	**(1,049)**	**338,574**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The Company is secondarily listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Registered Office of the Company is located at Lot 6, 8 & 9, Jalan Perigi Nanas 6/1, Pulau Indah Industrial Park, West Port, Port Klang, 42920 Pulau Indah, Selangor, Malaysia. The principal place of business of the Company is located at Lot 6, 8 & 9, Jalan Perigi Nanas 6/1, Pulau Indah Industrial Park, West Port, Port Klang, 42920 Pulau Indah, Selangor, Malaysia.

The immediate holding company of the Company is The Straits Trading Company Limited, a public limited liability company incorporated in Singapore and listed on the SGX-ST which publishes financial statements available for public use. The penultimate holding and ultimate holding companies of the Company are The Cairns Pte. Ltd. and Tan Chin Tuan Pte. Ltd. respectively, both of which are private limited liability companies incorporated in Singapore.

The principal activities of the Company are investment holding, the smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal under the MSC brand name and the sales and delivery of refined tin metal and by-products. The principal activities of the subsidiaries, associate and joint venture are set out in Notes 19 and 20 respectively.

There have been no significant changes in the nature of the principal activities during the financial year.

2. Summary of accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (“RM’000”) except when otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2023, the Group and the Company have adopted the following new standards and amendments to MFRS mandatory for annual financial periods beginning on or after 1 January 2023.

Description
MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts *(Initial Application of MFRS 17 and MFRS 9 – Comparative Information)*
Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 *(Disclosure of Accounting policies)*
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors *(Definition of Accounting Estimates)*
Amendments to MFRS 112 Income Taxes *(Deferred Tax related to Assets and Liabilities arising from a Single Transaction)*
Amendments to MFRS 112 Income Taxes *(International Tax Reform – Pillar Two Model Rules)*

The adoption of the above standards did not have material impact on the financial statements of the Group and of the Company, except for:

Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 *(Disclosure of Accounting policies)*

The Amendments to MFRS 101 require entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

To support the Amendments to MFRS 101, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Amendments to MFRS 112 Income Taxes *(International Tax Reform – Pillar Two Model Rules)*

The Amendments clarify that MFRS 112 applies to income taxes arising from tax law enacted or substantially enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements Qualified Domestic Minimum Top-up Taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The Amendments introduce:

- A mandatory temporary exception to the requirements of MFRS 112 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD Pillar Two model rules.

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The Group is yet to apply the temporary exception during the current financial period because the Group's entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted.

The Group will disclose known or reasonably estimate information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual financial statements when it is in effect.

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following standards that have been issued but not yet effective.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

The Group and the Company will adopt the above new standards when they become effective. Adoption of the above standards do not have material impact on the financial statements of the Group and of the Company except for the significant new standards summarised below:

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

The Amendments to MFRS 101 require an entity to disclose information about debt with covenants in the notes to the financial statements. The Amendments are expected to improve the information an entity provides about long-term debt with covenants by enabling investors to understand the risk that such debt could become repayable early.

The Group and the Company are currently assessing the impact of the new standard and will revise the disclosure when the above significant new standard comes into effect.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

2.5 Subsidiaries

A subsidiary is an entity over which the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

2.6 Investments in associate and joint venture

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.6 Investments in associate and joint venture (cont'd)

Under the equity method, on initial recognition, the investments in associate or joint venture are recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associate and joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

In the Company's separate financial statements, investments in associate and joint venture are accounted for at cost less accumulated impairment losses, if any.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired.

The Group's intangible assets are mining rights and corporate club memberships.

Mining rights

Mining rights are the legal rights obtained on the land to explore for, develop and produce minerals. Mining rights acquired are stated at their fair values as at the date of acquisition. Following initial recognition, mining rights are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.7 Intangible assets (cont'd)

Mining rights (cont'd)

Mining rights are amortised based on the unit-of-production method so as to write off the mining rights in proportion to the depletion of the estimated economically recoverable ore resources. Changes in the estimated economically recoverable ore resources are accounted for on a prospective basis.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

The useful lives of the intangible assets of the Group are as follows:

Mining rights	6 to 11 years

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

2.8 Mine exploration, evaluation expenditures, mine properties and mine restoration assets

a) Deferred mine exploration and evaluation expenditures

Exploration and evaluation activity includes:

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised based on the unit-of-production method.

Mine exploration and evaluation expenditures incurred for a new area of interest are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits a reasonable assessment of the existence of economically recoverable ore resources. These costs also include directly attributable employee remuneration, materials used and overhead costs.

Once an economically mineable resource for an area of interest is established and development is sanctioned, such exploration and evaluation expenditure is transferred to mine properties. No amortisation is charged during the exploration and evaluation phase. The exploration and evaluation expenditure is charged to profit or loss when the

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.8 Mine exploration, evaluation expenditures, mine properties and mine restoration assets (cont'd)

a) Deferred mine exploration and evaluation expenditures (cont'd)

Group concludes that the economically mineable resource for an area of interest is less likely to be realised.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

b) Mine properties

Mine properties are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

All expenditures incurred in connection with development activities in respect of each mine property, which includes all activities conducted in the preparation of economically recoverable ore resources until commercial production are accumulated in respect of each mine property.

Expenditure for a mine property which is considered to provide minimal benefit to future periods is recognised as an expense in profit or loss.

When production for a mine property commences, the accumulated cost for the mine property is amortised based on the unit-of-production method so as to write off the expenditure in proportion to the depletion of the estimated economically recoverable ore resources. Changes in the estimated economically recoverable ore resources are accounted for on a prospective basis.

A review is carried out annually on the carrying amount of a mine property to determine whether there is any indication of impairment. An impairment loss is recognised as an expense in profit or loss.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

c) Mine restoration assets

In the tin mining subsidiaries, the initial cost of mine restoration assets is based on the initial estimate of the rehabilitation obligation. The mine restoration assets are depreciated using the unit-of-production method based on economically recoverable ore except in cases of assets whose useful life is shorter than the life of mine, in which case, the straight-line method is applied. Changes in the estimated economically recoverable ore resources and the useful lives of the mine restoration assets are accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.9 Mine restoration expenditure

Restoration expenditure incurred during the production phase of operations is recognised in profit or loss as part of the cost of production of the mine property concerned.

Significant mine restoration expenditure to be incurred subsequent to the cessation of production of each mine property is provided based on the present value of the estimated expenditure to be incurred.

2.10 Property, plant and equipment and depreciation

Property, plant and equipment, other than land and buildings are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciate them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

The accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.10 Property, plant and equipment and depreciation (cont'd)

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment of the Group and of the Company is provided for on a straight-line method to write off the cost of each asset to its residual value over the shorter of their estimated economic useful lives or life of the mine where appropriate. The estimated useful lives are as follows:

Leasehold land	80 years
Buildings	10 to 40 years
Plant, equipment and vehicles	3 to 25 years
Furniture	4 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively, if appropriate.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

2.11 Land held for development

Land held for development consists of freehold land (representing long-term inventories) on which no significant development work has been undertaken other than earthwork, infrastructure work and professional fees incurred to put the land ready for development or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Land held for development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.12 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.13 Financial assets

Initial recognition and measurement

Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer.

2. Summary of accounting policies (cont'd)

2.13 Financial assets (cont'd)

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

- Amortised cost

  Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

  The Group's and the Company's financial assets designated as amortised cost include trade receivables, other receivables and cash, bank balances and deposits.

- Fair value through other comprehensive income ("FVOCI")

  Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest rate method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

- Fair value through profit or loss

  Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in finance income.

  The Group's and the Company's financial assets designated as fair value through profit or loss includes derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.13 Financial assets (cont'd)

Subsequent measurement (cont'd)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's and the Company's right to receive payments is established. For investments in equity instruments which the Group and the Company have not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

The Group's and the Company's financial assets designated as FVOCI include investment securities.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2.14 Impairment of financial assets

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset where practical. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.14 Impairment of financial assets (cont'd)

The Group and the Company measure the impairment loss based on the two-step approach to measure the Expected Credit Loss ("ECL") on financial assets:

- 12-months ECL

  For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

- Lifetime ECL

  For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

If in a subsequent period, the credit quality improves and reverses any previously assessed significant increase in credit risk since initial recognition, then the impairment loss reverts from lifetime ECL to 12-months ECL.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of trading inventory of refined tin metal is determined on a first-in first-out basis.

Cost of tin inventories which have matching sales contract for refined tin metal from tin smelting operations, are stated at the value of such contract less cost of conversion. This value is consistent with cost, as it is the practice of the tin smelting operations of the Company to buy tin-in-concentrates and sell refined tin metal on a back-to-back price basis.

Cost of tin inventories which has no matching sales contract is calculated using the weighted average cost method.

Absorption costing is used in the mining operations to assign costs to tin inventories using the weighted average cost method which includes both variable and fixed overhead cost components.

Cost of other inventories comprising stores, spares, fuels, coals and consumables is determined using the weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.16 Cash, bank balances and deposits

Cash, bank balances and deposits in the statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash, bank balances and deposits as defined above.

2.17 Lease

The Group and the Company as lessee

<u>Right-of-use assets</u>

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group and the Company are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term of the assets, as follows:

Leasehold land	28 to 93 years
Buildings	3 years

Right-of-use assets are subject to impairment.

<u>Lease liabilities</u>

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group and the Company use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.17 Lease (cont'd)

The Group and the Company as lessee (cont'd)

Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or payables. The Group and the Company determine the classification of their financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, loans and borrowings, lease liabilities and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.19 Financial liabilities (cont'd)

Subsequent measurement (cont'd)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group and the Company that do not meet the hedge accounting criteria. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Trade and other payables, and loans and borrowings

After initial recognition, trade and other payables, and loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.20 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.21 Fair value measurement

The Group and the Company measure financial instruments such as derivatives, and non-financial assets such as properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 37(b).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.21 Fair value measurement (cont'd)

The Group and the Company determine the policies and procedures for recurring fair value measurement for properties and derivatives instruments such as forward currency contracts.

External valuers may be involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Group and the Company analyse the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's and the Company's accounting policies. For this analysis, the Group and the Company verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group and the Company also compare the change in the fair value of each asset and liability with relevant external sources, where practical to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.22 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.22 Foreign currencies (cont'd)

Transactions and balances (cont'd)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.23 Revenue and other income recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

(i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.23 Revenue and other income recognition (cont'd)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(i) Sale of tin

Revenue is recognised when "control" of the goods is transferred to the customer. For sale of tin through Kuala Lumpur Tin Market ("KLTM")/ London Metal Exchange ("LME"), revenue is recognised upon issue of tin warrant. Tin warrant is a document of possession, and is used as the means of delivery tin metal under KLTM/ LME contracts. For sale of tin to the end-customer, revenue is recognised upon delivery of tin to the customer, or according to the agreed Incoterms with customers.

(ii) Smelting revenue

Smelting revenue is recognised at a point in time upon performance of services. The Group and the Company act as an agent to provide tin smelting services on tin materials supply by the customers. The Group and the Company do not own and have no control of the tin materials.

(iii) Sale of by-products

Revenue is recognised upon delivery/shipment to the customer, or according to the agreed Incoterms with customers.

(iv) Others

Others represent delivery and handling service charges which are recognised upon performance of services.

(v) Other income

- Interest income is recognised on an accrual basis using effective interest rate method.
- Dividend income is recognised when the Group's and the Company's right to receive payment is established.

2.24 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.25 Income tax

(a) Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group and the Company operate and generate taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except for:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.25 Income tax (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

2.26 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligations to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as expense in the period in which the related services is performed. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.26 Employee benefits (cont'd)

(c) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits when they are demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after reporting date are discounted to present value.

2.27 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group and the Company have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and the Company transfer goods or services to the customer, contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and the Company perform under the contract.

2.28 Segment reporting

For management purposes, the Group is organised into operating segments based on business segments which are independently managed by the respective segment chief operating officers responsible for the performance of the respective segments under their charge. The segment chief operating officers report directly to the chief executive officer of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.29 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of accounting policies (cont'd)

2.30 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

3. Significant accounting judgements and estimates

The preparation of the financial statements of the Group and the Company requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. The judgements made in applying accounting policies and key sources of estimation uncertainty are discussed below:

(a) Provision for mine restoration costs

Provision for mine restoration costs is made based on the present value of the estimated future expenditure to be incurred subsequent to the cessation of production. Significant management judgement and estimation are required in determining the estimated restoration cost.

The provision for mine restoration costs, based on the methodology proposed by the external consultant and adopted by the subsidiary, Rahman Hydraulic Tin Sdn. Bhd. ("RHT") in its mine restoration plan, represents the current best estimate made by the Board of Directors. Where expectations from the relevant authorities differ from the plan submitted or actual amount differs from the original estimates, the differences may significantly impact the carrying amount of provision for mine restoration costs. Further details in relation to the provision for mine restoration costs are disclosed in Note 29(a).

The provision for mine restoration costs is provided based on the following key assumptions:

- Estimated cost per hectare amounted to RM129,537;
- Average inflation rate of 2.2%;
- Discount rate of 3.73%, based on the year with the most significant cash outflow; and
- Timing of the restoration which would spread over 24 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Significant accounting judgements and estimates (cont'd)

(a) Provision for mine restoration costs (cont'd)

The following demonstrates the sensitivity of the estimates to a reasonably possible change in the respective key assumptions, with all other variables held constant:

(i) If the estimated cost per hectare used in the calculation had been 5% higher or lower than management's estimate, the carrying amount of the provision would have been RM2,695,000 higher or lower.

(ii) If the discount rate used in the calculation had been 100 basis points higher or lower than management's estimate, the carrying amount of the provision would have been RM5,102,000 lower or higher.

(iii) If the inflation rate used in the calculation had been 20 basis points higher or lower than management's estimate, the carrying amount of the provision would have been RM1,110,000 higher or lower.

(b) Tin inventories

Significant management judgement and estimation is required in determining the valuation of tin-in-concentrates, tin-in-process and refined tin metal which is affected by the timing of realisation, foreign exchange rates and further processing costs. Inventories are written down to its net realisable value when events or changes in circumstances indicate that the carrying amounts may not be fully recoverable, and the write-down is reversed when there is indication of recovery. Where actual amount differs from the original estimates, the differences will impact the carrying amount of inventories. The carrying amount of inventories at the reporting date is disclosed in Note 24.

In addition, significant estimate is required in determining the allowance for tin loss rate in deriving the valuation of tin-in-concentrates. The allowance for tin loss is provided for the tin-in-concentrates received subsequent after physical stock count cut-off date.

If the estimated allowance for tin loss rate used in the calculation had been 0.1% higher than management's estimate, the carrying amount of the tin inventories would have been RM582,000 lower.

(c) Income taxes, deferred tax assets/liabilities and tax recoverable

The Group and the Company are subject to income taxes in Malaysia. Significant judgement is required in determining the capital allowance, reinvestment allowance and mining allowances and deductibility of certain expenses and temporary differences during the estimation of the provision for income taxes and deferred tax liabilities. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax, tax recoverable and deferred income tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Significant accounting judgements and estimates (cont'd)

(c) Income taxes, deferred tax assets/liabilities and tax recoverable (cont'd)

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances, and unused reinvestment allowances to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances, and unused reinvestment allowances can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The amount of income tax expense recognised in profit or loss and the carrying amount of deferred tax assets/liabilities at the reporting date are disclosed in Notes 13 and 23 respectively.

(d) Provision for retrenchment compensation

Provision for retrenchment compensation is made based on the present value of the estimated future employee termination benefits to be incurred subsequent to the relocation of the plant. Significant management judgement and estimation are required in determining the timing of realisation. The Group and the Company estimated that the cost would be realised in 2 years' time.

(e) Ore reserve and resource estimates

Ore reserve and resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserve and resource based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. The standards and guidelines used in the resource estimation are in compliance with industry practice.

In the tin mining subsidiaries, property, plant and equipment including mine restoration asset used in mining are depreciated using the unit-of-production method based on economically recoverable ore resources except in cases of assets whose useful life is shorter than the life of mine, in which case, the straight-line method is applied. Changes in estimated economically recoverable ore reserve, resource and useful lives of property, plant and equipment are accounted for on a prospective basis from the beginning of the year in which the changes arise. Changes in the estimated economically recoverable ore reserve, resource and expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charge could be revised. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Significant accounting judgements and estimates (cont'd)

(e) Ore reserve and resource estimates (cont'd)

The change in estimates of ore reserve and resource may impact the Group's reported financial position and results, in the following way:

- Depreciation and amortisation charges in the statement of profit or loss may change where such charges are determined using unit-of-production (”UOP”) method, or where the useful life of the related assets change.
- The carrying value of mine properties, mining rights, property, plant and equipment where their depreciation and amortisation charges are determined using UOP method, may be affected.

The carrying value of RHT's mine properties, mining rights, property, plant and equipment where their depreciation and amortisation charges are determined using UOP method as at 31 December 2023 was RM52.3 million (2022: RM40.1 million). The Group estimated the remaining economic life of lease would be 9 years.

If the quantity of economically recoverable ore reserve and resource used in the calculation of depreciation and amortisation charge had been 10% lower than management's estimate, the accelerated depreciation and amortisation would have been increase by RM5,230,000.

(f) Share of loss in investment in joint venture, KM Resources, Inc. (“KMR”)

The Board of Directors is of the view that there is no obligation for the Group to inject any further capital into the joint venture either by way of subscription of new shares or by loan, in accordance with the Shareholders Agreement of the joint venture. Accordingly, the losses were shared up to the carrying amount of the investment in joint venture.

Further details of the investment in joint venture are disclosed in Note 20.

4. Revenue

	Group and Company	
	2023	**2022**
	RM'000	**RM'000**
Sale of tin	1,388,226	1,468,349
Smelting revenue	33,419	26,352
Sale of by-products	12,344	7,689
Others	1,736	1,201
	1,435,725	1,503,591

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. Revenue (cont'd)

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 38. 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
2023					
Major products or services:					
Sale of tin	1,388,226	284,903	1,673,129	(284,903)	1,388,226
Smelting revenue	33,419	-	33,419	-	33,419
Sale of by-products	12,344	-	12,344	-	12,344
Others	1,736	-	1,736	-	1,736
	1,435,725	284,903	1,720,628	(284,903)	1,435,725
2022					
Major products or services:					
Sale of tin	1,468,349	324,026	1,792,375	(324,026)	1,468,349
Smelting revenue	26,352	-	26,352	-	26,352
Sale of by-products	7,689	-	7,689	-	7,689
Others	1,201	-	1,201	-	1,201
	1,503,591	324,026	1,827,617	(324,026)	1,503,591

There is no separate disclosure for the disaggregation of revenue for the Company as the Company has only one business segment, i.e. tin smelting.

5. Dividend income

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Dividend income from:				
Investments in subsidiaries				
- Unquoted in Malaysia	-	-	32,670	72,963
Investments in associate and joint venture				
- Unquoted in Malaysia	-	-	75	28
Investment securities at FVOCI	2,303	3,071	2,303	3,071
	2,303	3,071	35,048	76,062

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. Interest income

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income from:				
- Subsidiaries	-	-	3,505	1,720
- Deposits placed with licensed banks	5,526	2,191	2,770	675
- Others	86	7	86	7
	5,612	2,198	6,361	2,402

7. Other income

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Management fee	-	-	3,000	3,000
Scrap sales	1,469	967	1,469	663
Miscellaneous income	522	124	509	55
Gain on disposal of property, plant and equipment	-	35	-	35
Net foreign exchange gain:				
- Realised	4,447	-	4,447	-
- Unrealised	-	1,122	-	1,122
Net fair value changes in derivative financial instruments:				
- Forward currency contracts	153	157	153	-
- Forward tin contracts	-	1,115	-	1,115
Net gain from settlement of forward tin contracts	13,943	11,549	13,943	11,549
Others	84	-	6	-
	20,618	15,069	23,527	17,539

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. Profit before tax

The following items have been included in arriving at the profit before tax:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
After charging/(crediting):				
Auditors' remuneration:				
- statutory audits	1,012	974	497	442
- under provision in prior year	-	67	-	67
- other services	13	12	13	12
Cost of tin mining and smelting*	1,214,171	1,270,393	1,348,115	1,467,529
Directors' fees (Note 35(b))	1,034	805	936	780

* The costs of tin mining and smelting include cost of purchase and production costs (other than employee benefits expense, depreciation and amortisation).

9. Depreciation and amortisation expenses

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amortisation of mining rights (Note 18)	146	154	-	-
Amortisation of corporate club memberships (Note 18)	8	8	3	3
Amortisation of mine properties (Note 22)	870	867	-	-
Amortisation expenses	1,024	1,029	3	3
Depreciation of property, plant and equipment (Note 16)	11,537	9,372	6,401	5,784
Depreciation of right-of-use assets (Note 17(a))	342	313	233	147
Depreciation expenses	11,879	9,685	6,634	5,931

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. Employee benefits expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages and salaries	66,904	56,806	35,248	34,837
Social security contribution	901	774	425	368
Contribution to defined contribution plan	6,883	6,205	3,810	3,955
Provision for retrenchment compensation	1,680	1,067	1,680	1,067
Other benefits	2,344	2,255	1,759	1,682
	78,712	67,107	42,922	41,909

11. Finance costs

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense on bank borrowings	15,186	15,369	15,186	13,732
Interest expense on amount due to a subsidiary	-	-	-	513
Interest expense on lease liabilities (Note 17(b))	261	203	29	24
Interest expense on loan from immediate holding company	-	1,640	-	1,640
Commitment fees	15	15	15	15
Unwinding of discount on provision	2,472	1,764	428	254
	17,934	18,991	15,658	16,178

12. Other expenses

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Administrative expenses	8,787	10,321	4,273	1,738
Marketing and distribution expenses	1,095	952	1,095	952
Net foreign exchange loss:				
- Realised	-	1,367	-	429
- Unrealised	1,519	-	1,519	-
Property, plant and equipment written off	61	12	61	-
Net fair value changes in derivative financial instruments:				
- Forward currency contracts	-	-	-	153
- Forward tin contracts	1,115	-	1,115	-
	12,577	12,652	8,063	3,272

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Income tax expense/(credit)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) are as follows:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Statements of profit or loss				
Malaysian income tax:				
Current income tax	29,455	38,772	7,634	384
(Over)/Under provision in prior years	(450)	3,888	(43)	3,960
	29,005	42,660	7,591	4,344
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	2,714	4,318	2,171	(1,668)
Over provision in prior years	(302)	(4,806)	(427)	(4,667)
	2,412	(488)	1,744	(6,335)
Income tax expense/(credit) recognised in profit or loss	31,417	42,172	9,335	(1,991)
Statements of comprehensive income				
Deferred tax related to other comprehensive income (Note 23):				
Net surplus on revaluation of properties	1,634	432	181	261

Current income tax is calculated at the statutory tax rate of 24% (2022: 24% and 33%) of the estimated assessable profit for the year. In the previous financial year, a special one-off tax on companies which have chargeable income above RM100 million in the Year of Assessment 2022, the first RM100 million chargeable income was taxed at the current tax rate of 24% and amounts in excess of RM100 million were taxed at 33% (“Cukai Makmur”).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Income tax expense/(credit) (cont'd)

Reconciliation between tax expense/(credit) and accounting profit

The reconciliation between tax expense/(credit) and the product of accounting profit multiplied by the applicable corporate tax rate are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	128,633	143,616	79,266	64,772
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	30,872	34,468	19,024	15,545
Effects of decrease in statutory tax rate of 3%	-	57	-	57
Effects of Cukai Makmur	-	3,786	-	-
Income not subject to tax	(1,212)	(462)	(9,052)	(17,980)
Expenses not deductible for tax purpose	2,904	4,826	384	1,094
Share of results of associate and joint venture	(161)	109	-	-
Reinvestment allowance claimed	(551)	-	(551)	-
Deferred tax assets not recognised	317	306	-	-
(Over)/Under provision of income tax in prior years	(450)	3,888	(43)	3,960
Over provision of deferred tax in prior years	(302)	(4,806)	(427)	(4,667)
Income tax expense/(credit) recognised in profit or loss	31,417	42,172	9,335	(1,991)

14. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023	2022
Profit net of tax attributable to owners of the Company (RM'000)	85,051	98,307
Weighted average number of ordinary shares in issue ('000)	420,000	420,000
Basic and diluted earnings per share (sen)	20.3	23.4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. Dividends

			Net dividend per ordinary share	
	2023 RM'000	2022 RM'000	2023 sen	2022 sen
First and final single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, for the year ended 31 December 2021, declared on 27 May 2022 and paid on 30 June 2022	-	29,400	-	7
First and final single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, for the year ended 31 December 2022, declared on 26 May 2023 and paid on 27 June 2023	29,400	-	7	-
A single-tier interim dividend of RM0.07 per share on 420,000,000 ordinary shares, for the year ended 31 December 2023, declared on 28 August 2023 and paid on 29 September 2023	29,400	-	7	-
	58,800	29,400	14	7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Property, plant and equipment

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, equipment, vehicles and furniture RM'000	Mine restoration RM'000	Capital work-in-progress RM'000	Total RM'000
Cost or Valuation							
At 1 January 2023							
- At cost	-	-	-	159,220	40,095	23,822	223,137
- At valuation	327	33,100	26,659	-	-	-	60,086
	327	33,100	26,659	159,220	40,095	23,822	283,223
Additions	-	-	55	1,398	5,014	13,848	20,315
Disposals	-	-	-	(358)	-	-	(358)
Written off	-	-	-	(2,477)	-	-	(2,477)
Transfer in/(out)	-	-	475	19,797	-	(20,272)	-
Revaluation surplus	-	5,614	1,196	-	-	-	6,810
Elimination of accumulated depreciation on revaluation	-	(414)	(1,104)	-	-	-	(1,518)
At 31 December 2023	327	38,300	27,281	177,580	45,109	17,398	305,995
Representing:							
- At cost	-	-	-	177,580	45,109	17,398	240,087
- At valuation	327	38,300	27,281	-	-	-	65,908
At 31 December 2023	327	38,300	27,281	177,580	45,109	17,398	305,995
Accumulated depreciation							
At 1 January 2023	-	-	-	110,164	17,171	-	127,335
Depreciation charge for the year (Note 9)	-	414	1,104	8,190	1,829	-	11,537
Disposals	-	-	-	(358)	-	-	(358)
Written off	-	-	-	(2,416)	-	-	(2,416)
Elimination of accumulated depreciation on revaluation	-	(414)	(1,104)	-	-	-	(1,518)
At 31 December 2023	-	-	-	115,580	19,000	-	134,580
Net carrying amount							
Representing:							
- At cost	-	-	-	62,000	26,109	17,398	105,507
- At valuation	327	38,300	27,281	-	-	-	65,908
At 31 December 2023	327	38,300	27,281	62,000	26,109	17,398	171,415

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Property, plant and equipment (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, equipment, vehicles and furniture RM'000	Mine restoration RM'000	Capital work-in-progress RM'000	Total RM'000
Cost or Valuation							
At 1 January 2022							
- At cost	-	-	-	153,867	32,747	12,103	198,717
- At valuation	306	33,100	26,207	-	-	-	59,613
	306	33,100	26,207	153,867	32,747	12,103	258,330
Additions	-	-	-	1,620	7,348	16,250	25,218
Disposals	-	-	-	(297)	-	-	(297)
Written off	-	-	-	(343)	-	-	(343)
Transfer in/(out)	-	158	-	4,373	-	(4,531)	-
Revaluation surplus	21	258	1,535	-	-	-	1,814
Elimination of accumulated depreciation on revaluation	-	(416)	(1,083)	-	-	-	(1,499)
At 31 December 2022	327	33,100	26,659	159,220	40,095	23,822	283,223
Representing:							
- At cost	-	-	-	159,220	40,095	23,822	223,137
- At valuation	327	33,100	26,659	-	-	-	60,086
At 31 December 2022	327	33,100	26,659	159,220	40,095	23,822	283,223
Accumulated depreciation							
At 1 January 2022	-	-	-	104,174	15,916	-	120,090
Depreciation charge for the year (Note 9)	-	416	1,083	6,618	1,255	-	9,372
Disposals	-	-	-	(297)	-	-	(297)
Written off	-	-	-	(331)	-	-	(331)
Elimination of accumulated depreciation on revaluation	-	(416)	(1,083)	-	-	-	(1,499)
At 31 December 2022	-	-	-	110,164	17,171	-	127,335
Net carrying amount							
Representing:							
- At cost	-	-	-	49,056	22,924	23,822	95,802
- At valuation	327	33,100	26,659	-	-	-	60,086
At 31 December 2022	327	33,100	26,659	49,056	22,924	23,822	155,888

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Property, plant and equipment (cont'd)

Company	Buildings RM'000	Plant, equipment, vehicles and furniture RM'000	Capital work-in-progress RM'000	Total RM'000
Cost or Valuation				
At 1 January 2023				
- At cost	-	103,591	10,726	114,317
- At valuation	18,968	-	-	18,968
	18,968	103,591	10,726	133,285
Additions	-	-	5,780	5,780
Disposals	-	(358)	-	(358)
Written off	-	(2,218)	-	(2,218)
Transfer in/(out)	475	9,235	(9,710)	-
Revaluation surplus	753	-	-	753
Elimination of accumulated depreciation on revaluation	(686)	-	-	(686)
At 31 December 2023	19,510	110,250	6,796	136,556
Representing:				
- At cost	-	110,250	6,796	117,046
- At valuation	19,510	-	-	19,510
At 31 December 2023	19,510	110,250	6,796	136,556
Accumulated depreciation				
At 1 January 2023	-	63,551	-	63,551
Depreciation charge for the year (Note 9)	686	5,715	-	6,401
Disposals	-	(358)	-	(358)
Written off	-	(2,157)	-	(2,157)
Elimination of accumulated depreciation on revaluation	(686)	-	-	(686)
At 31 December 2023	-	66,751	-	66,751
Net carrying amount				
Representing:				
- At cost	-	43,499	6,796	50,295
- At valuation	19,510	-	-	19,510
At 31 December 2023	19,510	43,499	6,796	69,805

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Property, plant and equipment (cont'd)

Company	**Buildings RM'000**	**Plant, equipment, vehicles and furniture RM'000**	**Capital work-in-progress RM'000**	**Total RM'000**
Cost or Valuation				
At 1 January 2022				
- At cost	-	99,516	6,330	105,846
- At valuation	18,556	-	-	18,556
	18,556	99,516	6,330	124,402
Additions	-	-	8,769	8,769
Disposals	-	(297)	-	(297)
Written off	-	(1)	-	(1)
Transfer in/(out)	-	4,373	(4,373)	-
Revaluation surplus	1,087	-	-	1,087
Elimination of accumulated depreciation on revaluation	(675)	-	-	(675)
At 31 December 2022	18,968	103,591	10,726	133,285
Representing:				
- At cost	-	103,591	10,726	114,317
- At valuation	18,968	-	-	18,968
At 31 December 2022	18,968	103,591	10,726	133,285
Accumulated depreciation				
At 1 January 2022	-	58,740	-	58,740
Depreciation charge for the year (Note 9)	675	5,109	-	5,784
Disposals	-	(297)	-	(297)
Written off	-	(1)	-	(1)
Elimination of accumulated depreciation on revaluation	(675)	-	-	(675)
At 31 December 2022	-	63,551	-	63,551
Net carrying amount				
Representing:				
- At cost	-	40,040	10,726	50,766
- At valuation	18,968	-	-	18,968
At 31 December 2022	18,968	40,040	10,726	69,734

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Property, plant and equipment (cont'd)

Land and buildings owned by the Group and Company were revalued on 31 December 2023 based on valuations carried out by independent firms of professional valuers as follows:

Group

	Description of Property	Valuation RM'000
(i)	Land and buildings in Pulau Indah Industrial Park	57,790
(ii)	80 units of flats in Bukit Mertajam	5,440
(iii)	Land and buildings in Daerah Hulu Perak	2,678
		65,908

Company

	Description of Property	Valuation RM'000
(i)	Buildings in Pulau Indah Industrial Park	14,070
(ii)	80 units of flats in Bukit Mertajam	5,440
		19,510

Further details on the valuation are disclosed in Note 37(a).

Had the revalued properties been carried at historical cost less accumulated depreciation and accumulated impairment losses, if any, the net carrying amount of each class of the properties that would have been included in the financial statements of the Group and of the Company at the reporting date would be as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Freehold land	105	105	-	-
Leasehold land	23,657	23,965	-	-
Buildings	17,510	17,958	13,699	13,920

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. Right-of-use assets and lease liabilities

(a) Right-of-use assets

Group	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 January 2023	5,206	443	596	6,245
Remeasurement	(542)	-	-	(542)
At 31 December 2023	4,664	443	596	5,703
At 1 January 2022	5,206	-	596	5,802
Additions	-	443	-	443
At 31 December 2022	5,206	443	596	6,245
Accumulated depreciation				
At 1 January 2023	505	62	248	815
Depreciation charge for the year (Note 9)	109	148	85	342
At 31 December 2023	614	210	333	1,157
At 1 January 2022	339	-	163	502
Depreciation charge for the year (Note 9)	166	62	85	313
At 31 December 2022	505	62	248	815
Net carrying amount				
At 31 December 2023	4,050	233	263	4,546
At 31 December 2022	4,701	381	348	5,430

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. Right-of-use assets and lease liabilities (cont'd)

(a) Right-of-use assets (cont'd)

Company	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 January 2023/ 31 December 2023	443	596	1,039
At 1 January 2022	-	596	596
Additions	443	-	443
At 31 December 2022	443	596	1,039
Accumulated depreciation			
At 1 January 2023	62	248	310
Depreciation charge for the year (Note 9)	148	85	233
At 31 December 2023	210	333	543
At 1 January 2022	-	163	163
Depreciation charge for the year (Note 9)	62	85	147
At 31 December 2022	62	248	310
Net carrying amount			
At 31 December 2023	233	263	496
At 31 December 2022	381	348	729

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. Right-of-use assets and lease liabilities (cont'd)

(b) Lease liabilities

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Lease liabilities	4,283	4,137	266	496
Current				
Lease liabilities	319	777	215	213
Total lease liabilities	4,602	4,914	481	709

The movement of lease liabilities during the year is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	4,914	4,425	709	399
Additions	601	443	-	443
Remeasurement	(542)	-	-	-
Interest charged (Note 11)	261	203	29	24
Payments of:				
- Principal	(371)	(133)	(228)	(133)
- Interest	(261)	(24)	(29)	(24)
At 31 December	4,602	4,914	481	709

The following are the amounts recognised in profit or loss:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Expense relating to short-term leases	3,236	6,297	2,512	2,210
Expense relating to leases of low-value assets	154	178	142	128

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. Intangible assets

Group	Mining rights RM'000	Corporate club memberships RM'000	Total RM'000
Cost			
At 1 January 2023	160,434	566	161,000
Additions	534	-	534
At 31 December 2023	160,968	566	161,534
At 1 January 2022	21,817	566	22,383
Additions	67	-	67
Acquisition of subsidiaries	138,550	-	138,550
At 31 December 2022	160,434	566	161,000
Accumulated amortisation and impairment losses			
At 1 January 2023	18,817	133	18,950
Amortisation for the year (Note 9)	146	8	154
At 31 December 2023	18,963	141	19,104
At 1 January 2022	18,663	125	18,788
Amortisation for the year (Note 9)	154	8	162
At 31 December 2022	18,817	133	18,950
Net carrying amount			
At 31 December 2023	142,005	425	142,430
At 31 December 2022	141,617	433	142,050

Company	Corporate club membership RM'000
Cost	
At 1 January 2022/ 31 December 2022/ 1 January 2023/ 31 December 2023	215
Accumulated amortisation and impairment losses	
At 1 January 2023	75
Amortisation for the year (Note 9)	3
At 31 December 2023	78
At 1 January 2022	72
Amortisation for the year (Note 9)	3
At 31 December 2022	75
Net carrying amount	
At 31 December 2023	137
At 31 December 2022	140

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. Intangible assets (cont'd)

Mining rights

The mining rights are located in Hulu Perak, Perak and Sungai Lembing, Pahang. The mining rights as at 31 December 2023 amounting to RM139,151,000 (2022: RM138,617,000), located in Hulu Perak was tested for impairment annually but yet to be amortised as the Group has not commenced the operation.

19. Investments in subsidiaries

Company	2023 RM'000	2022 RM'000
Unquoted shares, at cost	148,781	148,781

Details of the subsidiaries of the Group and the Company are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group^		Proportion of ownership interest held by non-controlling interests^	
			2023 %	2022 %	2023 %	2022 %
Held by the Company:						
Malaysia Smelting Corporation (Warehousing) Sdn. Bhd. ("MSCW")*	Malaysia	Tin warehousing	100	100	-	-
Rahman Hydraulic Tin Sdn. Bhd. ("RHT")*	Malaysia	Tin mining and investment holding	80	80	20	20
MSC Properties Sdn. Bhd. ("MSCP")*	Malaysia	Property holding and rental	100	100	-	-
Straits Resource Management Private Limited ("SRM")**	Singapore	Dormant	100	100	-	-
M Smelt (C) Sdn. Bhd. ("M Smelt")*	Malaysia	Property holding and rental	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. Investments in subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group^ 2023 %	2022 %	Proportion of ownership interest held by non-controlling interests^ 2023 %	2022 %
Held through subsidiaries:						
Held by RHT						
SL Tin Sdn. Bhd. ("SL Tin")*	Malaysia	Tin mining	64#	64#	36	36
Asas Baiduri Sdn. Bhd. ("ABSB")*	Malaysia	Tin mining and investment holding	80#	80#	20	20
Held by SRM						
PT SRM Indonesia ("PT SRM")***	Indonesia	Dormant	99#	99#	1	1
Held by ABSB						
Alaf Tenggara Sdn. Bhd. ("ATSB")*	Malaysia	Dormant	80#	80#	20	20

^ equals to the proportion of voting rights held
* Audited by Ernst & Young PLT, Malaysia
** Audited by member firm of Ernst & Young Global in the respective country
*** Audited by firms of auditors other than Ernst & Young PLT
# Indirect interest

Interest in a subsidiary with material non-controlling interest ("NCI")

The Group has a subsidiary that has NCI that is material to the Group.

31 December 2023

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period RM'000	Accumulated NCI at the end of reporting period RM'000
Rahman Hydraulic Tin Sdn. Bhd. ("RHT")	Malaysia	20%	13,008	35,545

31 December 2022

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period RM'000	Accumulated NCI at the end of reporting period RM'000
Rahman Hydraulic Tin Sdn. Bhd. ("RHT")	Malaysia	20%	3,586	30,705

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. Investments in subsidiaries (cont'd)

Summarised financial information about RHT with material NCI

The summarised financial information of RHT with material NCI are as follows:

Summarised statement of financial position

	2023 RM'000	2022 RM'000
Current		
Assets	232,715	187,550
Liabilities	(64,688)	(43,640)
Net current assets	168,027	143,910
Non-current		
Assets	67,674	59,369
Liabilities	(57,973)	(49,755)
Net non-current assets	9,701	9,614
Net assets	177,728	153,524
Attributable to:		
- Owners of the Company	142,183	122,819
- Non-controlling interests	35,545	30,705
	177,728	153,524

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. Investments in subsidiaries (cont'd)

Summarised financial information about RHT with material NCI (cont'd)

Summarised statement of profit or loss and statement of comprehensive income

	2023 RM'000	**2022 RM'000** (Note a)
Revenue	284,148	118,173
Profit before tax	87,756	24,794
Income tax expense	(22,782)	(6,986)
Profit after tax	64,974	17,808
Other comprehensive income	68	122
Total comprehensive income	65,042	17,930
Attributable to:		
- Owners of the Company	52,034	14,344
- Non-controlling interests	13,008	3,586
	65,042	17,930
Dividend paid to NCI	8,168	10,073
Dividend payable to NCI (Note 31)	8,168	8,168

Note a:

On 4 July 2022, Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), a wholly-owned subsidiary of the Company, acquired 100% equity interest in Asas Baiduri Sdn. Bhd. and its subsidiary by way of issuance of 272,250 new ordinary shares in RHT. Subsequent to the completion of the acquisition, RHT ceased to be a wholly-owned subsidiary of the Company and became an 80% owned subsidiary of the Company. Accordingly, the information relating to RHT with material NCI is only for the period from from 4 July 2022 to 31 December 2022.

Summarised cash flow information

	2023 RM'000	**2022 RM'000**
Operating	78,377	71,930
Investing	(8,025)	37,634
Financing	(19,719)	(71,550)
Net increase in cash and cash equivalents	50,633	38,014

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. Investments in associate and joint venture

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Investment in associate				
In Malaysia:				
Unquoted shares, at cost	10,473	10,473	10,473	10,473
Share of post-acquisition reserves	20,283	19,501	-	-
	30,756	29,974	10,473	10,473
Investment in joint venture				
In Malaysia:				
Unquoted shares, at cost	8,193	8,193	8,193	8,193
Share of post-acquisition reserves	(1,154)	(1,154)	-	-
	7,039	7,039	8,193	8,193
Accumulated impairment losses	(7,039)	(7,039)	(8,193)	(8,193)
	-	-	-	-
Total investments in associate and joint venture	30,756	29,974	10,473	10,473

(i) Investment in associate

Details of the associate of the Group and the Company are as follows:

Name of associate	Country of incorporation	Principal activities	Proportion of ownership interest* 2023 %	Proportion of ownership interest* 2022 %	Accounting model applied
Held by the Company:					
Redring Solder (M) Sdn. Bhd. ("Redring")	Malaysia	Manufacture and sale of solder products and letting of properties	40	40	Equity method

* equals to the proportion of voting rights held

Investment in Redring, a solder manufacturer, was part of the Group's efforts to diversify the business to include downstream products.

The associate has the same reporting period as the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. Investments in associate and joint ventures (cont'd)

(i) Investment in associate (cont'd)

The summarised financial information of Redring, a material associate, based on its financial statements and a reconciliation with the carrying amount of Group's interest is set out below.

Summarised statement of financial position of Redring is as follows:

	2023 RM'000	2022 RM'000
Non-current assets	16,706	17,091
Current assets	68,648	69,019
Total assets	85,354	86,110
Non-current liabilities	-	189
Current liabilities	8,464	10,986
Total liabilities	8,464	11,175
Net assets	76,890	74,935

Summarised statement of profit or loss and statement of comprehensive income of Redring as follows:

	2023 RM'000	2022 RM'000
Revenue	82,524	117,870
Profit/(Loss) before tax	2,480	(1,152)
Profit/(Loss) for the year	1,680	(1,140)
Other comprehensive income/(loss)	463	(48)
Total comprehensive income/(loss)	2,143	(1,188)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in Redring:

	2023 RM'000	2022 RM'000
Net assets at 31 December	76,890	74,935
Interest in associate	40%	40%
Carrying value of Group's interest in associate	30,756	29,974

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. Investments in associate and joint ventures (cont'd)

(ii) Investment in joint venture

Details of the joint venture of the Group and the Company are as follows:

Name of joint venture	Country of incorporation	Proportion of ownership interest* 2023 %	2022 %	Nature of relationship	Accounting model applied
Held by the Company:					
KM Resources, Inc. ("KMR")	Labuan, Malaysia	30	30	Note (a)	Equity method

* equals to the proportion of voting rights held

<u>Note (a)</u>

KMR is an investment holding company with subsidiaries in the Philippines involved in the mining and processing of copper, gold, zinc and silver. The subsidiaries of KMR in the Philippines have ceased the mining and processing operations due to depletion of mineral resources.

KMR has the same reporting period as the Group.

The Group has not recognised loss relating to KM Resources, Inc. ("KMR") where its share of loss exceeds the Group's interest in this joint venture. Significant accounting judgement in relation to the share of loss not recognised is disclosed in Note 3(f).

21. Investment securities

Group and Company	2023 RM'000	2022 RM'000
Equity securities		
Quoted investments	36,243	32,885

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period is as follows:

Group and Company	2023 RM'000	2022 RM'000
At FVOCI:		
- Equity securities (quoted)		
- Decklar Resources Inc. ("Decklar")	41	102
- Alphamin Resources Corp. ("Alphamin")	36,202	32,783
	36,243	32,885

Decklar and Alphamin are both incorporated in Canada and listed on the Toronto Venture Exchange.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. Mining assets

Group	Deferred mine exploration and evaluation expenditures RM'000	Mine properties RM'000	Total RM'000
At 1 January 2023	1,326	12,185	13,511
Additions	506	538	1,044
Transfer (out)/in	(295)	295	-
Amortisation for the year (Note 9)	-	(870)	(870)
At 31 December 2023	1,537	12,148	13,685
At 1 January 2022	1,056	12,678	13,734
Additions	162	374	536
Acquisition of subsidiaries	108	-	108
Amortisation for the year (Note 9)	-	(867)	(867)
At 31 December 2022	1,326	12,185	13,511

23. Deferred tax

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax (assets)/ liabilities				
At 1 January	(3,443)	(3,387)	(5,859)	215
Recognised in profit or loss (Note 13)	2,412	(488)	1,744	(6,335)
Recognised in other comprehensive income (Note 13)	1,634	432	181	261
At 31 December	603	(3,443)	(3,934)	(5,859)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(5,349)	(6,541)	(3,934)	(5,859)
Deferred tax liabilities	5,952	3,098	-	-
	603	(3,443)	(3,934)	(5,859)
Presented prior to offsetting as follows:				
Deferred tax assets	(15,718)	(16,122)	(13,037)	(14,565)
Deferred tax liabilities	16,321	12,679	9,103	8,706
	603	(3,443)	(3,934)	(5,859)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. Deferred tax (cont'd)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities

	Property, plant and equipment RM'000	Fair value changes on derivative financial instruments RM'000	Total RM'000
Group			
At 1 January 2023	12,448	231	12,679
Recognised in profit or loss	2,239	(231)	2,008
Recognised in other comprehensive income	1,634	-	1,634
At 31 December 2023	16,321	-	16,321
At 1 January 2022	11,639	-	11,639
Recognised in profit or loss	377	231	608
Recognised in other comprehensive income	432	-	432
At 31 December 2022	12,448	231	12,679
Company			
At 1 January 2023	8,475	231	8,706
Recognised in profit or loss	447	(231)	216
Recognised in other comprehensive income	181	-	181
At 31 December 2023	9,103	-	9,103
At 1 January 2022	7,741	-	7,741
Recognised in profit or loss	473	231	704
Recognised in other comprehensive income	261	-	261
At 31 December 2022	8,475	231	8,706

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. Deferred tax (cont'd)

Deferred tax assets

	Unutilised tax losses and unabsorbed capital allowances RM'000	Unutilised reinvestment allowance RM'000	Receivables RM'000	Other provisions RM'000	Others RM'000	Total RM'000
Group						
At 1 January 2023	(1,937)	-	(177)	(14,008)	-	(16,122)
Recognised in profit or loss	1,937	-	2	(1,535)	-	404
At 31 December 2023	-	-	(175)	(15,543)	-	(15,718)
At 1 January 2022	(1,251)	(715)	(177)	(12,336)	(547)	(15,026)
Recognised in profit or loss	(686)	715	-	(1,672)	547	(1,096)
At 31 December 2022	(1,937)	-	(177)	(14,008)	-	(16,122)
Company						
At 1 January 2023	(1,937)	-	(177)	(12,451)	-	(14,565)
Recognised in profit or loss	1,937	-	2	(411)	-	1,528
At 31 December 2023	-	-	(175)	(12,862)	-	(13,037)
At 1 January 2022	(1,251)	(715)	(177)	(4,836)	(547)	(7,526)
Recognised in profit or loss	(686)	715	-	(7,615)	547	(7,039)
At 31 December 2022	(1,937)	-	(177)	(12,451)	-	(14,565)

Deferred tax assets have not been recognised are in respect of the following items:

	Group 2023 RM'000	Group 2022 RM'000
Unutilised business losses	6,918	4,915
Unabsorbed capital allowances	620	505
Other temporary difference	(3,430)	(2,634)
	4,108	2,786

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. Deferred tax (cont'd)

Deferred tax assets (cont'd)

The availability of unutilised business losses for offsetting against future taxable profits of the 2 subsidiaries of the Group are subject to a 10-year limitation on the carry forward of those losses under the Finance Bill 2021. The availability of the unutilised tax losses for offsetting against future taxable profits of the Company is also subject to no substantial changes in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

No deferred tax assets were recognised in respect of the above as it is not probable that future taxable profit will be available against which these items can be utilised.

Pursuant to the relevant tax regulations, the unutilised business losses at the end of the reporting period will expire as follows:

	Group	
	2023 RM'000	2022 RM'000
Expire in:		
YA 2029	747	747
YA 2030	1,004	1,004
YA 2031	1,376	1,376
YA 2032	1,788	1,788
YA 2033	2,003	-
	6,918	4,915

24. Inventories

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Tin inventories	572,066	549,596	577,622	550,761
Other inventories (stores, spares, fuels, coals and consumables)	23,174	21,113	16,774	15,925
	595,240	570,709	594,396	566,686

Tin inventories comprise feed materials or tin-in-concentrates, tin bearing intermediates or tin-in-process and refined tin metal.

The carrying amount of tin inventories includes allowance for tin loss of RM4,071,000 (2022: RM4,770,000).

The cost of inventories recognised as an expense in profit or loss is RM1,214,171,000 (2022: RM1,270,393,000) for the Group and RM1,348,115,000 (2022: RM1,467,529,000) for the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. Trade receivables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Third parties	7,608	32,259	7,607	32,258
Allowance for impairment				
- Third parties	(723)	(736)	(723)	(736)
Trade receivable, net	6,885	31,523	6,884	31,522
Add: **Other receivables** (Note 26)	2,965	705	130,186	106,334
Add: **Cash, bank balances and deposits** (Note 28)	264,222	151,221	119,669	57,664
Total financial assets carried at amortised cost	274,072	183,449	256,739	195,520

Credit risk

The Group's and the Company's normal trade credit terms range from cash term to 90 days (2022: from cash term to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Other information on financial risks of trade receivables are disclosed in Note 36.

The aging analysis of trade receivables is as follows:

	Gross RM'000	Allowance for impairment RM'000	Net RM'000
Group			
At 31 December 2023			
Not past due	6,875	-	6,875
Past due:			
30 to 60 days	9	-	9
61 to 90 days	1	-	1
More than 120 days	723	723	-
	733	723	10
Total	7,608	723	6,885
At 31 December 2022			
Not past due	31,516	-	31,516
Past due:			
30 to 60 days	7	-	7
More than 120 days	736	736	-
	743	736	7
Total	32,259	736	31,523

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. Trade receivables (cont'd)

Credit risk (cont'd)

The aging analysis of trade receivables is as follows: (cont'd)

	Gross RM'000	Allowance for impairment RM'000	Net RM'000
Company			
At 31 December 2023			
Not past due	6,874	-	6,874
Past due:			
30 to 60 days	9	-	9
61 to 90 days	1	-	1
More than 120 days	723	723	-
	733	723	10
Total	7,607	723	6,884
At 31 December 2022			
Not past due	31,515	-	31,515
Past due:			
30 to 60 days	7	-	7
More than 120 days	736	736	-
	743	736	7
Total	32,258	736	31,522

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

At the reporting date, the Group and the Company have trade receivables arising from export sales amounting to RM3,373,000 (2022: RM2,604,000) which are to be settled via letters of credit issued by reputable banks in the countries where the customers are based.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. Trade receivables (cont'd)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movements of allowance accounts used to record the impairment were as follows:

	Group and Company Individually impaired 2023 RM'000	Group and Company Individually impaired 2022 RM'000
Trade receivables-nominal amounts	723	736
Less: Allowance for impairment	(723)	(736)
	-	-

Movement in the allowance accounts:

	Group and Company 2023 RM'000	Group and Company 2022 RM'000
At 1 January	736	736
Reversal of impairment for the year	(13)	-
At 31 December	723	736

26. Other receivables

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current				
Third parties	1,381	184	1,171	135
Subsidiaries	-	-	95,424	93,782
Joint venture	1	1	1	1
	1,382	185	96,596	93,918
Allowance for impairment				
- Third parties	(7)	-	(7)	-
	1,375	185	96,589	93,918
Deposits	1,590	520	927	929
Dividend receivable from a subsidiary	-	-	32,670	11,487
Total other receivables	2,965	705	130,186	106,334

Amounts due from subsidiaries

These are unsecured and repayable on demand and include amount totalling RM93,704,000 (2022: RM91,808,000) where interest rates ranging from 3.0% to 4.0% (2022: 3.0% to 4.0%) per annum are charged.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. Other receivables (cont'd)

Further details on related party transactions are disclosed in Note 35.

Other information on financial risks of other receivables are disclosed in Note 36.

27. Trade prepayments

	2023 RM'000	2022 RM'000
Group and Company		
Trade prepayments	31,659	66,503

Trade prepayments relate to provisional advances paid to suppliers for purchases of tin-in-concentrates.

28. Cash, bank balances and deposits

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash on hand and at banks	68,709	57,027	58,918	48,251
Deposits of up to three months maturity with licensed banks	195,513	94,194	60,751	9,413
Cash, bank balances and deposits, representing cash and cash equivalents	264,222	151,221	119,669	57,664

Deposits are made for varying periods of between 1 day and 1 month (2022: between 1 day and 1 month) depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2023 for the Group and the Company were 3.1% (2022: 2.4%) and 4.0% (2022: 2.3%) per annum, respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. Provisions

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Provision for mine restoration				
- RHT	53,897	47,270	-	-
- SL Tin	2,663	2,232	-	-
	56,560	49,502	-	-
Provision for retrenchment compensation	15,246	13,138	15,246	13,138
	71,806	62,640	15,246	13,138
Analysed as:				
Current	1,641	14,294	759	13,138
Non-current	70,165	48,346	14,487	-
Total	71,806	62,640	15,246	13,138

Provision for mine restoration

	Group	
	2023	**2022**
	RM'000	**RM'000**
At 1 January	49,502	40,644
Addition during the year	5,014	7,348
Unwinding of discount on provision	2,044	1,510
At 31 December	56,560	49,502
Current	882	1,156
Non-current:		
Later than 1 year but not later than 2 years	877	1,247
Later than 2 years but not later than 5 years	4,376	2,451
Later than 5 years	50,425	44,648
	55,678	48,346
	56,560	49,502

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. Provisions (cont'd)

Provision for retrenchment compensation

	Group and Company	
	2023	**2022**
	RM'000	**RM'000**
At 1 January	13,138	11,817
Addition during the year	1,680	1,067
Unwinding of discount on provision	428	254
At 31 December	15,246	13,138
Current	759	13,138
Non-current:		
Later than 1 year but not later than 2 years	14,487	-
	15,246	13,138

(a) Provision for mine restoration

The Group's tin mining activity is conducted principally through its subsidiary, RHT. RHT is obliged to restore and rehabilitate the mine subsequent to the cessation of production.

Mine restoration costs will be substantially incurred subsequent to the cessation of mine production. Please refer to Note 3(a) for significant accounting judgements and estimates.

In September 2020, RHT has re-submitted its original mine restoration plan amounting to RM28.9 million (net present value: RM26.5 million) to the relevant authorities, approval was obtained in January 2024.

RHT has engaged Korea Mine Reclamation Corporation ("KOMIR") to prepare a revised report including the enlarged disturbed area. The current mine restoration plan (including the enlarged disturbed area) amounting to RM62.7 million (net present value: RM53.9 million) will be submitted to the relevant authorities once complete. The increase in the cost of the mine restoration plan is due to the enlarged mine area and higher material cost.

(b) Provision for retrenchment compensation

The provision amounting to RM15.2 million as at 31 December 2023 (2022: RM13.1 million) is the present value of the estimated compensation amount to be paid for the affected employees at its existing Butterworth tin smelting plant, who have no intention to relocate to the new tin smelting plant in Pulau Indah.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Borrowings

	Group and Company 2023 RM'000	2022 RM'000
Short term borrowings		
Unsecured:		
Short term trade financing	1,476	30,144
Bankers' acceptances/ Trust receipts	279,400	197,721
Revolving credit	10,000	30,000
Secured:		
Term loan	26,667	11,111
	317,543	268,976
Long term borrowings		
Secured:		
Term loan	42,222	68,889
Total borrowings	359,765	337,865

Short term trade financing

Short term trade financing bears interest rate of 6.0% (2022: 4.0% to 5.8%) per annum.

Bankers' acceptances/ Trust receipts

Bankers' acceptances/ Trust receipts bear interest rates which range from 3.7% to 4.4% (2022: 3.3% to 4.4%) per annum.

Revolving credit

Revolving credit bears interest rates which range from 5.7% to 5.8% (2022: 5.5% to 5.7%) per annum.

Term loan

The term loan is denominated in Ringgit Malaysia. The term loan bears interest rate of 5.2% (2022: 4.8%) per annum and is collaterised by land held for development of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Borrowings (cont'd)

The remaining maturities of the borrowings at the reporting date are as follows:

	Group and Company 2023 RM'000	Group and Company 2022 RM'000
On demand or within one year	317,543	268,976
More than 1 year and less than 2 years	42,222	26,667
More than 2 years and less than 5 years	-	42,222
	359,765	337,865

Other information on financial risks on borrowings are disclosed in Note 36.

31. Trade and other payables

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current					
Trade payables					
Third parties	a	52,476	44,478	46,388	38,346
Subsidiaries	a	-	-	67,592	81,862
		52,476	44,478	113,980	120,208
Other payables					
Third parties	b	19,640	20,660	13,185	16,393
Immediate holding company		59	55	58	55
Subsidiaries		-	-	22	41
		19,699	20,715	13,265	16,489
Advance from an associate		3,200	2,683	3,200	2,683
Contract liabilities		24,968	19,152	24,968	19,152
Accruals		19,181	16,040	11,923	9,873
Dividend payable to a non-controlling shareholder of a subsidiary		8,168	8,168	-	-
		75,216	66,758	53,356	48,197

31. Trade and other payables (cont'd)

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Total trade and other payables	127,692	111,236	167,336	168,405
Add: **Borrowings** (Note 30)	359,765	337,865	359,765	337,865
Total financial liabilities carried at amortised cost	487,457	449,101	527,101	506,270

(a) Trade payables - third parties and subsidiaries

These are unsecured and non-interest bearing. The normal credit terms granted to the Group and the Company range from 14 to 60 days (2022: from 14 to 60 days).

(b) Other payables - third parties

These are unsecured and non-interest bearing. The normal credit terms granted to the Group and the Company range from 4 to 90 days (2022: from 4 to 90 days).

Further details on related party transactions are disclosed in Note 35.

Other information on financial risks of trade and other payables are disclosed in Note 36.

32. Share capital

	Number of ordinary shares '000	**Amount RM'000**
Issued and fully paid		
Company		
At 1 January 2022/ 31 December 2022/ 1 January 2023/ 31 December 2023	420,000	237,194

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Other reserves (non-distributable)

Group	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	FVOCI reserves RM'000	Other reserve RM'000	Total RM'000
At 1 January 2023	14,264	1,042	20,847	1,706	37,859
Other comprehensive income:					
Revaluation reserves on properties, net	5,162	-	-	-	5,162
Net fair value changes in quoted investments at FVOCI	-	-	3,358	-	3,358
Foreign currency translation	-	(6)	-	-	(6)
Share of foreign currency translation of associate and joint venture	-	185	-	-	185
	5,162	179	3,358	-	8,699
At 31 December 2023	19,426	1,221	24,205	1,706	46,558
At 1 January 2022	12,906	1,067	41,838	1,706	57,517
Other comprehensive income:					
Revaluation reserves on properties, net	1,358	-	-	-	1,358
Net fair value changes in quoted investments at FVOCI	-	-	3,120	-	3,120
Foreign currency translation	-	(6)	-	-	(6)
Share of foreign currency translation of associate and joint venture	-	(19)	-	-	(19)
	1,358	(25)	3,120	-	4,453
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities	-	-	(24,111)	-	(24,111)
At 31 December 2022	14,264	1,042	20,847	1,706	37,859

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Other reserves (non-distributable) (cont'd)

	Revaluation reserves RM'000	FVOCI reserves RM'000	Total RM'000
Company			
At 1 January 2023	3,258	20,847	24,105
Other comprehensive income:			
Revaluation reserves on properties, net	572	-	572
Net fair value changes in quoted investments at FVOCI	-	3,358	3,358
	572	3,358	3,930
At 31 December 2023	3,830	24,205	28,035
At 1 January 2022	2,432	41,838	44,270
Other comprehensive income:			
Revaluation reserves on properties, net	826	-	826
Net fair value changes in quoted investments at FVOCI	-	3,120	3,120
	826	3,120	3,946
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities	-	(24,111)	(24,111)
At 31 December 2022	3,258	20,847	24,105

The nature and purpose of each category of reserve are as follows:

(a) Revaluation reserves

The account records increase in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity, net of tax.

(b) Foreign currency translation reserves

The account records the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also records the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, regardless of the currency of the monetary item.

(c) Fair value through other comprehensive income ("FVOCI") reserves

The account records the cumulative fair value changes of investment securities until they are derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. Commitments and contingency

(a) Capital commitments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capital expenditure:				
Approved and contracted for:				
- Property, plant and equipment	7,680	14,751	4,953	6,422
Approved but not contracted for:				
- Property, plant and equipment	7,061	4,923	-	-
- Deferred mine exploration and evaluation expenditures	-	80	-	-
	7,061	5,003	-	-

(b) Legal claims

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

The Company's legal counsel is of the view that the Company has an arguable case to contend that it did not breach the Agreement and a sufficiently reliable estimate of the financial effect cannot be made due to the lack of particulars and evidence in respect of the claim. Pursuant to this, the Company's legal counsel had sent an official response to the third party's solicitor denying that there has been any breach of the Agreement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. Related party disclosures

(a) Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	Note	2023 RM'000	2022 RM'000
Group			
Associate:			
- Sales of products	(i)	39,709	9,519
Immediate holding company:			
- Interest expense	(ii)	-	1,640
Director:			
- Legal/Professional fee charges	(iii)	-	135
Company			
Subsidiaries:			
- Purchases of products	(iv)	284,903	324,026
- Interest income	(v)	3,505	1,720
- Management fee income	(vi)	3,000	3,000
- Advances given	(vii)	2,564	55,088
- Advances received	(ii)	-	15,000
- Rental and service charges (including security services)	(viii)	4,746	4,746
- Interest expense	(ii)	-	513
Associate:			
- Sales of products	(i)	39,709	9,519
Immediate holding company:			
- Interest expense	(ii)	-	1,640
Director:			
- Legal/Professional fee charges	(iii)	-	135

(i) The sales of products to an associate have been made according to the agreed prices and conditions offered to the major customers of the Group and the Company. It is subject to the Group's and the Company's normal credit terms which range from cash to 30 days.

(ii) Interest expenses are payable in respect of loan/advances received from immediate holding company and a subsidiary. These loans/advances had been fully repaid in financial year 2022.

(iii) Legal/Professional fee was charged by a law firm where a director of the Company and of a subsidiary is a partner of the said law firm.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. Related party disclosures (cont'd)

(a) Related party transactions (cont'd)

(iv) The purchases of products from subsidiaries have been made according to the market prices. The normal credit terms granted to the subsidiaries on trade transactions range from 30 to 60 days (2022: from 30 to 60 days).

(v) Interest income are receivable in respect of amounts due from subsidiaries. Further details of amount due from subsidiaries are disclosed in Note 26.

(vi) Management fee income is receivable from a subsidiary.

(vii) Advances given to subsidiaries are subject to interest as disclosed in Note 26.

(viii) Rental and service charges (including security services) are payable to subsidiaries for lease of office and factory buildings.

Information regarding outstanding balances arising from related party transactions as at 31 December 2023 and 2022 are disclosed in Notes 26 and 31.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short term employee benefits	6,126	6,033	5,076	5,019
Post-employment benefits:				
- Defined contribution plan	659	693	523	553
	6,785	6,726	5,599	5,572

Included in the total compensation of key management personnel was:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' fees (Note 8)	1,034	805	936	780

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, liquidity risk, credit risk and market price risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their interest rate risk, foreign currency risk, liquidity risk, credit risk and market price risk. The policies for managing each of these risks are summarised below.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to the Group's and the Company's cash deposits and debt obligations.

The Group and the Company had placed the cash deposits with reputable banks and financial institutions with a good mix of maturity periods to obtain the most favourable interest rates and ensure funds are available when required.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's and the Company's profit or loss net of tax and equity through the impact on interest income from bank deposits and interest expense on floating rate borrowings at the reporting date:

	Increase (+)/ Decrease (-) in basis point	Group (Decrease)/ Increase in profit net of tax and equity RM'000	Company (Decrease)/ Increase in profit net of tax and equity RM'000
At 31 December 2023			
- Malaysian Ringgit	+25	(373)	(629)
	-25	373	629
At 31 December 2022			
- Malaysian Ringgit	+25	(416)	(577)
	-25	416	577

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company have exposure to fluctuations in foreign exchange rates in business transactions. The Group and the Company have foreign exchange risk exposure mainly in United States Dollar and Singapore 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 and the Company held forward currency contracts to manage their foreign currency risk on expected future sales receivables and purchases payables in United States Dollar for actual and highly probable forecasted transactions.

At the reporting date, approximately:

(i) 70% (2022: 98%) of the Group's and 5% (2022: 23%) of the Company's trade and other receivables as well as 37% (2022: 23%) of the Group's and 28% (2022: 15%) of the Company's trade and other payables are denominated in foreign currencies, mainly in United States Dollar.

(ii) 34% (2022: 30%) of the Group's and 75% (2022: 79%) of the Company's cash and bank deposits are denominated in foreign currencies, mainly in United States Dollar.

(iii) 0.4% (2022: 7%) of the Group's and the Company's borrowings are denominated in United States Dollar.

Forward currency contracts not designated as hedges

In the previous financial year, a net gain of RM157,000 for the Group and a net loss of RM153,000 for the Company with deferred tax expense of RM37,680 in the Group and deferred tax benefit of RM36,720 in the Company in respect of the forward currency contracts were recognised in profit or loss.

The following table demonstrates the sensitivity to a reasonably possible change in the United States Dollar ("USD") against the respective functional currencies of the Group entities, with all other variables held constant, of the Group's and the Company's profit or loss net of tax and equity at the reporting date:

Group and Company		2023 Increase/ (Decrease) in profit net of tax and equity RM'000	2022 Increase/ (Decrease) in profit net of tax and equity RM'000
USD/RM	strengthened by 5%	1,854	1,110
	weakened by 5%	(1,854)	(1,110)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage their debt maturity profiles, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity risk management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group and the Company raise committed funding from financial institutions and prudently balance their portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	**Note**	**Within 1 year RM'000**	**1 to 5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
At 31 December 2023					
Financial liabilities:					
Non-derivative					
Borrowings:					
- Principal	30	317,543	42,222	-	359,765
- Interest		3,718	30	-	3,748
Trade and other payables		102,724	-	-	102,724
Lease liabilities					
- Principal	17(b)	319	734	3,549	4,602
- Interest		224	779	2,336	3,339
Total undiscounted financial liabilities		**424,528**	**43,765**	**5,885**	**474,178**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Group	Note	Within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2022					
Financial liabilities:					
Non-derivative					
Borrowings:					
- Principal	30	268,976	68,889	-	337,865
- Interest		5,295	2,647	-	7,942
Trade and other payables		92,084	-	-	92,084
Lease liabilities					
- Principal	17(b)	777	812	3,325	4,914
- Interest		206	705	2,106	3,017
Derivative					
Forward currency contracts		153	-	-	153
Total undiscounted financial liabilities		**367,491**	**73,053**	**5,431**	**445,975**

Company	Note	Within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2023					
Financial liabilities:					
Non-derivative					
Borrowings:					
- Principal	30	317,543	42,222	-	359,765
- Interest		3,718	30	-	3,748
Trade and other payables		142,368	-	-	142,368
Lease liabilities					
- Principal	17(b)	215	266	-	481
- Interest		20	15	-	35
Total undiscounted financial liabilities		**463,864**	**42,533**	**-**	**506,397**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company	**Note**	**Within 1 year RM'000**	**1 to 5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
At 31 December 2022					
Financial liabilities:					
Non-derivative					
Borrowings:					
- Principal	30	268,976	68,889	-	337,865
- Interest		5,295	2,647	-	7,942
Trade and other payables		149,253	-	-	149,253
Lease liabilities					
- Principal	17(b)	213	496	-	709
- Interest		29	35	-	64
Derivative					
Forward currency contracts		153	-	-	153
Total undiscounted financial liabilities		**423,919**	**72,067**	**-**	**495,986**

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Credit risks, or the risks of counterparties defaulting are controlled by the application of credit approvals, limit and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group's management reporting procedures. The Group and the Company place the cash deposits with reputable banks and financial institutions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Financial risk management objectives and policies (cont'd)

(d) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposures to credit risk are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company have a concentration of credit risk that may arise from exposure to a single debtor which constitutes approximately 33.0% (2022: 35.8%) of its trade receivables.

The Group and the Company determine concentrations of credit risk by monitoring the country profile of their trade and other receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade and other receivables at the reporting date were as follows:

	2023		2022	
Group	**RM'000**	**% of total**	**RM'000**	**% of total**
By country:				
United Kingdom	3,435	35	13,045	41
Malaysia	2,972	30	710	2
Japan	2,274	23	13,190	41
Hong Kong and Taiwan	1,110	11	4,316	13
Korea	-	-	693	2
Others	59	1	274	1
	9,850	100	32,228	100

	2023		2022	
Company	**RM'000**	**% of total**	**RM'000**	**% of total**
By country:				
Malaysia	130,192	95	106,338	77
United Kingdom	3,435	2	13,045	9
Japan	2,274	2	13,190	10
Hong Kong and Taiwan	1,110	1	4,316	3
Korea	-	-	693	1
Others	59	-	274	-
	137,070	100	137,856	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Financial risk management objectives and policies (cont'd)

(d) Credit risk (cont'd)

Exposure to credit risk (cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 25. Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions or companies with high credit ratings and have no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 25.

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from their investment in quoted equity instruments. The quoted equity instruments outside Malaysia are listed on Toronto Venture Exchange in Canada. These instruments are classified as financial assets at FVOCI.

The following table demonstrates the sensitivity to a reasonably possible change in the share price, with all other variables held constant, of the Group's and the Company's equity at the reporting date:

Group and Company		**2023 Increase/ (Decrease) in equity RM'000**	**2022 Increase/ (Decrease) in equity RM'000**
Share price	increased by 5%	1,812	1,644
	decreased by 5%	(1,812)	(1,644)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Financial risk management objectives and policies (cont'd)

(f) Capital management

The Group's and the Company's policy are to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the various core businesses. The Group and the Company allocate the amount of capital in proportion to risk, manage the capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets or increase borrowings. The Group and the Company monitor the return of capital, which is defined as total shareholders' equity (excluding non-controlling interests), and gearing ratio.

The Group and the Company seek to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Share capital	237,194	237,194	237,194	237,194
Other reserves	46,558	37,859	28,035	24,105
Retained earnings	470,378	444,127	342,782	331,651
Total shareholders' equity	754,130	719,180	608,011	592,950
Non-controlling interests	62,327	58,316	-	-
Total equity	816,457	777,496	608,011	592,950
Total borrowings/ Bank borrowings (Note 30)	359,765	337,865	359,765	337,865
Gearing ratio (total borrowings/ bank borrowings over total equity)	0.4	0.4	0.6	0.6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. Fair value of assets and liabilities

(a) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of each class of assets and liabilities carried at fair value by level of fair value hierarchy:

	Date of valuation	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant other observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
Group					
At 31 December 2023					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2023	36,243	-	-	36,243
Revalued land and buildings (Note 16)					
- Land and buildings in Pulau Indah Industrial Park	31.12.2023	-	-	57,790	57,790
- 80 units flats in Bukit Mertajam	31.12.2023	-	-	5,440	5,440
- Land and buildings in Daerah Hulu Perak	31.12.2023	-	-	2,678	2,678
		36,243	-	65,908	102,151

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Group	Date of valuation	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant other observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
At 31 December 2022					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2022	32,885	-	-	32,885
Revalued land and buildings (Note 16)					
- Land and buildings in Pulau Indah Industrial Park	31.12.2022	-	-	52,480	52,480
- 80 units flats in Bukit Mertajam	31.12.2022	-	-	4,928	4,928
- Land and buildings in Daerah Hulu Perak	31.12.2022	-	-	2,678	2,678
Derivative financial assets					
- Forward tin contracts	31.12.2022	-	1,115	-	1,115
		32,885	1,115	60,086	94,086
Liabilities measured at fair value:					
Derivative financial liabilities					
- Forward currency contracts	31.12.2022	-	153	-	153

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Company	Date of valuation	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant other observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
At 31 December 2023					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2023	36,243	-	-	36,243
Revalued buildings (Note 16)					
- Buildings in Pulau Indah Industrial Park	31.12.2023	-	-	14,070	14,070
- 80 units flats in Bukit Mertajam	31.12.2023	-	-	5,440	5,440
		36,243	-	19,510	55,753

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

	Date of valuation	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant other observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
Company					
At 31 December 2022					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2022	32,885	-	-	32,885
Revalued buildings (Note 16)					
- Buildings in Pulau Indah Industrial Park	31.12.2022	-	-	14,040	14,040
- 80 units flats in Bukit Mertajam	31.12.2022	-	-	4,928	4,928
Derivative financial assets					
- Forward tin contracts	31.12.2022	-	1,115	-	1,115
		32,885	1,115	18,968	52,968
Liabilities measured at fair value:					
Derivative financial liabilities					
- Forward currency contracts	31.12.2022	-	153	-	153

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Fair value hierarchy

The Group and the Company 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)

Determination of fair value

Quoted equity instruments: Fair value is determined directly by reference to the published market closing price at the reporting date.

Derivatives: Forward currency contracts and forward tin contracts are valued using a valuation technique with market observable inputs. These contracts are valued by financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value RM'000	Valuation techniques	Significant unobservable inputs	Adjusting factor	Sensitivity of the input to fair value
Group					
At 31 December 2023					
Revalued land and buildings (Note 16)	65,908	Market comparable approach/ Depreciated replacement cost	Difference in location, zoning, size and scheme	-15.0% to 25.0%	Every 1% increase or (decrease) in the adjustments would result in (decrease) or increase in fair value by RM448,000.
At 31 December 2022					
Revalued land and buildings (Note 16)	60,086	Market comparable approach/ Depreciated replacement cost	Difference in location, zoning, size, scheme and tenure	-15.0% to 25.0%	Every 1% increase or (decrease) in the adjustments would result in increase or (decrease) in fair value by RM281,000.

Description	Fair value RM'000	Valuation techniques
Company		
At 31 December 2023		
Revalued buildings (Note 16)	19,510	Market comparable approach/ Depreciated replacement cost
At 31 December 2022		
Revalued buildings (Note 16)	18,968	Market comparable approach/ Depreciated replacement cost

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. Fair value of assets and liabilities (cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (cont'd)

Movements in Level 3 assets measured at fair value

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 financial year ended 31 December 2023.

(b) Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments whose carrying amounts are reasonable approximation of fair value:

	Note
Trade receivables (current)	25
Other receivables (current)	26
Borrowings (current)	30
Borrowings (non-current)	30
Trade and other payables (current)	31

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the non-current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

38. Segmental information

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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

38. Segmental information (cont'd.)

For management purposes, the Group is organised into two business segments within the tin industry, and has three reportable operating segments as follows (cont'd.):

(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 tin resources and mining of tin.

(c) Others

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

Business segments

Management monitors the operating results of each business unit separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit before tax.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. These intercompany transactions are eliminated on consolidation.

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

	Note	Tin smelting RM'000	Tin mining RM'000	Others RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
2023						
Revenue						
Sales to external customers		1,435,725	-	-	-	1,435,725
Inter-segment sales		-	284,903	-	(284,903)	-
Total revenue		1,435,725	284,903	-	(284,903)	1,435,725

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

38. Segmental information (cont'd)

Business segments (cont'd)

	Note	Tin smelting RM'000	Tin mining RM'000	Others RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
2023 (cont'd)						
Results						
Profit/(Loss) from operations		60,506	89,504	(19)	(4,096)	145,895
Finance costs		(14,940)	(2,276)	(718)	-	(17,934)
Share of results of associate and joint venture		-	-	672	-	672
Profit/(Loss) before tax		45,566	87,228	(65)	(4,096)	128,633
Income tax (expense)/credit		(9,525)	(22,782)	-	890	(31,417)
Profit/(Loss) net of tax		36,041	64,446	(65)	(3,206)	97,216
Assets						
Segment assets		956,073	373,070	36,252	(4,527)	1,360,868
Investments in associate and joint venture		-	-	30,756	-	30,756
Total assets		956,073	373,070	67,008	(4,527)	1,391,624
Liabilities						
Segment liabilities		483,219	91,784	164	-	575,167
Other segment information						
Additions of non-current assets						
- Property, plant and equipment	16	6,577	13,738	-	-	20,315
- Intangible assets	18	-	534	-	-	534
- Mining assets	22	-	1,044	-	-	1,044
Provision for retrenchment compensation	10	1,680	-	-	-	1,680
Depreciation expenses	9	7,324	4,555	-	-	11,879
Amortisation of mining rights	9	-	146	-	-	146
Amortisation of corporate club memberships	9	3	5	-	-	8
Amortisation of mine properties	9	-	870	-	-	870
Interest income	6	(2,856)	(2,756)	-	-	(5,612)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

38. Segmental information (cont'd)

Business segments (cont'd)

	Note	Tin smelting RM'000	Tin mining RM'000	Others RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
2022						
Revenue						
Sales to external customers		1,503,591	-	-	-	1,503,591
Inter-segment sales		-	324,026	-	(324,026)	-
Total revenue		1,503,591	324,026	-	(324,026)	1,503,591
Results						
Profit/(Loss) from operations		9,976	136,118	(36)	17,005	163,063
Finance costs		(16,633)	(1,689)	(669)	-	(18,991)
Share of results of associate and joint venture		-	-	(456)	-	(456)
(Loss)/Profit before tax		(6,657)	134,429	(1,161)	17,005	143,616
Income tax credit/(expense)		1,126	(39,310)	-	(3,988)	(42,172)
(Loss)/Profit net of tax		(5,531)	95,119	(1,161)	13,017	101,444
Assets						
Segment assets		939,267	305,040	32,895	(1,322)	1,275,880
Investments in associate and joint venture		-	-	29,974	-	29,974
Total assets		939,267	305,040	62,869	(1,322)	1,305,854
Liabilities						
Segment liabilities		445,588	82,613	157	-	528,358
Other segment information						
Additions of non-current assets						
- Property, plant and equipment	16	9,249	15,969	-	-	25,218
- Right-of-use assets	17(a)	443	-	-	-	443
- Intangible assets	18	-	67	-	-	67
- Mining assets	22	-	536	-	-	536
Provision for retrenchment compensation	10	1,067	-	-	-	1,067
Depreciation expenses	9	6,624	3,061	-	-	9,685
Amortisation of mining rights	9	-	154	-	-	154
Amortisation of corporate club memberships	9	3	5	-	-	8
Amortisation of mine properties	9	-	867	-	-	867
Interest income	6	(686)	(1,512)	-	-	(2,198)

38. Segmental information (cont'd)

Business segments (cont'd)

The following item was added to segment profit before tax to arrive at profit before tax as disclosed in the consolidated statements of profit or loss:

	Group	
	2023 RM'000	2022 RM'000
Realised profit arising from inter-segment sales	1,861	18,866
Unrealised profit arising from inter-segment sales	(5,957)	(1,861)
	(4,096)	17,005

The following items were deducted from segment assets to arrive at total assets as disclosed in the consolidated statements of financial position:

	Group	
	2023 RM'000	2022 RM'000
Unrealised profit arising from inter-segment sales	(4,527)	(1,322)

Geographical information

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services. The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented.

Information about major customers

Revenue from three major customers amounted to RM207,182,000, RM206,856,000 and RM191,424,000 (2022: two major customers amounted to RM389,008,000 and RM260,968,000), respectively arising from sales by the tin smelting segment.

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 15 April 2024.

LIST OF PROPERTIES OF THE GROUP

31 DECEMBER 2023

Location	Description	Approximate area	Tenure	Year of expiry	Approximate age of buildings	Net carrying amount at 31.12.2023 RM'000	Date of last revaluation
MALAYSIA							
1. Lot 6, 8 & 9 Jalan Perigi Nanas 6/1 Pulau Indah Industrial Park West Port, Port Klang 42920 Pulau Indah Selangor	Land with offices and factory buildings	48,725 sq. m	Leasehold	2097	22 years	57,790	31.12.2023
2. Taman Desa Palma, Alma, 14000 Bukit Mertajam	80 units of flats	52,000 sq. ft.	Freehold	–	23 years	5,440	31.12.2023
3. Mukim Pengkalan Hulu Daerah Hulu Perak							
(a) Lot 344 & 348	Land with buildings	3.78 hectares	Freehold	–	over 50 years	355	31.12.2023
(b) Lot 2163, 56711, 56740 & 56741 (formerly PT 3934, 4338, 4522 & 4523) and Lot 2071	Land with buildings	6.94 hectares	Leasehold	2068-2111	42 to over 50 years	1,084	31.12.2023
(c) PT 1705, 1706 & 1707	3 units of terrace houses	417 sq. m	Leasehold	2108	13 years	600	31.12.2023
(d) Lot 55671 & 55675	2 units of semi-detached houses	526 sq. m	Freehold	–	10 years	610	31.12.2023
4. Mukim Belukar Semang Daerah Hulu Perak							
(a) Lot 1886	Vacant land	0.4 hectares	Freehold	–	–	25	31.12.2023
(b) Lot 2546, 2547 & 2548 (formerly PT 725, 726 & 727)	Land with buildings	7.01 hectares	Leasehold	2050	–	4	31.12.2023
5. Lots 20514 - 20517 Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang	For future development	557,022 sq. ft.	Freehold	–	–	78,654	30.09.2018

TIN STATISTICS

Deliveries of Refined Tin from MSC
(Tonnes Refined Tin by reported destination)

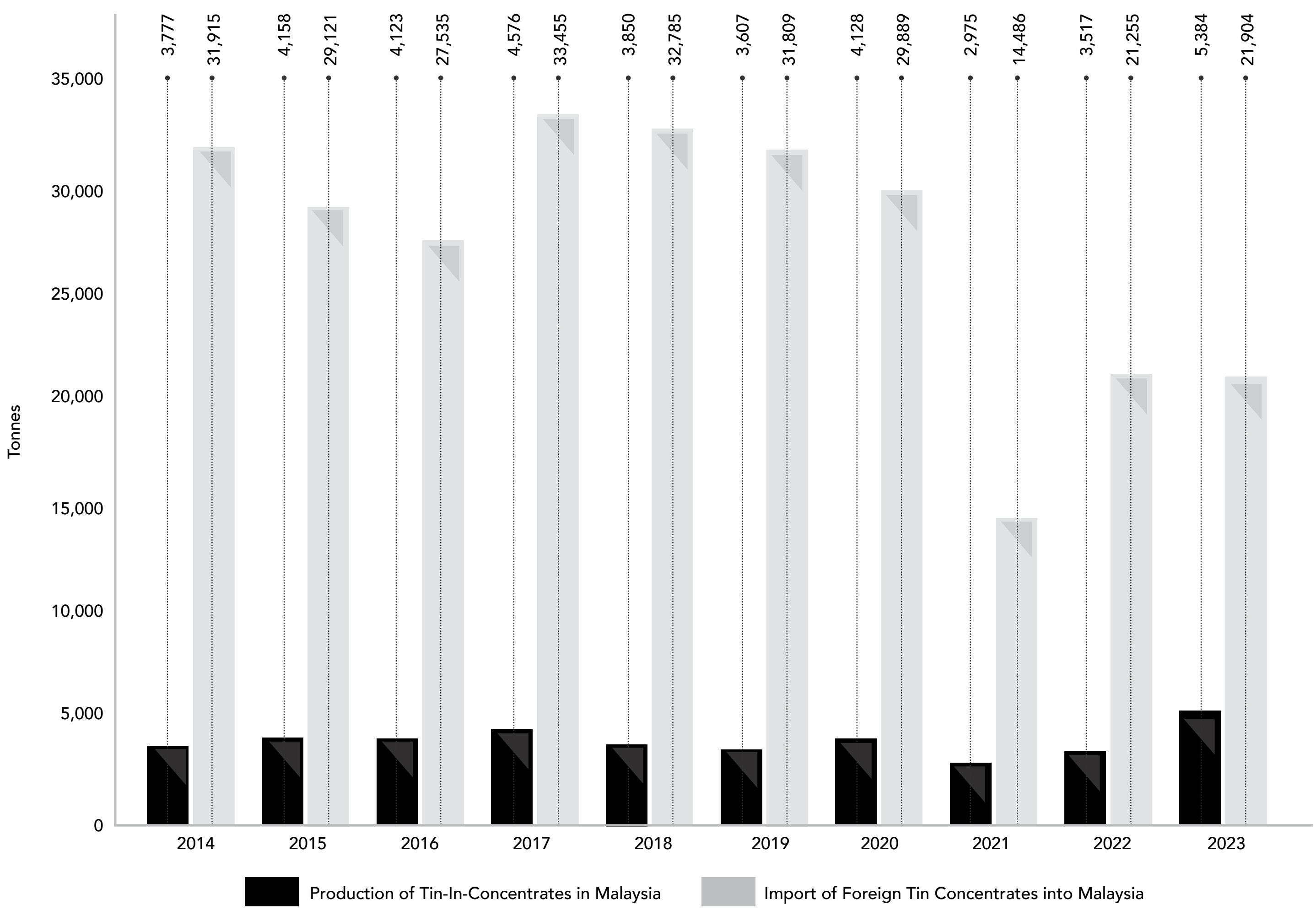
Destination	2019	2020	2021	2022	2023
Africa	375	450	100	75	40
Australia & New Zealand	50	50	–	–	–
China	400	1,281	120	1,859	2,276
EEC	2,954	1,244	891	800	1,104
India, Pakistan & Bangladesh	462	625	308	285	
Japan	3,812	3,612	4,197	4,587	3,454
Korea	1,695	1,205	1,825	680	1,311
Middle East	717	933	425	329	380
Taiwan	1,239	1,717	774	581	423
Rest of Asia Pacific	1,684	2,421	480	1,103	1,240
USA, Canada & Central America	5,195	1,960	1,195	270	904
	18,583	**15,498**	**10,315**	**10,569**	**11,132**
Malaysia For domestic consumption*	7,090	7,100	5,818	8,148	9,912
	25,673	**22,598**	**16,133**	**18,717**	**21,044**

* *Include tin deliveries to LME warehouses in Port Klang*

TIN STATISTICS

YEAR	PRODUCTION OF TIN-IN-CONCENTRATES IN MALAYSIA (TONNES)	IMPORT OF FOREIGN TIN CONCENTRATES INTO MALAYSIA (TONNES)
2014	3,777	31,915
2015	4,158	29,121
2016	4,123	27,535
2017	4,576	33,455
2018	3,850	32,785
2019	3,607	31,809
2020	4,128	29,889
2021	2,975	14,486
2022	3,517	21,255
2023	5,384	21,904

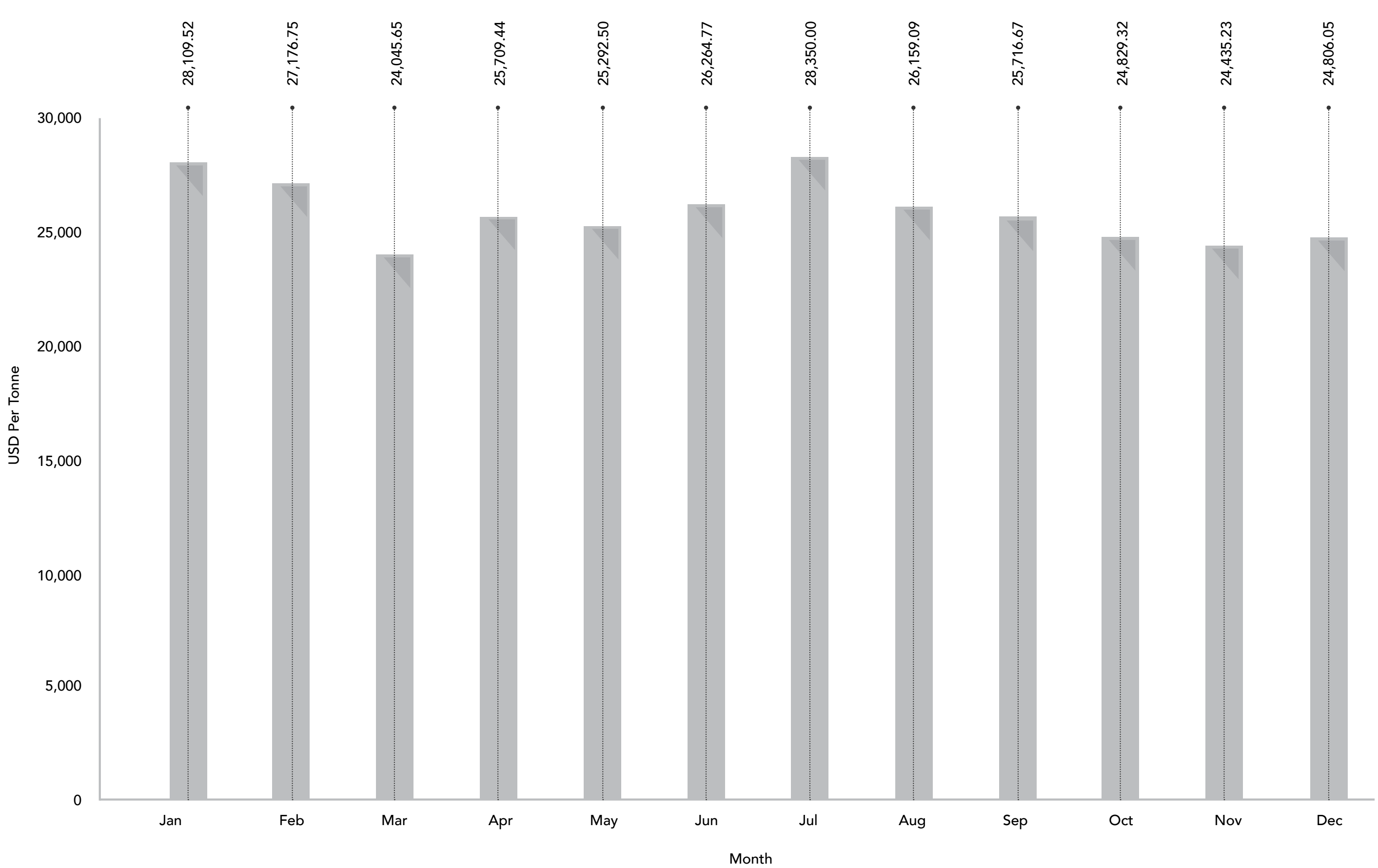
PRODUCTION OF TIN-IN-CONCENTRATES IN MALAYSIA AND IMPORT OF FOREIGN TIN CONCENTRATES INTO MALAYSIA



TIN STATISTICS

	KLTM PRICES HIGHEST (USD PER TONNE)	KLTM PRICES LOWEST (USD PER TONNE)	KLTM PRICES AVERAGE (USD PER TONNE)	KLTM TURNOVER (TONNES)	LME 3-MONTH BUYING AVERAGE (USD PER TONNE)
2014	23,680.00	18,300.00	21,895.00	10,826	21,889.00
2015	19,950.00	13,700.00	16,050.00	12,679	16,018.00
2016	22,000.00	13,250.00	17,926.00	11,568	17,861.00
2017	21,100.00	18,900.00	20,027.00	8,890	19,970.00
2018	21,900.00	18,450.00	20,071.00	9,077	20,063.00
2019	21,760.00	15,700.00	18,594.00	6,445	18,582.00
2020	20,580.00	14,930.00	17,314.00	4,088	17,073.00
2021	39,500.00	20,580.00	29,071.00	1,955	31,094.00
2022	42,020.00	40,400.00	41,036.00	21	31,076.00
2023	–	–	–	–	25,907.92

2023 LME PRICES AVERAGE (USD PER TONNE)



ANALYSIS OF SHAREHOLDINGS
AS AT 1 APRIL 2024

No. of Issued Shares : 420,000,000 Ordinary Shares
Class of Shares : Ordinary Shares
Voting Rights : One (1) Vote per Ordinary Shares

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares Held	Percentage (%)
Less than 100	29	0.54	440	0.00
100 to 1,000	1,019	19.04	739,201	0.18
1,001 to 10,000	2,781	51.96	13,164,936	3.13
10,001 to 100,000	1,227	22.93	39,386,700	9.38
100,001 to less than 5% of issued shares	293	5.47	163,265,523	38.87
5% and above of issued shares	3	0.06	203,443,200	48.44
TOTAL	**5,352**	**100.00**	**420,000,000**	**100.00**

DIRECTORS' SHAREHOLDINGS

Directors	Direct Interest		Deemed Interest	
	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
Ms. Chew Gek Khim PJG	1,670,000	0.40	–	–
Dato' Dr. (Ir.) Patrick Yong Mian Thong	466,500	0.11	–	–
Mr. John Mathew A/L Mathai	–	–	–	–
Datuk Kamaruddin Bin Taib	–	–	–	–
Dato' Roslina Binti Zainal	–	–	–	–
Mr. Yap Seng Chong	–	–	–	–
Datuk Lim Hong Tat	–	–	–	–

ANALYSIS OF SHAREHOLDINGS
AS AT 1 APRIL 2024

THE 30 LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares Held	Percentage (%)
1.	The Straits Trading Company Limited	112,360,000	26.75
2.	Straits Trading Amalgamated Resources Sdn. Bhd.	69,498,000	16.55
3.	Sword Investments Private Limited	21,585,200	5.14
4.	Baxterley Holdings Private Limited	14,800,000	3.52
5.	Neoh Choo Ee & Company, Sdn. Berhad	5,464,000	1.30
6.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	4,955,200	1.18
7.	Lim Khoon	3,538,400	0.84
8.	Lee Pin	3,366,100	0.80
9.	Olive Lim Swee Lian	3,210,500	0.76
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (Eastspring ESG)	3,137,000	0.75
11.	Maybank Nominees (Tempatan) Sdn. Bhd. National Trust Fund (IFM Eastspring) (410140)	2,724,000	0.65
12.	Gan Yoon Soon	2,376,000	0.57
13.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Faai @ Ng Yoke Pei (SRB/PMS)	2,337,200	0.56
14.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN for UOB Kay Hian Pte. Ltd. (A/C Clients)	2,097,100	0.50
15.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Mettiz Capital Sdn. Bhd. (PB)	2,000,000	0.48
16.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mettiz Capital Sdn. Bhd.	1,889,800	0.45
17.	Chua Ah Moi @ Chua Sai Peng	1,729,900	0.41
18.	CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)	1,711,500	0.41
19.	2G Capital Pte. Ltd.	1,600,000	0.38
20.	Chew Gek Khim	1,600,000	0.38
21.	Kuek Siaw Kia @ Quek Shiew Poh	1,576,000	0.38
22.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Ong Tee Thong (PW-M00374) (952041)	1,573,800	0.37
23.	Au Yong Mun Yue	1,560,000	0.37
24.	Toh Yew Keong	1,554,200	0.37
25.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gan Yoon Soon	1,500,000	0.36
26.	Lim Boon Tat (Lin Wenda)	1,493,500	0.36

ANALYSIS OF SHAREHOLDINGS
AS AT 1 APRIL 2024

THE 30 LARGEST SHAREHOLDERS (CONT'D)

No.	Shareholders	No. of Shares Held	Percentage (%)
27.	Teck Trading Company Sendirian Berhad	1,452,000	0.35
28.	Chu Fong Hee	1,419,000	0.34
29.	Low Tiong Lek	1,392,700	0.33
30.	Cartaban Nominees (Tempatan) Sdn. Bhd. PAMB for Participating Fund	1,377,300	0.33

LIST OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Substantial Shareholders	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
The Straits Trading Company Limited	112,360,000	26.75	105,885,200*1	25.21
Straits Trading Amalgamated Resources Sdn. Bhd.	69,498,000	16.55	–	–
Sword Investments Private Limited	21,585,200	5.14	–	–
Tan Chin Tuan Pte. Ltd.	–	–	218,245,200*2	51.96
The Cairns Pte. Ltd.	–	–	218,245,200*2	51.96
Tecity Pte. Ltd.	–	–	218,245,200*2	51.96
Raffles Investments Pte. Ltd.	–	–	218,245,200*2	51.96
Aequitas Pte. Ltd.	–	–	218,245,200*2	51.96
Dr. Tan Kheng Lian	–	–	218,245,200*3	51.96

Notes:-

*1 *Held through Straits Trading Amalgamated Resources Sdn. Bhd., Sword Investments Private Limited, Baxterley Holdings Private Limited and Redring Solder (Malaysia) Sdn. Bhd.*

*2 *Tan Chin Tuan Pte. Ltd., The Cairns Pte. Ltd., Tecity Pte. Ltd., Raffles Investments Pte. Ltd. and Aequitas Pte. Ltd. hold not less than 20% of the voting shares in The Straits Trading Company Limited. Tan Chin Tuan Pte. Ltd. is the ultimate holding company for The Straits Trading Company Limited.*

*3 *Dr. Tan Kheng Lian holds not less than 20% of the voting shares in Tan Chin Tuan Pte. Ltd.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Fifth ("45th") Annual General Meeting ("AGM") of MALAYSIA SMELTING CORPORATION BERHAD (the "Company") will be held at Parry, Level 6, Le Meridian Kuala Lumpur, 2 Jalan Stesen Sentral, 50470 Kuala Lumpur, Malaysia on Wednesday, 29 May 2024 at 11.00 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon. **{Please refer to Note B(1)}**

2. To approve the payment of a Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2023. **Resolution 1**

3. To approve the payment of additional Directors' Fees and Benefits of RM151,732.87 to Non-Executive Directors from 27 May 2023 until the AGM of the Company held in year 2024. **Resolution 2** **{Please refer to Note B(2)}**

4. To approve the payment of Directors' Fees and Benefits of up to RM885,000.00 from 30 May 2024 until the next AGM of the Company to be held in year 2025. **Resolution 3**

5. To re-elect the following Directors of the Company who are retiring pursuant to Clause 102 of the Constitution of the Company: **Resolution 4**
   (i) Dato' Roslina Binti Zainal **Resolution 5**
   (ii) Mr. Yap Seng Chong **Resolution 6**

6. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions with or without modification:

7. **ORDINARY RESOLUTION -** **Resolution 7**

   AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 **{Please refer to Note C}**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue, subject to the Constitution of the Company and approval of all the relevant regulatory bodies being obtained for such allotment and issue."

NOTICE OF ANNUAL GENERAL MEETING

8. To transact any other business of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of shareholders at the 45th AGM, a Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2023 will be paid to shareholders on 28 June 2024. The entitlement date for the said Dividend shall be on 14 June 2024.

A Depositor shall qualify for entitlement to the Dividend only in respect of:

(a) Shares transferred to the Depositor's securities account before 4.30 p.m. on 14 June 2024 in respect of transfers.

(b) Shares bought on Bursa Malaysia Securities Berhad and Singapore Exchange Securities Trading Limited on cum entitlement basis according to the Rules of the respective Exchanges.

BY ORDER OF THE BOARD

WONG YOUN KIM
SSM PC No. 201908000410
(MAICSA 7018778)
Company Secretary
Date: 30 April 2024

Explanatory Notes:

A) Appointment of Proxy

1. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 May 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*

2. *A member entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company and there is no restriction as to the qualification of a proxy.*

3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*

4. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than twenty-four (24) hours before the time appointed for taking of the poll at the meeting or any adjournment thereof. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the AGM or Adjourned AGM.*

NOTICE OF ANNUAL GENERAL MEETING

6. *If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.*

7. *Pursuant to paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote on poll.*

B) *Ordinary Business*

1. Aud*ited Financial Statements for the financial year ended 31 December 2023*

   Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders and hence, this item on the Agenda will not be put for voting.

2. *Additional Payment of Directors' Fees and Benefits*

   At the 44th AGM of the Company held on 26 May 2023, the shareholders had approved RM855,000.00 as total Directors' Fees and Benefits payable to the Directors of the Company for the period commencing from 27 May 2023 until the next AGM of the Company to be held in year 2024.

   The Nominating & Remuneration Committee ("NRC") of the Company had conducted periodic reviews of the Board remuneration to ensure that the Non-Executive Directors ("NEDs") are remunerated at an appropriate level for their commitment to the Company and to attract and retain high calibre and experienced individuals to oversee the Company's business and development. In fulfilling its duties as required under its Terms of Reference, the NRC reviewed the remuneration of the NEDs in November 2023 and recommended the proposed revisions to the Board for approval.

   The Board is of the view that it is fair and equitable to pay the fees to the Executive Committee and Environmental, Social and Governance Committee from the date of establishment. Additionally, the Board of Directors had approved the re-designation of Mr. John Mathew A/L Mathai as Senior Independent Director ("SID") with effect from 17 November 2023, and agreed to revise the annual fee to be paid to SID, for his extra duties and responsibilities.

   The Board opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such a basis upon them discharging their responsibilities and rendering their services to the Company.

   An additional amount of RM151,732.87 in excess of RM855,000.00 is required in line with the revision of fees structure.

C) *Special Business*

1. *Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares*

   The Company had, during its last AGM held on 26 May 2023, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Sections 75 and 76 of the Companies Act 2016, which will lapse at the conclusion of 45th AGM to be held on 29 May 2024.

   The renewal of this mandate will provide flexibility to the Company for any fundraising activities, including but not limited to placing of shares, for purpose of funding future investment, working capital and/or acquisitions.

   Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the 44th AGM as the need does not arise for any fund raising activity for the purpose of investment, acquisition or working capital.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. *The Directors who are standing for re-election at the Forty-Fifth ("45th") Annual General Meeting of the Company pursuant to Clause 102 of the Company's Constitution are Dato' Roslina Binti Zainal and Mr. Yap Seng Chong.*

2. *The details of the above Directors seeking re-election is set out in the Profile of Directors as disclosed on pages 8 and 9 of this Annual Report.*

3. *The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2023 are disclosed in the Corporate Governance Overview Statement set out on page 59 of this Annual Report.*

4. *The details of the interest of the Directors in the securities of the Company are stated on page 197 of the Company's Annual Report 2023.*

5. *Details of the general mandate for issue of securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note C of the Notice of AGM.*

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