



Section 3

Corporate Governance and Financial Statements

80 Corporate Governance Overview Statement

93 Additional Compliance Information

94 Audit and Risk Management Committee Report

97 Statement on Risk Management and Internal Control

101 Statement of Responsibility by Directors

102 Financial Statements

219 Disclosure of Financial Data for Shariah Screening

Corporate Governance Overview Statement

The Board of Directors (“Board”) of Malaysia Smelting Corporation Berhad (“MSC” or the “Company”) recognises the importance of maintaining high standards of corporate governance in managing its business affairs so as to build a sustainable business that is capable of enhancing shareholder value.

The Board upholds the Principles and Recommendations as promulgated by the Malaysian Code on Corporate Governance 2021 (“MCCG” or “Code”). This statement sets out how the Company has applied the three key Principles of good corporate governance as enumerated in the MCCG during the financial year within the Company and its subsidiaries (the “Group”). Where a specific practice of the MCCG has not been observed during the financial year under review, the non-observance, together with the reasons thereof, is disclosed in this statement.

This statement is prepared in compliance with the MCCG and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and should be read together with the Corporate Governance Report (“CG Report”) of the Company which provides details on how the Company applied each Practice as set out in the MCCG during the financial year 2025. The Company’s CG Report is available on the Company’s website, www.msmelt.com.

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

1.1 Strategic Aims, Values and Standards

The Board acknowledges its key role in setting the strategic direction of the Group and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- to promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- to review and adopt a strategic plan for the Group to ensure sustainability of its business with the Board providing objectivity and breadth of judgment;
- to oversee the conduct of the Group’s businesses and evaluate whether the businesses are being properly managed;
- to identify principal business risks and ensure appropriate internal control and mitigation measures are implemented to manage these risks;
- to consider and implement succession planning, including appointing, training, compensating, and, where appropriate, replacing members of Key Management;
- to review management proposals for the Company; and
- to review the adequacy and the integrity of the Group’s internal control system and management information system.

To ensure the proper discharge of its stewardship role, the Board has established Board Committees, namely the Audit & Risk Management Committee (“ARMC”) and Nominating & Remuneration Committee (“NRC”) and further entrusted them with specific responsibilities to oversee the Group’s affairs and authority to act on the Board’s behalf in accordance with their respective terms of reference. The Chairman of the relevant Board Committees also report to the Board on key issues deliberated at their respective meetings. The ultimate responsibility for decision-making, however, lies with the Board.

The roles and functions delegated to the Board and Management are clearly delineated in the Board Charter, through a formal schedule of matters reserved for the Board. These includes setting the Group’s overall strategy and direction, approving major capital expenditures, considering significant financial matters and monitoring the Group’s financial and operational performance.

Whilst the Board is responsible for establishing the framework and policies within which the Group operates, management is responsible for ensuring compliance with laws, regulations, rules, directives, and guidelines, as well as for achieving the Group’s corporate objectives. Such demarcation of roles is clearly set out in the Board Charter and Delegation of Authority which complement and reinforce the supervisory role of the Board.

Corporate Governance Overview Statement

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD RESPONSIBILITIES (CONT'D)

1.1 Strategic Aims, Values and Standards (cont'd)

The Group's Code of Ethics continues to set out the standards of ethics and conduct expected from its Directors and employees to enhance the standards of corporate governance and corporate behaviour. The Code of Ethics covers all aspects of the Group's business which includes, amongst others, confidentiality of information, dealings in securities, conflict of interest, gifts, bribes and dishonest conducts.

The salient features of the Board Charter and Code of Ethics can be found at the Company's website at www.msmelt.com.

The Company has also implemented a Whistleblowing Policy, which enables whistleblowers to raise concerns about actual or potential corporate fraud or breach of ethics involving employees, Key Management or Directors of the Group. Whistleblowing reports are addressed to the Chairman of the ARMC following the form and specific conditions as prescribed under the policy. The policy also affirms that the identity of the whistleblower will be kept confidential and protection will be accorded to the whistleblower against any form of reprisal or retribution.

The Board recognises the importance of adherence to the Code of Ethics by all personnel within the Group and has overall responsibility for overseeing the implementation of the Whistleblowing Policy. The Board had also formalised the Anti-Corruption Manual, Fit and Proper Policy and Dividend Policy which are also published on the Company's website for stakeholders' information.

1.2 Chairman and Chief Executive Officer

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer ("CEO") to engender accountability and facilitate the division of responsibility, such that no individual has unfettered powers over decision making.

Chairman

Ms. Chew Gek Khim PJG, a Non-Independent Non-Executive Director, is the Chairman of the Company and she leads the Board to ensure the adequacy and effectiveness of the Board's governance process. In addition, she acts as a facilitator at Board meetings to ensure that directors actively contribute to deliberations and that no Board member dominates the discussion.

In carrying out her role, the Chairman works with Key Management and promote effective relations with stakeholders and shareholders besides managing the Board.

Chief Executive Officer

During the financial year under review, Dato' Dr. (Ir.) Patrick Yong Mian Thong was the Group CEO of the Company. The Group CEO is tasked to manage the business and operations of the Company and to implement the Group's strategic plans, policies and decisions adopted by the Board. The Group CEO was also tasked with ensuring that whilst the ultimate objective is maximising total shareholders' return, the social and environmental factors are not neglected and also developing and maintaining strong communication programmes and dialogues with the shareholders, investors, analysts as well as employees and providing effective leadership to the Group's organisation.

Corporate Governance Overview Statement

◆ **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

1. BOARD RESPONSIBILITIES (CONT'D)

1.3 Sustainability of Business

The Board is mindful of the importance of business sustainability and has incorporated the Corporate Sustainability Policy into its corporate strategy, considering its impacts on environmental, social and governance aspects. Additionally, the Company's Sustainability Statement is disclosed on pages 28 to 75 of this Annual Report.

1.4 Access to Information and Advice

The Board has full and independent access to management, Company Secretary, internal and external auditors and other consultants for any information necessary to effectively discharge its duties.

Management provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments. Directors also have unrestricted access to the advice and services of the Company Secretary. The Board is regularly updated and advised by a Company Secretary who is qualified, experienced and competent, on corporate governance, new statutory and regulatory requirements, and their resultant implications to the Company and Directors in relation to the duties and responsibilities of the Board.

The Company Secretary is a Fellow member of Malaysia Institute of Chartered Secretaries and Administrators ("MAICSA") and is qualified to act as a Company Secretary under the Companies Act 2016. As a practicing Company Secretary, she has also attended continuous professional development programmes as required by MAICSA. The Company Secretary is responsible for ensuring the compliance with board policies and procedures as well as overseeing corporate governance issues, briefs the Board on the proposed contents and timing of material announcements to regulators. The Company Secretary attends all Board and Board Committee meetings to ensure that the meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. Key Management and external parties such as the auditors, solicitors and consultants are invited to attend Board meetings when there is a need for additional insights and professional views, advice and explanations on specific items on the meeting agenda. Independent professional advice may be sought in the furtherance of the Directors' duties and responsibilities at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter.

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests.

The Board and Board Committee papers are circulated in advance prior to the meetings to allow the Board members adequate time for making informed decisions and effective discharge of Board's responsibilities. Minutes of Board and Board Committee's meetings are circulated in a timely manner for review.

Corporate Governance Overview Statement

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION

2.1 Board of Directors

As at the date of this Statement, the Board comprises seven (7) members, comprising one (1) Executive Director and six (6) Non-Executive Directors, five (5) of whom are Independent. The Board is chaired by a Non-Independent Non-Executive Director. The Board comprises a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The Independent Directors provide the necessary check and balances in the Board exercising their functions and decision-making process.

This composition fulfils the requirements set out under the Main Market Listing Requirements of Bursa Malaysia, which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent.

The Board members are from different backgrounds with diverse perspectives. The mix of skills and experience is essential for successful attainment of corporate plans and objectives of the Group. A brief description of each of the Director's background is set out in the Profile of Directors on pages 8 to 11 of this Annual Report.

2.2 Tenure of Independent Director

The Independent Directors bring objective and independent views, advice and judgment on interests, not only of the Group, but also of the shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business. Independent Directors are essential for protecting the interests of shareholders and making a significant contributions to the Group's decision making by bringing in the quality of detached impartiality.

The Directors' Independence Policy serves as a guide in limiting the tenure of the independent director to nine (9) years and ensuring the independence of directors.

2.3 Diversity of Board and Key Management

The appointments of Board and Key Management are based on merit, skills and working experience and due regard is placed for diversity in terms of skills, experience and cultural background.

The Board Diversity Policy serves as a guide in ensuring the diversity of the Board which enhances the effective contribution of all Directors. The Board does not have a specific policy for setting targets for women or age composition on the Board as the Board believes in fair and equal participation for all individuals of right calibre irrespective of race, age or gender.

Please refer to the Profile of Directors and Key Management on pages 8 to 11 and 12 to 13 respectively for further information.

Corporate Governance Overview Statement

◆ **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

2. BOARD COMPOSITION (CONT'D)

2.4 Nominating & Remuneration Committee

Mr. John Mathew A/L Mathai served as Chairman of the NRC until 22 March 2025. Upon his resignation following the completion of his nine (9) tenure in service as Independent Non-Executive Director, the position was subsequently assumed by Datuk Lim Hong Tat. The Committee is primarily responsible to advise the Board on the nomination of new Board members and/or Board member and assessment of the effectiveness of the Board as a whole, the Committees of the Board, to conduct an assessment and evaluation on the contribution of each individual director and effectiveness of the ARMC and Environmental, Social & Governance ("ESG") Committee.

The Committee is also responsible for reviewing the Board composition and right mix of skills and balance as well as considering the Board's succession planning and making recommendations for new appointment of directors and members of Board Committees as well as identifying suitable training programme for the Board. It also recommends to the Board on the remuneration policy and framework, performance measures criteria and proposes to the Board on the remuneration of the directors and key management.

The Terms of Reference of the NRC are set out in the Board Charter and is available on the Company's website at www.msmelt.com.

2.5 Recruitment Process and Annual Assessment of Directors

In discharging its responsibilities, the NRC has developed certain criteria for use in the recruitment and annual assessment of Directors. The NRC evaluates the suitability of candidates for recommendation to the Board, taking into consideration, inter alia, their competency, commitment (including time commitment), contributions, performance, and, where appropriate, the criteria for assessing the independence of appointments as independent directors.

Following the appointment of a new Director, the NRC ensures that an induction programme is arranged for, which includes establishing rapport with other Directors, furnishing the Director with necessary information for a better understanding of the business, e.g. Board minutes and management reports, the Board Charter and arranging visits to key sites.

The Company's Constitution provides that one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires whether adjourned or not.

The NRC reviews annually the required mix of skills and experience for Directors and assesses annually the contributions of each individual Director and the effectiveness of the Board Committees and the Board as a whole. Furthermore, the NRC reviews the size and composition of the Board with particular consideration on the impact on the effective functioning of the Board.

The evaluation of the suitability of candidates is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. Nevertheless, the Board takes cognisance of the policy of the Government advocating for more women directors on the Board of PLCs and shall give due considerations when assessing their candidature. Presently, there are three (3) women directors in the Board.

Corporate Governance Overview Statement

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.5 Recruitment Process and Annual Assessment of Directors (cont'd)

The NRC reviews and evaluates the performance of individual Director including Independent Directors, Board as a whole and Board Committees on an annual basis with the aim of providing individual contribution effectiveness of the Board and its Committees, identify gaps, maximise strengths and address weaknesses of the Board.

The assessment criteria of the Board, Board Committees and individual Director includes mix of skills and experience and size of the Board, quality of inputs, understanding of their roles, duties and responsibilities and etc.

The assessment of the independence of Independent Directors is in accordance with the criteria as set out in the Main Market Listing Requirements of Bursa Malaysia.

The Board adopted a Fit and Proper Policy on 18 May 2022 to serves as a guide for the NRC and the Board in reviewing and assessing Board candidates as well as Directors seeking re-election.

During the financial year under review, the Board met four times. The details of the attendance of the Board members are as follows:

Directors	No. of meetings attended
1. Ms. Chew Gek Khim PJG (<i>Chairman</i>)	4/4
2. Mr. John Mathew A/L Mathai (Resigned on 22 March 2025)	1/1
3. Mr. Yap Seng Chong	4/4
4. Datuk Kamaruddin Bin Taib	4/4
5. Dato' Roslina Binti Zainal	4/4
6. Datuk Lim Hong Tat	4/4
7. Dato' Dr. (Ir.) Patrick Yong Mian Thong	4/4
8. Dato' Seri Paduka (TPr.) Dr. Maimunah Binti Mohd Sharif (Appointed on 1 January 2026)	N/A

2.6 Board Committees

The Board Committees are as follows:

- (i) Audit & Risk Management Committee ("ARMC");
- (ii) Nominating & Remuneration Committee ("NRC");
- (iii) Environmental, Social & Governance Committee ("ESGC"); and
- (iv) Executive Committee ("EXCO").

Corporate Governance Overview Statement

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 Board Committees (cont'd)

The following are directors who served as members of the committees during the financial year 2025. The attendance of each member of the committees for the meetings held in the financial year 2025 are as detailed below:

(i) ARMC

Directors	No. of meetings attended
1. Mr. Yap Seng Chong (<i>Chairman</i>)	4/4
2. Datuk Kamaruddin Bin Taib	4/4
3. Datuk Lim Hong Tat	4/4

(ii) NRC

Directors	No. of meetings attended
1. Mr. John Mathew A/L Mathai (<i>Chairman</i>) (Resigned on 22 March 2025)	1/1
2. Datuk Lim Hong Tat (<i>Chairman</i>) (Appointed on 22 March 2025)	5/5
3. Dato' Roslina Binti Zainal	6/6
4. Mr. Yap Seng Chong	6/6

(iii) ESGC

Directors	No. of meetings attended
1. Dato' Roslina Binti Zainal (<i>Chairman</i>)	2/2
2. Datuk Kamaruddin Bin Taib	2/2
3. Mr. John Mathew A/L Mathai (Resigned on 22 March 2025)	1/1
4. Datuk Lim Hong Tat (Appointed on 22 March 2025)	1/1

(iv) EXCO

Directors	No. of meetings attended
1. Ms. Chew Gek Khim PJG (<i>Chairman</i>)	7/7
2. Datuk Lim Hong Tat	6/7
3. Dato' Dr. (Ir.) Patrick Yong Mian Thong	7/7

Corporate Governance Overview Statement

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 Board Committees (cont'd)

The Board is satisfied with the time commitment given by the Directors. All directors do not hold more than 5 directorships as required under Paragraph 15.06 of the Main Market Listing Requirements of Bursa Malaysia.

All directors have attended the Mandatory Accreditation Programme as required by the Main Market Listing Requirements of Bursa Malaysia.

During the course of the financial year, they have also attended other training programmes which include conferences, forums, seminars, workshops and briefings, apart from the briefings conducted by the Company Secretary pertaining to updates on the Main Market Listing Requirements of Bursa Malaysia. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affects the Group's financial statements.

Details of the training programmes attended/participated on areas include the following:

Directors	Title of Training/Course Attended	Date
Ms. Chew Gek Khim PJG	1. Panel Discussion cum Networking Event by Korn Ferry	15 Jan 2025
	2. WSQ Boosting Efficiency and Content Strategy and Generative Artificial Intelligence	1 & 2 Mar 2025
	3. Deloitte Breakfast Forum	16 Apr 2025
	4. Gateway Annual Investor Forum	28 Apr 2025
	5. Harvard Business School: Women Executive on Boards APAC Summit	28 Apr 2025
	6. ESG025: Sustainability Reporting – Applying the IFRS Sustainability Disclosure Standards	27 May 2025
	7. SID Directors' Conference	12 Sep 2025
	8. WMI Global Asia Family Office Summit 2025	29 Sep 2025
Mr. Yap Seng Chong	1. MFRS updates by KPMG Malaysia	7 Jan 2025
	2. PwC Global 2024 Year End Audit Committee Webcast	20 Jan 2025
	3. Malaysian Institute of Accountants - Webinar by Deloitte Malaysia - Global Minimum Tax: Latest Developments and Implications for Businesses & Public Sector Sustainability Reporting	13 Feb 2025
	4. EY Global - Greenwashing - Can your Green Claims Stand up to Scrutiny	29 Apr 2025
	5. Amaran SCAM by Malaysian Institute of Accountants	29 Apr 2025
	6. ISSB: Global Workshop on IFRS Sustainability Disclosure Standards S1 and S2	27 May 2025
	7. Mastering Technology and Data Risk in the Age of Generative AI (YTL Corporation Berhad organised - speaker Mr. Ramesh Pillai (Chairman, Board of Governors, Institute of Enterprise Risk Practitioners)	24 Jun 2025
	8. Navigating ESG Risk in the Trump Era: Challenges and Opportunities (YTL Corporation Berhad organised - speaker Mr. Ramesh Pillai (Chairman, Board of Governors, Institute of Enterprise Risk Practitioners)	1 Jul 2025
	9. Spotlight on Plastics in Healthcare - Sunway Medical Centre	31 Jul 2025
	10. EY Global: Navigating Anti-Corruption: Insights on the US Foreign Corrupt Practices Act (FCPA) and the Impact on Asean Businesses	23 Sep 2025
	11. IFRS Foundation-Governance of Sustainability-Related Risks and Opportunities	9 Nov 2025
	12. PwC Global - Internal Audit Insights Webcast: Strengthening Governance in the Second Line: Internal Audit's Role Compliance, Operations and Responsible AI	15 Dec 2025

Corporate Governance Overview Statement

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 Board Committees (cont'd)

Details of the training programmes attended/participated on areas include the following: (cont'd)

Directors	Title of Training/Course Attended	Date
Datuk Kamaruddin Bin Taib	1. Board Leadership Workshop: Board's Role in Digital Transformation: Putting Words into Action	18 Feb 2025
	2. How Global Events Will Affect the Outlook for the Financial Industry in 2025	19 Feb 2025
	3. Trimester 3	4 Mar 2025
	4. HSBC Chair Programme:	11 Mar 2025
	(i) The Chair of the Future	
	(ii) Leading a "Best in Class" Subsidiary Board	
	(iii) Unlocking the Power of Culture	
	(iv) Customers have a Choice	
	5. (i) Sustaining High Performance	12 Mar 2025
	(ii) Building an Effective & Future Focused Board	
	(iii) The Chair's Role in Navigating the Climate Transition	
	(iv) Delivering Transformation in a Dynamic Environment	
	(v) All in on AI: The (Not-so) Secret Weapon for the Future	
	(vi) Navigating the Geopolitical Landscape: How to Thrive When Uncertainty Becomes the Norm	
	(vii) Leading for the Future: Part 1	
	6. Boardroom Simulation Exercise	13 Mar 2025
	7. (i) Business Continuity Management	17 Mar 2025
	(ii) Whistleblowing	
	8. E-Invoice I Service Tax Impact on Independent Directors	15 Apr 2025
	9. Bank Negara Malaysia Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024	21 Apr 2025
	10. Climate Risk Stress Testing	28 May 2025
	11. e-Invoicing	5 Jun 2025
	12. Board Culture & Leadership Report	5 Jun 2025
	13. Recovery Plan WalkThrough	9 Jun 2025
	14. e-Invoicing & Service Tax for Non-Executive Directors	9 Jun 2025
15. ESG Workshop	16 Jun 2025	
16. Update on PDPA Law	16 Jun 2025	
17. Sasana Symposium: Structural Reform - Building a Resilient Malaysia	17 & 18 Jun 2025	
18. AI's Next Wave	20 Jun 2025	
19. National AI Advisory Working Group	4 Jul 2025	
20. Navigating Digital Disruption: How can Boards in Financial Institutions Enhance Strategic Digital	17 Jul 2025	
21. S&P Global's Strategic Insights from Domestic Credit Rating Agencies (CRAs) Globally	28 Jul 2025	
22. Crisis Simulation Masterclass: Decision-Making in Crisis	29 Jul 2025	
23. AI Model Validation and Responsible AI	4 Aug 2025	
24. Agentic AI: Driving Efficiency and Innovation in Financial Services	4 Aug 2025	
25. (i) Code of Conduct	11 Aug 2025	
(ii) Bribery Prevention		

Corporate Governance Overview Statement

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 Board Committees (cont'd)

Details of the training programmes attended/participated on areas include the following: (cont'd)

Directors	Title of Training/Course Attended	Date
Datuk Kamaruddin Bin Taib (cont'd)	26. (i) 21st Century Operations (OPS21) Resilience, Industry 4.0 & Circularity	13 Aug 2025
	(ii) Geopolitics, Uncertainty & The International Economy	
	(iii) ASB Biz Titans Roundtable with Nobel Laureate Professor Robert C. Merton of MIT	
	27. Fraud Prevention	23 Aug 2025
	28. National Resolution Symposium	27 Aug 2025
	29. National Resolution Symposium	28 Aug 2025
	30. ESG Governance & Structure for Sustainability	30 Sep 2025
	31. RAM Forum: Building Resilience & Future Proofing Amid Shifting Sands	3 Oct 2025
	32. Economic Indicators and Monetary Policy: A Guide for Business Leaders	6 Oct 2025
	33. Navigating Shareholder Expectations: Remuneration Sentiment Insights in Malaysian Financial Institutions	24 Oct 2025
	34. AI Innovation Lab	5 Nov 2025
	35. Lecture by Prof Joseph Stiglitz	21 Nov 2025
	36. AI Adoption & Study	28 Nov 2025
	37. AI Is Reshaping Leadership: Get AI-Ready Before 2026	2 Dec 2025
38. Accenture AI Innovation Lab: AI, Argentic AI & Quantum	5 Dec 2025	
Dato' Roslina Binti Zainal	1. Towards a Future-proof MESI Market: Workshop with Market Participants	25 Feb 2025
	2. Integrated Grid Planning: A Strategic Approach to Building Resilient and Sustainable Utility Systems	12 Jun 2025
	3. International Women in Engineering Day Forum, Kuala Lumpur	25 Jun 2025
	4. Decarbonising Grids: The 6Ds and Renewable Energy Certificates	24 Jul 2025
	5. Tan Sri Leo Moggie 5th Lecture Series	18 Sep 2025
	6. Khazanah Megatrends 2025	6 & 7 Oct 2025
Datuk Lim Hong Tat	1. Maybank Indonesia: In House Cyber Risk & Security Awareness Sessions	8 Jan 2025
	2. A Sneaking Suspicion/Introduction to Security	21 Jan 2025
	3. Behind Closed Doors/Security Essentials: Protecting Accounts, Devices and Systems/Spot the Difference: Cybersecurity on the Web	10 Mar 2025
	4. Incident Reporting/Web Browsing: Identifying Threats (Advanced)/ Gladys Richwoman	19 May 2025
	5. Training Refreshment Risk Management Certificate 6	25 Jun 2025
	6. Annual Board Risk Workshop 2025	31 Jul 2025
	7. Cyber Security Assignment	30 Sep 2025
	8. Contemporary Issues in Anti Money Laundering & Anti - Terrorism Financing	7 Oct 2025
	9. Corporate Governance Excellence: Navigating Governance in Groups & Annual Cybersecurity Awareness	8 Dec 2025
Dato' Dr. (Ir.) Patrick Yong Mian Thong	1. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	7 - 8 May 2025

Corporate Governance Overview Statement

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. REMUNERATION

3.1 Remuneration Policy

The determination of remuneration of Non-Executive Directors is a matter for the Board, as a whole to decide with individual directors abstaining from the discussion of his/her own remuneration.

In line with the Directors' Remuneration Policy, the Board in deciding, the appropriate level of fees of each Non-Executive Director, also takes into consideration the experience, the level of responsibilities undertaken, time commitment required in attending both the scheduled and special Board meetings, deliberation time required for board papers as well as the number of memberships assumed on Board Committees.

In deciding the remuneration for key management, the Board takes into consideration the skills, qualification, roles and working experience of the key management besides the business performance of the Company.

3.2 Details of Directors' Remuneration

Pursuant to the Main Market Listing Requirements of Bursa Malaysia, the details of the remuneration received and receivable by the Directors of the Company, on a named basis, at Group and Company level, during the financial year ended 31 December 2025 are disclosed as follows:

Directors	Fees (RM'000)	Salaries (RM'000)	Allowance (RM'000)	Benefits in kind (RM'000)	Other emoluments (RM'000)	Total (RM'000)
Non-Executive Directors						
Ms. Chew Gek Khim PJG	121.5	-	24.0	-	-	145.5
Mr. Yap Seng Chong	123.5	-	30.0	-	-	153.5
Datuk Kamaruddin Bin Taib	100.0	-	22.0	-	-	122.0
Dato' Roslina Binti Zainal	94.0	-	26.0	-	-	120.0
Datuk Lim Hong Tat	135.0	-	42.0	-	-	177.0
Mr. John Mathew A/L Mathai (Resigned on 22 March 2025)	24.7	-	6.0	-	-	30.7
Total	598.8	-	150.0	-	-	748.8
Executive Director						
Dato' Dr. (Ir.) Patrick Yong Mian Thong	-	1,104.0	-	35.3	1,369.0	2,508.3
Total	-	1,104.0	-	35.3	1,369.0	2,508.3

Corporate Governance Overview Statement

◆ PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. REMUNERATION (CONT'D)

3.3 Remuneration of Top Three Key Management

The Board is of the view that disclosing the top three key management's remuneration on a named basis according to salaries, bonuses, benefits-in-kind and other emoluments would be disadvantageous to the Company due to the confidentiality and sensitivity of each remuneration package which is structured competitively to attract, motivate and retain talents.

Accordingly, the remuneration of the top three Key Management of the Company in bands of RM50,000 is as follows:

Range of Remuneration (RM)	No. of Key Management
850,001 - 900,000	2
800,001 - 850,000	-
750,001 - 800,000	1
Total	3

◆ PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT & RISK MANAGEMENT COMMITTEE

In assisting the Board to discharge its duties on financial reporting, the Board established an Audit Committee which was subsequently renamed as the Audit & Risk Management Committee on 7 November 2018. The ARMC is chaired by the independent director.

On the composition and terms of reference of the ARMC, please refer to the Audit & Risk Management Committee Report on pages 94 to 96 for further information.

2. ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Board, via the ARMC, has annually assessed the suitability and independence of the External Auditors.

It is also a requirement for our External Auditors, Ernst & Young PLT to rotate the audit engagement partner as well as its other key audit partners from their audit of MSC and its subsidiaries once in every 7 years as set out in the Malaysian Institute of Accountants' By-Laws (on Professional Ethics, Conduct and Practice).

In this regard, the ARMC has assessed the suitability and independence of Ernst & Young PLT as External Auditors of the Company for the financial year ended 31 December 2025.

Having satisfied itself with their technical competency, audit independence and fulfilment of criteria as set out in its terms of reference, the ARMC has recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming AGM.

3. RISK MANAGEMENT AND INTERNAL CONTROLS

Recognising the importance of risk management and internal controls, the Board has, in past years, formalised a structured risk management and internal control framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an ongoing basis. The key features of the risk management framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

Corporate Governance Overview Statement

◆ **PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**

3. RISK MANAGEMENT AND INTERNAL CONTROLS (CONT'D)

The ARMC assists the Board in reviewing the adequacy and operating effectiveness of the system of risk management and internal control in the Group besides overseeing financial reporting.

The Company has also appointed Crowe Governance Sdn. Bhd. as the service provider for Enterprise Risk Management Update and Internal Control Review for the Group for financial year 2025.

In line with the MCCG and the Main Market Listing Requirements of Bursa Malaysia, the Board has an independent Internal Audit function which is led by Mr. Lau Ee Chin, the Head of Group Internal Audit who reports directly to the ARMC. Mr. Lau is a fellow member of the Association of Chartered Certified Accountants (ACCA), and member of the Malaysia Institute of Accountants (MIA) with 17 years in MSC as Senior Finance Manager. During the financial year under review, apart from himself, he is supported by two (2) staffs in the in-house Internal Audit Division and an external team of professional internal auditors on a co-sourced basis. The Internal Auditor does not have any conflict of interests with the Company.

Details of the Company's internal control system and its framework including the scope of work during the financial year under review are provided in the Statement on Risk Management and Internal Control of the Group on pages 97 to 100 of this Annual Report.

◆ **PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

1. COMMUNICATION AND ENGAGEMENT WITH STAKEHOLDERS

The Company recognises the importance of being transparent and accountable to its investors and, as such, has maintained an active and continuous communication between the Company and its stakeholders that enables the Board and Management to communicate effectively with investors, financial community and the public generally. The various channels of communications are through the quarterly announcements on financial results and media release in relation thereto to Bursa Malaysia and the Singapore Exchange Securities Trading Limited ("SGX"), relevant announcements and circulars, when necessary, AGM and through the Group's website at www.msmelt.com where shareholders can access corporate information, annual reports, press releases, financial information, company announcements, share price performance and corporate social responsibility reporting.

2. CONDUCT OF GENERAL MEETINGS

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's annual report and pose questions to the Board for clarification. At the AGM, the shareholders participate in deliberating on resolutions being proposed or on the Group's operations in general. During the last AGM, a question & answer session was held in the presence of directors, where the Chairman invited shareholders to raise questions with responses from the Board.

The Company dispatches its notice of AGM to shareholders at least 28 days before the date of the meeting to enable shareholders to go through the annual report and papers supporting the resolutions proposed.

Shareholders are invited to ask questions regarding the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general.

The minutes of 46th AGM was made available to shareholders on the Company's website.

This Statement is made in accordance with the resolution of the Board of Directors dated 15 April 2026.

Additional Compliance Information

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia.

Audit Fees and Non-Audit Fees

The audit fees paid/payable to the external auditors, Ernst & Young PLT in relation to the audit and non-audit services rendered to the Company and its subsidiaries for the financial year ended 31 December 2025 are as follows:

	The Group (RM'000)	The Company (RM'000)
Audit Fees	1,108	547
Non-Audit Fees	15	15

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors, Chief Executive and Major Shareholders' interest during the financial year ended 31 December 2025.

Recurrent Related Party Transactions of Revenue or Trading Nature

During the financial year, the Company and its subsidiaries had not entered into any recurrent related party transactions, which are of revenue or trading nature, which requires shareholders' mandate.

Audit and Risk Management Committee Report

The Audit Committee was established on 30 August 1994 with the principal objective to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls and financial reporting practices of the Group. Subsequently, the Audit Committee was renamed as Audit & Risk Management Committee on 7 November 2018.

In carrying out its duties and responsibilities, the Audit & Risk Management Committee (“ARMC” or the “Committee”) is guided by its Terms of Reference (“TOR”), which are accessible on the Company’s website at www.msmelt.com.

Composition and Meetings of the Audit & Risk Management Committee

The ARMC of the Company currently comprises solely three (3) Independent Non-Executive Directors. There were four (4) meetings held during the financial year under review, and the attendance records of each member of the Committee are as follows:

Members	No. of meetings attended
Mr. Yap Seng Chong <i>Chairman, Independent Non-Executive Director</i>	4/4
Datuk Kamaruddin Bin Taib <i>Member, Independent Non-Executive Director</i>	4/4
Datuk Lim Hong Tat <i>Member, Independent Non-Executive Director</i>	4/4

The meetings were well-structured, supported by agendas and meeting papers that provided sufficient information and were distributed to the Committee members in writing with proper notice.

The Company Secretary, as the secretary of the Committee, was present at all meetings. Representatives of the External Auditors, Ernst & Young PLT, the Internal Auditors, as well as the Group Chief Executive Officer (“Group CEO”), Group Chief Financial Officer (“Group CFO”) and other Key Management also attended the meetings, where appropriate, at the invitation of the Committee.

At each Board meeting, the Chairman of the Committee briefs the Board pertaining to significant matters discussed at the meetings of the Committee and the minutes of Committee meeting were circulated to the Board for their notation.

Training and Continuous Engagement

Members of the Committee have participated in relevant training programmes and seminars to strengthen their competencies and enhance their effectiveness in carrying out their functions and responsibilities. Details of training attended by each member are set out on pages 87 to 89 of this Annual Report.

During the financial year, the Chairman of the Committee continuously engaged with Key Management and both External and Internal Auditors by way of telephone conversations, virtual and in-person meetings, in order to be kept informed of matters affecting the Group. Through such engagements, relevant issues were brought to the attention of the Committee in a timely manner.

Audit and Risk Management Committee Report

Summary of Activities during the Financial Year under Review

The Committee carried out its duties in accordance with its terms of reference during the financial year under review. The main activities undertaken by the Committee were as follows:

A) External Audit

1. Reviewed with the External Auditors:
 - a) Audit plan for the financial year to ensure adequate coverage of the activities of the Group and of the Company prior to commencement of audit fieldwork;
 - b) The results of the audit, the External Auditors' report, and management letter points together with the responses from Management; and
 - c) The Directors' Report and the audited financial statements of the Group and of the Company prior to submission to the Board for consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016. The Committee also met with the External Auditors at least once during the financial year, without the presence of Management, to discuss problems and reservations if any, arising from the audit and other matters which the External Auditors wished to discuss with the Committee;
2. Reviewed the independence, suitability, objectivity and effectiveness of the External Auditors and the services provided, including non-audit services. The Committee has obtained written assurance from the External Auditors that they remained independent throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements. Non-audit fees totalling RM15,000.00 were paid to the External Auditors during the financial year for the provision of services in respect of the Group's Statement on Risk Management and Internal Control; and
3. Considered and recommended to the Board on the re-appointment of the External Auditors and the audit fees payable to the External Auditors for the Board's submission to shareholders for approval at the Annual General Meeting.

B) Internal Audit Function (both in-house and outsourced)

The Committee is supported by both an in-house internal audit team and the outsourced internal auditors, Crowe Governance Sdn. Bhd., in the discharge of its duties and responsibilities. The Committee is tasked to review the performance and competency of the Group Internal Audit function.

The Internal Audit function provides assurance on the adequacy and integrity of the risk management, internal control and governance processes.

The Internal Auditors, who report directly to the Committee, are responsible for the regular review and appraisal of the effectiveness of the risk management, internal control and governance processes of the Group and of the Company.

Audit and Risk Management Committee Report

B) Internal Audit Function (both in-house and outsourced) (cont'd)

A summary of the work undertaken by the Internal Audit function during the financial year is as follows:

1. Prepared the annual risk-based internal audit plan for the Committee's approval;
2. Carried out internal audits on significant operational and financial processes for all key operating units of the Group and of the Company to determine adequacy and effectiveness of internal controls and to assess compliance with established policies and procedures;
3. Internal audit reports were issued to the Committee on the state of internal control within the Group's key operating units, covering the extent of compliance with established policies, procedures, regulatory requirements and management action plans to mitigate identified risks. Copies of these reports were extended to Management, highlighting deficiencies together with corresponding improvement opportunities. The Internal Auditors attended all Committee meetings and presented reports on areas of audit concern for the Committee's deliberation;
4. Monitored remedial actions undertaken by Management in response to recommendations by Internal Auditors to address internal control deficiencies/improvement opportunities identified with; and
5. Reviewed the adequacy and effectiveness of the Group's governance, risk management processes, and internal control system through risk assessment reports provided by Crowe Governance Sdn. Bhd. and the internal audit function. It also examined risk assessment updates for significant operating subsidiaries within the Group and evaluated the appropriateness of mitigation action plans addressing principal risks. Key risks were subsequently summarised and communicated to the Board for consideration and resolution.

The total cost incurred for the Internal Audit function for the financial year ended 31 December 2025 was RM1,066,000.00.

Further details of the activities of the Internal Audit function are set out in the Statement on Risk Management and Internal Control on pages 97 to 100 of this Annual Report.

C) Financial Reporting

In addition to the review of annual audited financial statements as highlighted in Section A above, the Committee also undertook the following activities during the financial year under the review:

1. Reviewed the quarterly financial results against budget and the results of the preceding year;
2. Reviewed the quarterly unaudited financial results announcements prior to recommending them to the Board for consideration and approval for release to Bursa Malaysia and SGX. The review and discussions were conducted with the Group CEO, Group CFO and other Key Management;
3. Reviewed and monitored any significant legal matters affecting the Group's financial reporting; and
4. Reviewed transactions with related parties (both within and outside the Group) and conflict of interest ('COI') situations, if any. There have been no actual or perceived COI situations identified during the year under review.

This Report is made in accordance with the resolution of the Board of Directors dated 15 April 2026.

Statement on Risk Management and Internal Control

Introduction

Paragraph 15.26(b) of the Bursa Malaysia's Main Market Listing Requirements requires the board of directors of listed issuers to include in its annual report a "statement about the state of risk management and internal control of the listed issuer as a group". The Board of the Company is committed to maintaining an effective system of risk management and internal control in Malaysia Smelting Corporation Berhad ("MSC") and its subsidiaries (collectively referred to as the "Group") and is pleased to provide the following Statement on Risk Management and Internal Control (this "Statement"), which outlines the nature and scope of the risk management and internal control system of the Group during the financial year ended 31 December 2025.

For the purpose of disclosure, the Board has taken into consideration the enumerations encapsulated in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" (the "Guidelines"), a publication endorsed by Bursa Malaysia pursuant to Paragraph 15.26(b) of the Bursa Malaysia's Main Market Listing Requirements.

Board's Responsibility

The Board acknowledges its responsibility for maintaining as well as reviewing the adequacy and integrity of the risk management and internal control system to safeguard its shareholders' investment and other stakeholders' interests. The system of internal control covers not only financial controls but also non-financial controls such as operational and compliance controls and risk management procedures.

In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage risks within tolerable and knowledgeable limits, rather than to eliminate, the risk of failure to achieve the Group's business and corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance, against material misstatement or loss.

In evaluating the adequacy of the Group's system of risk management and internal control, the Board is assisted by the Audit & Risk Management Committee which comprises solely of three (3) Independent Directors. Notwithstanding the delegated responsibilities, the Board acknowledges its overall responsibility in the establishment and oversight of the Group's risk management and internal control system.

The Board affirms that there is an on-going process for identifying, assessing, managing, monitoring and reporting significant risks faced by the Group. The Board, through its Audit & Risk Management Committee, regularly reviews the results of this process, including mitigation measures taken by Management, to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

Risk Management

The Board is guided by Practices 9.1 and 9.2 of the Malaysian Code on Corporate Governance ("MCCG") which calls for the establishment of an effective risk management and internal control framework and the disclosure thereof. Management is responsible for identifying, assessing, monitoring and reporting of risks and internal control as well as providing assurance to the Board that it has done so in accordance with the policies and procedures set by the Board. Further assurance is provided by the Internal Auditors, which operates across the Group.

The Board believes that maintaining an effective risk management and internal control system is premised on the following key elements of the Group's risk management framework:-

- A risk management structure which outlines the lines of reporting and establishes the responsibilities at different levels, i.e. the Board, Audit & Risk Management Committee and Management, as follows:
 - > Board and Audit & Risk Management Committee – ensure that there is a sound framework for internal controls and risk management;
 - > Management and key staff for all the businesses/divisions – to review the risk profiles and performance of business units and report to the Group Chief Executive Officer ("GCEO").

Statement on Risk Management and Internal Control

Risk Management (cont'd)

- Identification of principal risks (present and potential) faced by business units in the Group and Management's plans to mitigate or manage these risks was carried out. For the financial year under review, risk assessments and updates were undertaken by the Management and key staff for all the businesses/divisions. The results of these assessments and management action plans to manage critical risks were reported to the GCEO for his further review. The Audit & Risk Management Committee, with assistance from the Internal Auditors and external consultants, then reviewed the Group Risk Profile which was compiled from the review of the individual risk profiles and risk registers. For each principal risk, the assessment process considers the potential likelihood of occurrence and magnitude, effectiveness of controls in place (if any), and action plans taken to manage those risks to the desired level. The risk responses and internal controls that Management have taken and/or are taking are discussed at Audit & Risk Management Committee meetings.
- Risk appetite and parameters (qualitative and quantitative) for the Group and individual business units have been articulated so as to gauge the acceptability of risk exposures;
- Risk Management Policy and Guidelines Document was reviewed and updated to ensure its relevance across the Group. The document offers practical guidance to employees on risk management issues; and
- Preparation of action plans to address risk and control issues on an ongoing basis. The action plans include the utilisation of internal audit procedures, as discussed in further detail below.

Whilst the Board considers the risk management framework to be robust, the framework is still subject to periodic testing and continuous improvement, taking into consideration better practices and the changing business environment.

Internal Audit Function

The Group has in place an independent in-house Internal Audit team. During the financial year, the Board appointed an independent professional services firm, Crowe Governance Sdn. Bhd., to support the in-house Internal Audit team (collectively referred to as the "Internal Auditors"). The Internal Auditors reports directly and provides assurance to the Audit & Risk Management Committee on the adequacy and effectiveness of risk management, internal control and governance systems. In carrying out its activities, the Internal Auditors has unrestricted access to the relevant records, personnel and physical properties.

The Internal Auditors independently reviews the risk identification, assessment and control processes implemented by Management, and reports to Audit & Risk Management Committee on a quarterly basis the outcome thereof. The Internal Auditors also reviews the internal control system within the Group based on a risk-based annual internal audit plan approved by the Audit & Risk Management Committee. Its audit strategy and plan are based on the risk profiles of major business units of the Group. The Audit & Risk Management Committee evaluates the Internal Auditors to assess its effectiveness in discharging its responsibilities.

Further details of the work undertaken by the Internal Auditors are set out in the Audit & Risk Management Committee Report on pages 94 to 96 of this Annual Report as well as the Corporate Governance Overview Statement of MSC which is made available via an announcement on the website of Bursa Malaysia.

Statement on Risk Management and Internal Control

Internal Control

The key elements of the Group's internal control system are described below:

(a) Code of Ethics and Whistleblowing Policy and Procedures

- The Board is responsible for setting the ethical tone of the Group and engendering a healthy corporate culture. A Code of Ethics has been put in place to set out the standards of ethics and conduct expected from its Directors and employees to enhance the standards of corporate governance and corporate behaviour. The Code of Ethics covers all aspects of the Group's business which include, amongst others, confidentiality of information, dealings in securities, conflict of interest, gifts, bribes and dishonest conducts.
- The Board has formalised a set of Whistleblowing Policy and Procedures to provide avenues for stakeholders of the Group to raise legitimate concerns relating to potential breaches of legislation malpractices in an objective manner without fear of reprisal.

(b) Lines of Responsibility and Delegation of Authority

- A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability; and
- The establishment of limits of authority through Expenditure Controls and Delegation of Authority Limits Policy for both the Company and its subsidiaries. In designing and implementing these limits of authority structures and systems, the Group is guided by the principle that no one individual should have unfettered powers.

(c) Written Policies and Procedures

- The establishment of policies and procedures on health and safety, training and development, equal employment opportunities, human resource management, staff performance and handling misconducts; and
- The establishment of operational and financial policies and procedures for major subsidiaries, covering core processes like tin smelting, tin trading activities, mining, fixed asset management, purchasing, payment, health, safety, environment, inventory management and payroll.

(d) Planning, Monitoring and Reporting

- The GCEO reports to the Board on significant changes in the business and the external environment;
- The Group Chief Financial Officer ("GCFO") provides the Board with quarterly financial reports, which includes key financial indicators;
- Management information, which includes the monthly management reports covering both key financial and operational information, is provided to key Management for monitoring of performance against the business plan;
- Management meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key management issues; and
- The Audit & Risk Management Committee reviews the Group's quarterly financial performance, together with Management, which is subsequently reported to the Board.

Statement on Risk Management and Internal Control

Internal Control (cont'd)

(e) Insurance

- Insurance and physical safeguards over major assets are in place to ensure that the assets of the Group are covered against any mishaps that may result in material losses to the Group. The insurance coverage is reviewed at regular intervals to ensure its adequacy vis-à-vis the Group's risk appetite.

These key elements are relevant across Group operations and provide continuous assurance to increasingly higher levels of Management and, ultimately, to the Board. The processes are reviewed by the Internal Auditors, which evaluate the adequacy and effectiveness of the system of internal controls. Planned corrective actions are independently monitored for timely completion.

Commentary on the Adequacy and Effectiveness of the Group's Risk Management and Internal Control Systems

The Board has received assurance in writing from the GCEO and the GCFO that the Group's risk management and internal control system has been operating adequately and effectively, in all material respects, during the financial year under review and up to the date of this Statement. Based on this assurance, the input from external and internal auditors, as well as the Board's review, the Board is of the view that the risk management and internal control system is adequate to meet the needs of the Group in addressing financial, operational and compliance risks and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. Notwithstanding this, the Board and Key Senior Management remain committed to strengthening the Group's control environment and processes. Ongoing measures and appropriate action plans will be put in place to enhance the Group's system of internal control as and when necessary.

Pursuant to Paragraph 15.23 of the Bursa Malaysia's Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 December 2025 and reported to the Board that nothing has come to their attention which caused them to believe that the Statement intended to be included in the Annual Report of the Company was not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Guidelines, nor was it factually inaccurate. The review of this Statement by external auditors was performed in accordance with the scope set out in Audit and Assurance Practice Guides 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants.

This Statement is made in accordance with the resolution of the Board of Directors dated 15 April 2026.

Statement of Responsibility by Directors

In Respect of the Preparation of the Annual Financial Statements

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the requirements of the applicable MFRS Accounting Standards, IFRS Accounting Standards, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for the preparation of the annual financial statements of the Group and of the Company that give true and fair view of the financial position of the Group and the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year ended 31 December 2025.

In preparing the annual financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Made an assessment of the Group's and of the Company's ability to continue as a going concern.

The Directors also have a general responsibility to take reasonable steps to safeguard the assets of the Group and of the Company, to prevent and detect fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board of Directors dated 15 April 2026.

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 2025.

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	<u>96,362</u>	<u>64,443</u>
Profit attributable to:		
Owners of the Company	81,974	64,443
Non-controlling interests	<u>14,388</u>	<u>-</u>
	<u>96,362</u>	<u>64,443</u>

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, other than as disclosed in the financial statements.

Dividends

The amounts of dividends paid by the Company since 31 December 2024 were as follows:

	RM'000
In respect of the financial year ended 31 December 2024:	
A final single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, paid on 26 June 2025	29,400
In respect of the financial year ended 31 December 2025:	
An interim single-tier dividend of RM0.04 per share on 840,000,000 ordinary shares, paid on 9 September 2025	<u>33,600</u>
	<u>63,000</u>

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 RM0.04 per share amounting to RM33,600,000 for the financial year ended 31 December 2025.

Dividends (cont'd)

The financial statements for the financial year ended 31 December 2025 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 2026.

Share capital

During the financial year, the number of ordinary shares of the Company was increased from 420,000,000 shares to 840,000,000 shares by way of bonus issue of new ordinary shares on the basis of 1 bonus share for every 1 existing MSC share ("Bonus Issue").

These new ordinary shares are issued as fully paid, at no consideration and without capitalisation from the Company's reserves and are ranked pari passu in all respects with the existing ordinary shares of the Company.

Directors

The names 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. Yap Seng Chong	
Datuk Kamaruddin Bin Taib	
Dato' Dr. (Ir.) Yong Mian Thong	
Dato' Roslina Binti Zainal	
Datuk Lim Hong Tat	
Dato' Seri Paduka (TPr.) Dr. Maimunah Binti Mohd Sharif	(Appointed on 1 January 2026)
Mr. John Mathew A/L Mathai	(Resigned on 22 March 2025)

In accordance with Clause 102 of the Constitution of the Company, Ms. Chew Gek Khim and Datuk Kamaruddin Bin Taib retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

In accordance with Clause 109 of the Constitution of the Company, Dato' Seri Paduka (TPr.) Dr. Maimunah Binti Mohd Sharif retires at the forthcoming Annual General Meeting and being eligible offers herself for re-election.

Directors' Report

Directors (cont'd)

The names 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
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
Mr. Lam Hoi Khong
Mr. John Mathew A/L Mathai

(Resigned on 22 March 2025)

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 and Company RM'000
Fees	749
Salary, bonus and allowance	2,473
Benefits-in-kind	35
	<u>3,257</u>

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. The annual premium paid for this policy was RM130,000.

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 2025	Bought	Sold	31 December 2025
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	785,122	45,513	-	830,635

	← Number of ordinary shares →					
	← Before Bonus Issue →			← After Bonus Issue →		
	1 January 2025	Bought	*Bonus Shares	Bought	Sold	31 December 2025
The Company						
Direct interest						
Ms. Chew Gek Khim	1,696,500	-	1,696,500	-	-	3,393,000
Dato' Dr. (Ir.) Yong Mian Thong	506,500	20,000	526,500	-	-	1,053,000

* The Bonus Shares were issued on 15 July 2025.

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 allowance for doubtful debts and have satisfied themselves that there were no known bad debts and that adequate allowance 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 allowance 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.

Subsequent event

Details of the subsequent event are disclosed in Note 40 to the financial statements.

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	1,108	547
- Other services	15	15
	<u>1,123</u>	<u>562</u>

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 for the financial year ended 31 December 2025.

Signed on behalf of the board in accordance with a resolution of the directors dated 15 April 2026.

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 117 to 218 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting 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 2025 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 2026.

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 117 to 218 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 KELANG SELANGOR
on 15 April 2026

Lam Hoi Khong
(CA 18848)

Before me,

KHAIRIL ANUAR BIN MOHD NOR (B 894)
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 2025 of the Group and of the Company, and statements of profit or loss and other 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 117 to 218.

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 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting 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"), as applicable to audits of financial statements of public interest entities 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 and Note 3.2(a) to the financial statements, the Group and the Company recorded tin inventories amounting to RM658.5 million and RM678.9 million respectively (2024: RM595.3 million and RM610.8 million) as at 31 December 2025, representing 65% and 73% (2024: 68% and 78%) 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 purchase contracts with different terms and conditions, and voluminous quantity, we identified the timing of recognition and existence of tin-in-concentrates to be an area of focus. Valuation of tin-in-concentrates, tin-in-process and refined tin metal is also an area of focus due to the magnitude of the balances and the significant estimations required in valuing these inventories.

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 Group's and 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)

*Key audit matters (cont'd)**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 inventory 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 inventory 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 inventory count date to the reporting date, which consists of documents which evidenced the receipt of tin-in-concentrates from suppliers and documents that 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)

Key audit matters (cont'd)

Provision for mine restoration costs

As disclosed in Note 30(a) and Note 3.2(b) to the financial statements, the Group recorded a provision for mine restoration costs of RM67.4 million (2024: RM58.3 million) as at 31 December 2025 in respect of the mine restoration obligations of its subsidiary, Rahman Hydraulic Tin Sdn. Bhd.. The Group has obtained approval from the relevant authorities on the original mine restoration plan submitted. The current revised plan of the Group has been updated to include the enlarged mining area. The Group recognises a provision for these costs at each reporting date based on the estimated costs required to fulfil this obligation.

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 engagement with the relevant authorities. This assessment requires significant estimation by management. Accordingly, we have identified this as 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 internal consultant and the external mine restoration consultant engaged by the Group.
- (b) We obtained an understanding of the methodology adopted by the internal and external consultants in formulating the restoration plan.
- (c) We also evaluated the significant cost components through enquiries with both internal and external consultants 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 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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is 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 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 MFRS Accounting Standards, IFRS Accounting 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)

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: (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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, actions taken to eliminate threats or safeguards applied.

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

Elina Chan Su Yin
No. 03508/07/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
15 April 2026

Statements of Profit or Loss

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	4	1,758,969	1,691,774	1,758,969	1,691,774
Other items of income					
Dividend income	5	2,636	3,364	43,013	43,685
Interest income	6	4,792	6,679	5,327	6,946
Other income	7	12,587	10,565	14,830	13,435
Expenses					
Costs of tin mining and smelting		(1,514,224)	(1,448,078)	(1,681,688)	(1,601,501)
Depreciation expenses	9	(13,810)	(12,603)	(6,718)	(5,993)
Amortisation expenses	9	(955)	(1,046)	(3)	(3)
Employee benefits expense	10	(77,226)	(82,133)	(38,376)	(44,815)
Finance costs	11	(20,841)	(19,243)	(18,583)	(16,948)
Other expenses	12	(15,047)	(17,043)	(9,791)	(13,318)
Total expenses		<u>(1,642,103)</u>	<u>(1,580,146)</u>	<u>(1,755,159)</u>	<u>(1,682,578)</u>
Share of results of associate		<u>1,449</u>	<u>(233)</u>	<u>-</u>	<u>-</u>
Profit before tax	8	138,330	132,003	66,980	73,262
Income tax expense	13	<u>(41,968)</u>	<u>(38,469)</u>	<u>(2,537)</u>	<u>(8,738)</u>
Profit net of tax		<u>96,362</u>	<u>93,534</u>	<u>64,443</u>	<u>64,524</u>
Attributable to:					
Owners of the Company		81,974	79,423	64,443	64,524
Non-controlling interests		<u>14,388</u>	<u>14,111</u>	<u>-</u>	<u>-</u>
		<u>96,362</u>	<u>93,534</u>	<u>64,443</u>	<u>64,524</u>
Earnings per share attributable to owners of the Company (sen per share):					
- Basic and diluted	14	<u>9.8</u>	<u>9.5</u>		

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 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit net of tax	<u>96,362</u>	<u>93,534</u>	<u>64,443</u>	<u>64,524</u>
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Revaluation reserves on properties, net	1,439	2,912	545	386
Net fair value changes in quoted investments at Fair Value through Other Comprehensive Income ("FVOCI")	<u>1,600</u>	<u>2,883</u>	<u>1,600</u>	<u>2,883</u>
	<u>3,039</u>	<u>5,795</u>	<u>2,145</u>	<u>3,269</u>
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	12	5	-	-
Share of foreign currency translation of associate	<u>55</u>	<u>22</u>	<u>-</u>	<u>-</u>
	<u>67</u>	<u>27</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of tax	<u>3,106</u>	<u>5,822</u>	<u>2,145</u>	<u>3,269</u>
Total comprehensive income for the year	<u>99,468</u>	<u>99,356</u>	<u>66,588</u>	<u>67,793</u>
Total comprehensive income attributable to:				
Owners of the Company	85,056	85,214	66,588	67,793
Non-controlling interests	<u>14,412</u>	<u>14,142</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>99,468</u>	<u>99,356</u>	<u>66,588</u>	<u>67,793</u>

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

Statements of Financial Position

as at 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Non-current assets					
Property, plant and equipment	16	197,250	183,246	67,198	73,663
Right-of-use assets	17(a)	-	4,175	-	263
Land held for development		78,654	78,654	-	-
Intangible assets	18	142,159	142,291	131	134
Investments in subsidiaries	19	-	-	148,781	148,781
Investments in associate and joint venture	20	31,937	30,517	10,473	10,473
Investment securities	21	28,581	26,981	28,581	26,981
Mining assets	22	13,486	13,191	-	-
Other receivables	26	5,782	-	76,242	75,105
Deferred tax assets	23	5,003	4,125	-	334
		<u>502,852</u>	<u>483,180</u>	<u>331,406</u>	<u>335,734</u>
Current assets					
Inventories	24	678,601	615,844	692,826	625,825
Trade receivables	25	10,164	8,137	10,164	8,137
Other receivables	26	62,270	23,750	116,824	39,673
Trade prepayments	27	6,771	3,015	6,771	3,015
Other prepayments		9,283	3,238	7,747	1,594
Tax recoverable		6,622	14,789	6,618	3,483
Derivative financial instruments		-	37	-	37
Cash, bank balances and deposits	28	<u>226,125</u>	<u>211,848</u>	<u>84,781</u>	<u>99,055</u>
		999,836	880,658	925,731	780,819
Non-current assets classified as held for sale	29	<u>8,355</u>	<u>-</u>	<u>8,355</u>	<u>-</u>
		1,008,191	880,658	934,086	780,819
Total assets		<u>1,511,043</u>	<u>1,363,838</u>	<u>1,265,492</u>	<u>1,116,553</u>

Statements of Financial Position

as at 31 December 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Equity and liabilities					
Current liabilities					
Provisions	30	6,134	16,529	4,166	15,590
Borrowings	31	365,888	343,236	365,888	343,236
Trade and other payables	32	233,674	124,579	329,279	184,086
Lease liabilities	17(b)	192	273	79	165
Current tax payable		6,315	4,385	-	-
		<u>612,203</u>	<u>489,002</u>	<u>699,412</u>	<u>543,077</u>
Net current assets		<u>395,988</u>	<u>391,656</u>	<u>234,674</u>	<u>237,742</u>
Non-current liabilities					
Provisions	30	67,478	59,303	-	-
Deferred tax liabilities	23	11,167	8,212	2,443	-
Borrowings	31	14,445	27,778	14,445	27,778
Lease liabilities	17(b)	3,815	4,003	-	94
		<u>96,905</u>	<u>99,296</u>	<u>16,888</u>	<u>27,872</u>
Total liabilities		<u>709,108</u>	<u>588,298</u>	<u>716,300</u>	<u>570,949</u>
Net assets		<u>801,935</u>	<u>775,540</u>	<u>549,192</u>	<u>545,604</u>
Equity attributable to owners of the Company					
Share capital	33	237,194	237,194	237,194	237,194
Other reserves	34	45,408	42,326	23,478	21,333
Retained earnings		448,598	429,624	288,520	287,077
		<u>731,200</u>	<u>709,144</u>	<u>549,192</u>	<u>545,604</u>
Non-controlling interests		<u>70,735</u>	<u>66,396</u>	<u>-</u>	<u>-</u>
Total equity		<u>801,935</u>	<u>775,540</u>	<u>549,192</u>	<u>545,604</u>
Total equity and liabilities		<u>1,511,043</u>	<u>1,363,838</u>	<u>1,265,492</u>	<u>1,116,553</u>

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 2025

Group	Note	Attributable to owners of the Company									
		Equity attributable to owners of the Company					Distributable				
		Total equity RM'000	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	
		816,457	754,130	237,194	19,426	1,221	24,205	1,706	470,378	62,327	
		93,534	79,423	-	-	-	-	-	79,423	14,111	
		5,822	5,791	-	2,881	27	2,883	-	-	31	
		99,356	85,214	-	2,881	27	2,883	-	79,423	14,142	
		-	-	-	-	-	(9,971)	-	9,971	-	
		-	-	-	(52)	-	-	-	52	-	
		(130,200)	(130,200)	-	-	-	-	-	(130,200)	-	
		(10,073)	-	-	-	-	-	-	-	(10,073)	
		(140,273)	(130,200)	-	-	-	-	-	(130,200)	(10,073)	
		775,540	709,144	237,194	22,255	1,248	17,117	1,706	429,624	66,396	

At 1 January 2024

Profit for the year

Other comprehensive income

Total comprehensive income

Transfer of FVOCI reserves to retained earnings upon disposal of investment securities

21

Transfer of share of associate's revaluation reserves to retained earnings upon disposal of the associate's property

15

Transactions with owners:

Dividend on ordinary shares

Dividend to non-controlling interests

Total transactions with owners

At 31 December 2024

Statements of Changes in Equity

for the financial year ended 31 December 2025

Group	Note	Attributable to owners of the Company									
		Equity attributable to owners of the Company					Distributable				
		Total equity	Share capital	Revaluation reserves	Foreign currency translation reserves	FVOCI reserves	Other reserve	Retained earnings	Non-controlling interests		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2025		775,540	237,194	22,255	1,248	17,117	1,706	429,624	66,396		
Profit for the year		96,362	-	-	-	-	-	81,974	14,388		
Other comprehensive income		3,106	-	1,415	67	1,600	-	-	24		
Total comprehensive income		99,468	-	1,415	67	1,600	-	81,974	14,412		
Transactions with owners:											
Dividend on ordinary shares	15	(63,000)	-	-	-	-	-	(63,000)	-		
Dividend to non-controlling interests		(10,073)	-	-	-	-	-	-	(10,073)		
Total transactions with owners		(73,073)	-	-	-	-	-	(63,000)	(10,073)		
At 31 December 2025		801,935	237,194	23,670	1,315	18,717	1,706	448,598	70,735		

Statements of Changes in Equity

for the financial year ended 31 December 2025

		←	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 2024	608,011	237,194	3,830	24,205	342,782
Profit for the year	64,524	-	-	-	64,524
Other comprehensive income	3,269	-	386	2,883	-
Total comprehensive income	67,793	-	386	2,883	64,524
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities	21	-	-	(9,971)	9,971
Transaction with owners:					
Dividend on ordinary shares	15	(130,200)	-	-	(130,200)
At 31 December 2024	545,604	237,194	4,216	17,117	287,077

Statements of Changes in Equity

for the financial year ended 31 December 2025

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 2025	545,604	237,194	4,216	17,117	287,077	
Profit for the year	64,443	-	-	-	64,443	
Other comprehensive income	2,145	-	545	1,600	-	
Total comprehensive income	66,588	-	545	1,600	64,443	
Transaction with owners:						
Dividend on ordinary shares	15 (63,000)	-	-	-	(63,000)	
At 31 December 2025	549,192	237,194	4,761	18,717	288,520	

* 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 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating activities					
Profit before tax		138,330	132,003	66,980	73,262
Adjustments for:					
Amortisation	9	955	1,046	3	3
Depreciation	9	13,810	12,603	6,718	5,993
Dividend income	5	(2,636)	(3,364)	(43,013)	(43,685)
Fair value changes in forward currency contracts	7,12	37	(37)	37	(37)
Gain on disposal of property, plant and equipment	7	(7)	-	-	-
Interest expense		18,540	16,610	18,570	16,421
Interest income	6	(4,792)	(6,679)	(5,327)	(6,946)
Property, plant and equipment written off	12	494	296	483	228
Movement in provision for retrenchment compensation	10	(1,879)	971	(1,879)	971
Impairment of trade receivables		-	1	-	-
Share of results of associate		(1,449)	233	-	-
Unrealised (gain)/loss on exchange	7,12	(3,022)	2,755	(3,022)	2,755
Unwinding of discount on provision	11	2,288	2,618	-	512
Operating cash flows before changes in working capital		160,669	159,056	39,550	49,477

Statements of Cash Flows

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating activities (cont'd)					
Increase in inventories		(62,757)	(20,604)	(67,001)	(31,429)
Increase in receivables		(43,504)	(23,009)	(44,057)	(19,175)
Decrease in amount due from subsidiaries		-	-	5,288	5,262
(Increase)/Decrease in trade prepayments		(3,756)	28,644	(3,756)	28,644
Increase in other prepayments		(5,923)	(1,017)	(6,033)	(87)
Increase in payables		101,475	5,454	105,318	747
Increase in amount due to subsidiaries		-	-	17,670	16,419
Increase/(Decrease) in amount due to an associate		67	(1,155)	67	(1,155)
Cash generated from operations		146,271	147,369	47,046	48,703
Income tax paid		(30,248)	(46,267)	(3,067)	(12,035)
Interest paid		(18,561)	(16,065)	(18,361)	(15,860)
Payment for mine restoration fund		(5,782)	-	-	-
Payment for retrenchment compensation	30	(9,002)	(1,139)	(9,002)	(1,139)
Net cash generated from operating activities		82,678	83,898	16,616	19,669
Investing activities					
Advances given to subsidiaries		-	-	(2,215)	(2,049)
Interest received		4,792	6,679	1,750	3,382
Dividend received from a subsidiary		-	-	-	72,963
Dividend received from an associate		84	28	84	28
Dividend received from investment securities	5	2,636	3,364	2,636	3,364
Payment for deferred mine exploration and evaluation expenditures and mine properties	22	(1,118)	(413)	-	-
Proceeds from disposal of investment securities		-	12,145	-	12,145
Proceeds from disposal of property, plant and equipment		7	-	-	-
Purchase of property, plant and equipment		(23,714)	(18,952)	(8,146)	(9,338)
Net cash (used in)/generated from investing activities		(17,313)	2,851	(5,891)	80,495

Statements of Cash Flows

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financing activities					
Advances received from a subsidiary		-	-	26,000	-
Dividend paid to shareholders	15	(63,000)	(130,200)	(63,000)	(130,200)
Dividend paid to a non-controlling shareholder of a subsidiary	19	-	(18,241)	-	-
Repayment of term loan		(14,444)	(26,667)	(14,444)	(26,667)
Drawdown of short term trade borrowings		26,606	36,619	26,606	36,619
Payment of lease liabilities	17(b)	<u>(269)</u>	<u>(326)</u>	<u>(180)</u>	<u>(222)</u>
Net cash used in financing activities		<u>(51,107)</u>	<u>(138,815)</u>	<u>(25,018)</u>	<u>(120,470)</u>
Net increase/(decrease) in cash and cash equivalents		14,258	(52,066)	(14,293)	(20,306)
Effect of changes in foreign exchange rates		19	(308)	19	(308)
Cash and cash equivalents as at 1 January		<u>211,848</u>	<u>264,222</u>	<u>99,055</u>	<u>119,669</u>
Cash and cash equivalents as at 31 December	28	<u>226,125</u>	<u>211,848</u>	<u>84,781</u>	<u>99,055</u>

Reconciliation of liabilities arising from financing activities:

Group

	Carrying amount as at 1 January 2025 RM'000	Cash flows RM'000	Non-cash changes Foreign exchange movement RM'000	Carrying amount as at 31 December 2025 RM'000
2025				
Lease liabilities	4,276	(269)	-	4,007
Short term trade borrowings	328,792	26,606	(2,843)	352,555
Term loan	42,222	(14,444)	-	27,778
Total liabilities from financing activities	<u>375,290</u>	<u>11,893</u>	<u>(2,843)</u>	<u>384,340</u>

Statements of Cash Flows

for the financial year ended 31 December 2025

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

Group

	Carrying amount as at 1 January 2024 RM'000	Cash flows RM'000	Non-cash changes Foreign exchange movement RM'000	Carrying amount as at 31 December 2024 RM'000
2024				
Lease liabilities	4,602	(326)	-	4,276
Short term trade borrowings	290,876	36,619	1,297	328,792
Term loan	68,889	(26,667)	-	42,222
	<hr/>			<hr/>
Total liabilities from financing activities	364,367	9,626	1,297	375,290

Company

	Carrying amount as at 1 January 2025 RM'000	Cash flows RM'000	Non-cash changes Foreign exchange movement RM'000	Carrying amount as at 31 December 2025 RM'000
2025				
Lease liabilities	259	(180)	-	79
Short term trade borrowings	328,792	26,606	(2,843)	352,555
Term loan	42,222	(14,444)	-	27,778
	<hr/>			<hr/>
Total liabilities from financing activities	371,273	11,982	(2,843)	380,412

2024

Lease liabilities	481	(222)	-	259
Short term trade borrowings	290,876	36,619	1,297	328,792
Term loan	68,889	(26,667)	-	42,222
	<hr/>			<hr/>
Total liabilities from financing activities	360,246	9,730	1,297	371,273

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 2025

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 and 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 MFRS Accounting Standards (“MFRSs”), IFRS Accounting 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 2025

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 2025, the Group and the Company have adopted the following amendment to MFRS mandatory for annual financial periods beginning on or after 1 January 2025.

<i>Description</i>
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (<i>Lack of Exchangeability</i>)

The adoption of the above amendment did not have material impact on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

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

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (<i>Amendments to the Classification and Measurement of Financial Instruments</i>)	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
<ul style="list-style-type: none"> • MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards • MFRS 7 Financial Instruments: Disclosures • MFRS 9 Financial Instruments • MFRS 10 Consolidated Financial Statements • MFRS 107 Statement of Cash Flows 	
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (<i>Contracts Referencing Nature-dependent Electricity</i>)	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (<i>Translation to a Hyperinflationary Presentation Currency</i>)	1 January 2027
Amendments to MFRS 10 and MFRS 128 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

Notes to the Financial Statements

for the financial year ended 31 December 2025

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 and amendments to standards when they become effective. The adoption of the above new standards and amendments to standards do not have material impact on the financial statements of the Group and of the Company except for the following as summarised below:

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

The amendments clarifies the following:

- introduces accounting policy option to derecognised financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (“ESG”)-linked features and other similar contingent features.
- clarifies the treatment of non-recourse assets and contractually linked instruments.
- requires additional disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

MFRS 18 Presentation and Disclosure in Financial Statements

The newly introduced standard aims to provide better information about companies’ financial performance. MFRS 18 Presentation and Disclosure in Financial Statements replaces MFRS 101 Presentation of Financial Statements. MFRS 18 aims to enhance financial reporting quality by:

- introducing two mandatory subtotals in the statement of profit or loss – operating profit or loss and profit or loss before financing and income taxes;
- requiring the classification of expenses in the operating category by nature, function or a mix of both;
- requiring disclosures about management-defined performance measures; and
- enhancing guidance on grouping, aggregation and disaggregation of information in the financial statements.

The Group and the Company are currently assessing the impact of MFRS 18 on presentation and disclosures in the financial statements.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

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.

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.5 Subsidiaries

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.

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

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

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.

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.7 Intangible assets (cont'd)

Mining rights (cont'd)

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 remaining mine lives of the mining rights of the Group are as follows:

Mining rights	3 to 8 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

Notes to the Financial Statements

for the financial year ended 31 December 2025

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)

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 expenditures are transferred to mine properties. No amortisation is charged during the exploration and evaluation phase. The exploration and evaluation expenditures are charged to profit or loss when the 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 of the 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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

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

(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.

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

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

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.

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	26 to 88 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 2025

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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 two 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 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 include derivative financial instruments.

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 instruments 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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

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 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.

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

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.

2.16 Trade prepayments

Trade prepayments relate to provisional advances paid to suppliers for purchases of tin-in-concentrates. Balance payment would be made after the quantity and content of tin-in-concentrates are finalised.

2.17 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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.18 Lease

The Group and the Company as lessee

Right-of-use assets

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. The remaining useful life of the right-of-use assets are as follows:

Motor vehicles	1 year
----------------	--------

Right-of-use assets are subject to impairment.

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

Lease liabilities

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.

Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to their 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). They also apply 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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.19 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. Refer to Note 2.27(c) for accounting policy on provision for retrenchment compensation and Note 3.2(b) on provision for mine restoration.

2.20 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, borrowings, and derivative financial instruments.

Subsequent measurement

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

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.20 Financial liabilities (cont'd)

Trade and other payables, and borrowings

After initial recognition, trade and other payables, 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.

2.21 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.

2.22 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 38(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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.22 Fair value measurement (cont'd)

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 as disclosed in Note 38(a), based on the lowest level input that is significant to the fair value measurement as a whole.

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.

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.23 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.

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).

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.24 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 none of the above conditions are met, revenue is recognised at a 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.

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 London Metal Exchange ("LME"), revenue is recognised upon issuance of tin warrant. Tin warrant is a document of possession, and it is used as the means of delivery of tin metal under LME contracts. For sale of tin to the end-customers, 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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.24 Revenue and other income recognition (cont'd)

(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.

The Group's and the Company's normal trade terms are cash terms or by Letter of Credit. Other credit terms are assessed and approved on a case-by-case basis. There is no variable element in the promised amount of consideration. There is no significant financing component in the contract.

Contract liabilities are recognised as revenue when the Group and the Company perform under the contract. Further details are disclosed in Note 2.28.

2.25 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.

The Group and the Company have assessed that given the funding of capital work-in-progress are from internal funds and the period for constructing the asset is less than 1 year, the capitalisation criteria is not met.

Notes to the Financial Statements

for the financial year ended 31 December 2025

2. Summary of accounting policies (cont'd)

2.26 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 2025

2. Summary of accounting policies (cont'd)

2.26 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.

2.27 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 are 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 2025

2. Summary of accounting policies (cont'd)

2.27 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.

2.28 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.

2.29 Segment reporting

For management purposes, the Group is organised into two business segments, which are independently managed by the respective segment heads responsible for the performance of the respective segments under their charge. The segment heads 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 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 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 2025

2. Summary of accounting policies (cont'd)

2.31 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.

2.32 Non-current assets classified as held for sale

The Group and the Company classify non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated once classified as held for sale.

Assets classified as held for sale are presented separately as current items in the statements of financial position.

Details of the assets classified as held for sale are shown in Note 29.

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 assets or liabilities affected in the future.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

3.1 Judgements made in applying accounting policies

Judgements are made by management in the process of applying the Group's and the Company's accounting policies that have significant effect on the amounts recognised in the financial statements.

(a) 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.

3.2 Key sources of estimation uncertainty

(a) Existence and valuation of tin inventories

The existence and valuation of the inventories require estimation of tin quantity and tin content, based on quantity surveys and results of assay analysis performed on a sampling basis. Accordingly, differences between actual quantities and tin content, and those estimated, could impact the carrying amount of the tin-in concentrates. The carrying amount of tin inventories at the reporting date is disclosed in Note 24.

(b) 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 estimation are required in determining the estimated restoration cost. Further details in relation to the provision for mine restoration costs are disclosed in Note 30(a).

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.

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

- Estimated cost per hectare amounted to RM159,000;
- Average inflation rate of 2.0%;
- Discount rate of 3.47%; and
- The significant cash outflow will occur upon the expiry of the mining lease

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

3.2 Key sources of estimation uncertainty (cont'd)

(b) 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 RM3,370,000 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 RM5,667,000 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 RM1,226,000 higher or lower.

(c) Income taxes

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. 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 provision and tax recoverable in the period in which such determination is made.

The amount of income tax expense recognised in profit or loss at the reporting date is disclosed in Note 13.

(d) 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. The current mining lease period of Rahman Hydraulic Tin Sdn. Bhd. ("RHT") of up to 2034 which represents its useful life may be extended subject to the approval from the relevant authorities.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

3.2 Key sources of estimation uncertainty (cont'd)

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

Historically, the Group had obtained continuous renewal of mining lease from the relevant authorities. 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.

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.
- 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 related depreciation and amortisation charges are determined using UOP method as at 31 December 2025 was RM63.3 million (2024: RM60.4 million). The Group estimated the remaining economic life of the RHT mine to be 7 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 increased by RM6,330,000.

(e) Fair value of land and buildings

The Group carries its land and buildings classified as property, plant and equipment at fair value, with changes in fair value being recognised in other comprehensive income. The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, and accessibility of the land and buildings. The Group's buildings were valued based on the cost method which is based on replacement cost, estimated useful life, physical deterioration, functional and economic obsolescence of the respective buildings.

Notes to the Financial Statements

for the financial year ended 31 December 2025

4. Revenue

	Group and Company	
	2025	2024
	RM'000	RM'000
Sale of tin	1,664,904	1,664,600
Smelting revenue	6,994	16,067
Sale of tin bearing slag	71,711	9,754
Sale of by-products	14,477	-
Others	883	1,353
	<u>1,758,969</u>	<u>1,691,774</u>

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 39. 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
2025					
Major products or services:					
Sale of tin	1,664,904	327,009	1,991,913	(327,009)	1,664,904
Smelting revenue	6,994	-	6,994	-	6,994
Sale of tin bearing slag	71,711	-	71,711	-	71,711
Sale of by-products	14,477	-	14,477	-	14,477
Others	883	-	883	-	883
	<u>1,758,969</u>	<u>327,009</u>	<u>2,085,978</u>	<u>(327,009)</u>	<u>1,758,969</u>
2024					
Major products or services:					
Sale of tin	1,664,600	319,226	1,983,826	(319,226)	1,664,600
Smelting revenue	16,067	-	16,067	-	16,067
Sale of tin bearing slag	9,754	-	9,754	-	9,754
Others	1,353	-	1,353	-	1,353
	<u>1,691,774</u>	<u>319,226</u>	<u>2,011,000</u>	<u>(319,226)</u>	<u>1,691,774</u>

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

5. Dividend income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Dividend income from:				
Investments in subsidiaries				
- Unquoted in Malaysia	-	-	40,293	40,293
Investments in associate and joint venture				
- Unquoted in Malaysia	-	-	84	28
Investment securities at FVOCI (Note 21)	2,636	3,364	2,636	3,364
	<u>2,636</u>	<u>3,364</u>	<u>43,013</u>	<u>43,685</u>

6. Interest income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income from:				
- Subsidiaries	-	-	3,577	3,564
- Deposits placed with licensed banks	4,792	6,068	1,750	2,771
- Others	-	611	-	611
	<u>4,792</u>	<u>6,679</u>	<u>5,327</u>	<u>6,946</u>

7. Other income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bad debts recovered	-	3,807	-	3,807
Gain on disposal of property, plant and equipment	7	-	-	-
Management fee	-	-	3,000	3,000
Scrap sales	1,770	6,148	1,173	6,148
Net foreign exchange gain:				
- Realised	4,062	426	4,062	426
- Unrealised	3,022	-	3,022	-
Net fair value changes in derivative financial instruments:				
- Forward currency contracts	-	37	-	37
Net gain from settlement of forward tin contracts	3,201	-	3,201	-
Miscellaneous income	525	147	372	17
	<u>12,587</u>	<u>10,565</u>	<u>14,830</u>	<u>13,435</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

8. Profit before tax

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
After charging/(crediting):				
Auditors' remuneration:				
- statutory audits	1,108	1,060	547	512
- other services	15	13	15	13
Costs of tin mining and smelting*	1,514,224	1,448,078	1,681,688	1,601,501
Directors' fees (Note 36(b))	<u>749</u>	<u>809</u>	<u>749</u>	<u>809</u>

* 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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amortisation of mining rights (Note 18)	124	131	-	-
Amortisation of corporate club memberships (Note 18)	8	8	3	3
Amortisation of mine properties (Note 22)	<u>823</u>	<u>907</u>	<u>-</u>	<u>-</u>
Amortisation expenses	<u>955</u>	<u>1,046</u>	<u>3</u>	<u>3</u>
Depreciation of property, plant and equipment (Note 16)	13,502	12,232	6,548	5,760
Depreciation of right-of-use assets (Note 17(a))	<u>308</u>	<u>371</u>	<u>170</u>	<u>233</u>
Depreciation expenses	<u>13,810</u>	<u>12,603</u>	<u>6,718</u>	<u>5,993</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

10. Employee benefits expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages and salaries	68,116	70,007	34,847	37,221
Social security contribution	968	919	449	427
Contribution to defined contribution plan (Reversal of provision)/Provision for retrenchment compensation	7,882	7,312	3,865	4,041
Other benefits	(1,879)	971	(1,879)	971
	2,139	2,924	1,094	2,155
	<u>77,226</u>	<u>82,133</u>	<u>38,376</u>	<u>44,815</u>

The employee benefits expense of the Group and of the Company includes an executive director's remuneration as disclosed in Note 36(b) to the financial statements.

11. Finance costs

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense on advances from a subsidiary	-	-	229	16
Interest expense on bank borrowings	18,330	16,385	18,330	16,385
Interest expense on lease liabilities (Note 17(b))	210	225	11	20
Commitment fees	13	15	13	15
Unwinding of discount on provisions (Note 30)	2,288	2,618	-	512
	<u>20,841</u>	<u>19,243</u>	<u>18,583</u>	<u>16,948</u>

12. Other expenses

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Administrative expenses	13,461	11,980	8,216	8,323
Marketing and distribution expenses	1,055	1,602	1,055	1,602
Net foreign exchange loss:				
- Unrealised	-	2,755	-	2,755
Property, plant and equipment written off	494	296	483	228
Net fair value changes in derivative financial instruments:				
- Forward currency contracts	37	-	37	-
Net loss from settlement of forward tin contracts	-	410	-	410
	<u>15,047</u>	<u>17,043</u>	<u>9,791</u>	<u>13,318</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

13. Income tax expense

Major components of income tax expense

The major components of income tax expense are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Statements of profit or loss				
Malaysian income tax:				
Current income tax	31,699	33,330	821	5,777
Under/(Over) provision in prior years	8,646	2,574	(889)	(517)
	<u>40,345</u>	<u>35,904</u>	<u>(68)</u>	<u>5,260</u>
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	1,481	2,633	2,477	3,509
Under/(Over) provision in prior years	142	(68)	128	(31)
	<u>1,623</u>	<u>2,565</u>	<u>2,605</u>	<u>3,478</u>
Income tax expense recognised in profit or loss	<u>41,968</u>	<u>38,469</u>	<u>2,537</u>	<u>8,738</u>
Statements of comprehensive income				
Deferred tax related to item recognised in other comprehensive income (Note 23):				
Surplus on revaluation of properties	<u>454</u>	<u>919</u>	<u>172</u>	<u>122</u>

Domestic income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year.

Notes to the Financial Statements

for the financial year ended 31 December 2025

13. Income tax expense (cont'd)

Reconciliation between tax expense and accounting profit

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	<u>138,330</u>	<u>132,003</u>	<u>66,980</u>	<u>73,262</u>
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	33,199	31,681	16,075	17,583
Income not subject to tax	(3,141)	(807)	(12,810)	(10,484)
Expenses not deductible for tax purpose	3,334	4,912	33	2,187
Share of results of associate	(348)	56	-	-
Deferred tax assets not recognised	136	121	-	-
Under/(Over) provision of income tax in prior years	8,646	2,574	(889)	(517)
Under/(Over) provision of deferred tax in prior years	<u>142</u>	<u>(68)</u>	<u>128</u>	<u>(31)</u>
Income tax expense recognised in profit or loss	<u>41,968</u>	<u>38,469</u>	<u>2,537</u>	<u>8,738</u>

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.

Pursuant to the requirements of MFRS 133 Earnings per Share, the weighted average number of ordinary shares used in the calculation of basic and diluted EPS for the previous financial year ended 31 December 2024 have been retrospectively adjusted to reflect the bonus issue.

	Group	
	2025	2024
Profit net of tax attributable to owners of the Company (RM'000)	81,974	79,423
Weighted average number of ordinary shares in issue ('000)	840,000	840,000
Basic and diluted earnings per share (sen)	<u>9.8</u>	<u>9.5</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

15. Dividends

Dividends recognised by the Company are as follows:

	2025 RM'000	2024 RM'000	Net dividend per ordinary share	
			2025 sen	2024 sen
In respect of the financial year ended 31 December 2023:				
A final single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, paid on 28 June 2024	-	29,400	-	7
In respect of the financial year ended 31 December 2024:				
A first interim single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, paid on 24 October 2024	-	29,400	-	7
A second interim single-tier special dividend of RM0.17 per share on 420,000,000 ordinary shares, paid on 23 December 2024	-	71,400	-	17
A final single-tier dividend of RM0.07 per share on 420,000,000 ordinary shares, paid on 26 June 2025	29,400	-	7	-
In respect of the financial year ended 31 December 2025:				
An interim single-tier dividend of RM0.04 per share on 840,000,000 ordinary shares, paid on 9 September 2025	33,600	-	4	-
	<u>63,000</u>	<u>130,200</u>	<u>11</u>	<u>31</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

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	Motor vehicles* RM'000	Capital work-in- progress RM'000	Total RM'000
Cost or Valuation								
At 1 January 2025								
- At cost	-	-	-	193,313	46,685	-	11,238	251,236
- At valuation	327	40,900	35,481	-	-	-	-	76,708
	327	40,900	35,481	193,313	46,685	-	11,238	327,944
Additions	-	-	-	1,769	6,916	-	21,945	30,630
Disposals	-	-	-	(91)	-	-	-	(91)
Written off	-	-	-	(5,431)	-	-	-	(5,431)
Transfer in/(out)	-	-	32	16,059	-	-	(16,091)	-
Revaluation surplus	-	568	1,325	-	-	-	-	1,893
Transfer from right-of-use assets (Note 17(a))	-	4,664	-	-	-	596	-	5,260
Transfer to non-current assets classified as held for sale (Note 29)	-	-	(6,380)	(37,153)	-	-	-	(43,533)
Elimination of accumulated depreciation on revaluation	-	(1,458)	(1,387)	-	-	-	-	(2,845)
At 31 December 2025	327	44,674	29,071	168,466	53,601	596	17,092	313,827
Representing:								
- At cost	-	-	-	168,466	53,601	596	17,092	239,755
- At valuation	327	44,674	29,071	-	-	-	-	74,072
At 31 December 2025	327	44,674	29,071	168,466	53,601	596	17,092	313,827
Accumulated depreciation								
At 1 January 2025	-	-	-	123,550	21,148	-	-	144,698
Depreciation charge for the year (Note 9)	-	568	1,387	9,291	2,256	-	-	13,502
Disposals	-	-	-	(91)	-	-	-	(91)
Written off	-	-	-	(4,937)	-	-	-	(4,937)
Transfer from right-of-use assets (Note 17(a))	-	890	-	-	-	503	-	1,393
Transfer to non-current assets classified as held for sale (Note 29(b))	-	-	-	(35,143)	-	-	-	(35,143)
Elimination of accumulated depreciation on revaluation	-	(1,458)	(1,387)	-	-	-	-	(2,845)
At 31 December 2025	-	-	-	92,670	23,404	503	-	116,577
Net carrying amount								
Representing:								
- At cost	-	-	-	75,796	30,197	93	17,092	123,178
- At valuation	327	44,674	29,071	-	-	-	-	74,072
At 31 December 2025	327	44,674	29,071	75,796	30,197	93	17,092	197,250

*These are right-of-use assets of the Group.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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 2024							
- At cost	-	-	-	177,580	45,109	17,398	240,087
- At valuation	327	38,300	27,281	-	-	-	65,908
	327	38,300	27,281	177,580	45,109	17,398	305,995
Additions	-	-	10	2,107	1,576	16,835	20,528
Written off	-	-	-	(478)	-	(68)	(546)
Transfer in/(out)	-	-	8,823	14,104	-	(22,927)	-
Revaluation surplus	-	3,125	706	-	-	-	3,831
Elimination of accumulated depreciation on revaluation	-	(525)	(1,339)	-	-	-	(1,864)
At 31 December 2024	327	40,900	35,481	193,313	46,685	11,238	327,944
Representing:							
- At cost	-	-	-	193,313	46,685	11,238	251,236
- At valuation	327	40,900	35,481	-	-	-	76,708
At 31 December 2024	327	40,900	35,481	193,313	46,685	11,238	327,944
Accumulated depreciation							
At 1 January 2024	-	-	-	115,580	19,000	-	134,580
Depreciation charge for the year (Note 9)	-	525	1,339	8,220	2,148	-	12,232
Written off	-	-	-	(250)	-	-	(250)
Elimination of accumulated depreciation on revaluation	-	(525)	(1,339)	-	-	-	(1,864)
At 31 December 2024	-	-	-	123,550	21,148	-	144,698
Net carrying amount							
Representing:							
- At cost	-	-	-	69,763	25,537	11,238	106,538
- At valuation	327	40,900	35,481	-	-	-	76,708
At 31 December 2024	327	40,900	35,481	69,763	25,537	11,238	183,246

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

Company	Buildings RM'000	Plant, equipment, vehicles and furniture RM'000	Capital work-in- progress RM'000	Motor vehicles* RM'000	Total RM'000
Cost or Valuation					
At 1 January 2025					
- At cost	-	114,508	7,799	-	122,307
- At valuation	23,060	-	-	-	23,060
	<u>23,060</u>	<u>114,508</u>	<u>7,799</u>	<u>-</u>	<u>145,367</u>
Additions	-	-	8,146	-	8,146
Written off	-	(5,414)	-	-	(5,414)
Transfer in/(out)	32	15,401	(15,433)	-	-
Revaluation surplus	717	-	-	-	717
Transfer from right-of-use assets (Note 17(a))	-	-	-	596	596
Transfer to non-current assets classified as held for sale (Note 29)	(6,380)	(37,153)	-	-	(43,533)
Elimination of accumulated depreciation on revaluation	(769)	-	-	-	(769)
At 31 December 2025	<u>16,660</u>	<u>87,342</u>	<u>512</u>	<u>596</u>	<u>105,110</u>
Representing:					
- At cost	-	87,342	512	596	88,450
- At valuation	16,660	-	-	-	16,660
At 31 December 2025	<u>16,660</u>	<u>87,342</u>	<u>512</u>	<u>596</u>	<u>105,110</u>
Accumulated depreciation					
At 1 January 2025	-	71,704	-	-	71,704
Depreciation charge for the year (Note 9)	769	5,779	-	-	6,548
Written off	-	(4,931)	-	-	(4,931)
Transfer from right-of-use assets (Note 17(a))	-	-	-	503	503
Transfer to non-current assets classified as held for sale (Note 29(b))	-	(35,143)	-	-	(35,143)
Elimination of accumulated depreciation on revaluation	(769)	-	-	-	(769)
At 31 December 2025	<u>-</u>	<u>37,409</u>	<u>-</u>	<u>503</u>	<u>37,912</u>
Net carrying amount					
Representing:					
- At cost	-	49,933	512	93	50,538
- At valuation	16,660	-	-	-	16,660
At 31 December 2025	<u>16,660</u>	<u>49,933</u>	<u>512</u>	<u>93</u>	<u>67,198</u>

*These are right-of-use assets of the Company.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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 2024				
- At cost	-	110,250	6,796	117,046
- At valuation	19,510	-	-	19,510
	19,510	110,250	6,796	136,556
Additions	-	-	9,338	9,338
Written off	-	(324)	-	(324)
Transfer in/(out)	3,753	4,582	(8,335)	-
Revaluation surplus	508	-	-	508
Elimination of accumulated depreciation on revaluation	(711)	-	-	(711)
At 31 December 2024	23,060	114,508	7,799	145,367
Representing:				
- At cost	-	114,508	7,799	122,307
- At valuation	23,060	-	-	23,060
At 31 December 2024	23,060	114,508	7,799	145,367
Accumulated depreciation				
At 1 January 2024	-	66,751	-	66,751
Depreciation charge for the year (Note 9)	711	5,049	-	5,760
Written off	-	(96)	-	(96)
Elimination of accumulated depreciation on revaluation	(711)	-	-	(711)
At 31 December 2024	-	71,704	-	71,704
Net carrying amount				
Representing:				
- At cost	-	42,804	7,799	50,603
- At valuation	23,060	-	-	23,060
At 31 December 2024	23,060	42,804	7,799	73,663

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

Land and buildings owned by the Group and Company were revalued on 31 December 2025 based on valuations carried out by independent firms of professional valuers as follows:

Group

Description of Properties	Valuation RM'000
(i) Land and buildings in Pulau Indah Industrial Park	67,560
(ii) Land and buildings in Daerah Hulu Perak	6,431
(iii) Land at Butterworth	81
	<u>74,072</u>

Company

Description of Properties	Valuation RM'000
(i) Buildings in Pulau Indah Industrial Park	<u>16,660</u>

Further details on the valuation are disclosed in Note 38(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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Freehold land	105	105	-	-
Leasehold land	26,784	23,333	-	-
Buildings	<u>22,034</u>	<u>25,131</u>	<u>14,113</u>	<u>16,726</u>

Notes to the Financial Statements
for the financial year ended 31 December 2025

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 2025	4,664	443	596	5,703
Derecognition on end of lease term	-	(443)	-	(443)
Transfer to property, plant and equipment (Note 16)	(4,664)	-	(596)	(5,260)
At 31 December 2025	-	-	-	-
At 1 January 2024/ 31 December 2024	4,664	443	596	5,703
Accumulated depreciation				
At 1 January 2025	752	358	418	1,528
Depreciation charge for the year (Note 9)	138	85	85	308
Derecognition on end of lease term	-	(443)	-	(443)
Transfer to property, plant and equipment (Note 16)	(890)	-	(503)	(1,393)
At 31 December 2025	-	-	-	-
At 1 January 2024	614	210	333	1,157
Depreciation charge for the year (Note 9)	138	148	85	371
At 31 December 2024	752	358	418	1,528
Net carrying amount				
At 31 December 2025	-	-	-	-
At 31 December 2024	3,912	85	178	4,175

Notes to the Financial Statements

for the financial year ended 31 December 2025

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 2025	443	596	1,039
Derecognition on end of lease term	(443)	-	(443)
Transfer to property, plant and equipment (Note 16)	-	(596)	(596)
At 31 December 2025	-	-	-
At 1 January 2024/ 31 December 2024	443	596	1,039
Accumulated depreciation			
At 1 January 2025	358	418	776
Depreciation charge for the year (Note 9)	85	85	170
Derecognition on end of lease term	(443)	-	(443)
Transfer to property, plant and equipment (Note 16)	-	(503)	(503)
At 31 December 2025	-	-	-
At 1 January 2024	210	333	543
Depreciation charge for the year (Note 9)	148	85	233
At 31 December 2024	358	418	776
Net carrying amount			
At 31 December 2025	-	-	-
At 31 December 2024	85	178	263

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

(b) Lease liabilities

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Lease liabilities	3,815	4,003	-	94
Current				
Lease liabilities	192	273	79	165
Total lease liabilities	<u>4,007</u>	<u>4,276</u>	<u>79</u>	<u>259</u>

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	4,276	4,602	259	481
Interest charged (Note 11)	210	225	11	20
Payments of:				
- Principal	(269)	(326)	(180)	(222)
- Interest	(210)	(225)	(11)	(20)
At 31 December	<u>4,007</u>	<u>4,276</u>	<u>79</u>	<u>259</u>

The following are the amounts recognised in profit or loss:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Expense relating to short-term leases	1,836	2,015	1,836	2,015
Expense relating to leases of low-value assets	<u>194</u>	<u>165</u>	<u>144</u>	<u>137</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

18. Intangible assets

Group	Mining rights RM'000	Corporate club memberships RM'000	Total RM'000
Cost			
At 1 January 2024/ 31 December 2024/ 1 January 2025/ 31 December 2025	<u>160,968</u>	<u>566</u>	<u>161,534</u>
Accumulated amortisation and impairment losses			
At 1 January 2025	19,094	149	19,243
Amortisation for the year (Note 9)	<u>124</u>	<u>8</u>	<u>132</u>
At 31 December 2025	<u>19,218</u>	<u>157</u>	<u>19,375</u>
At 1 January 2024	18,963	141	19,104
Amortisation for the year (Note 9)	<u>131</u>	<u>8</u>	<u>139</u>
At 31 December 2024	<u>19,094</u>	<u>149</u>	<u>19,243</u>
Net carrying amount			
At 31 December 2025	<u>141,750</u>	<u>409</u>	<u>142,159</u>
At 31 December 2024	<u>141,874</u>	<u>417</u>	<u>142,291</u>
			Corporate club membership RM'000
Company			
Cost			
At 1 January 2024/ 31 December 2024/ 1 January 2025/ 31 December 2025			<u>215</u>
Accumulated amortisation and impairment losses			
At 1 January 2025			81
Amortisation for the year (Note 9)			<u>3</u>
At 31 December 2025			<u>84</u>
At 1 January 2024			78
Amortisation for the year (Note 9)			<u>3</u>
At 31 December 2024			<u>81</u>
Net carrying amount			
At 31 December 2025			<u>131</u>
At 31 December 2024			<u>134</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

18. Intangible assets (cont'd)

Mining rights

The mining rights are located in Hulu Perak, Perak and Sungai Lembing, Pahang. The mining rights located in Hulu Perak, Perak amounting to RM139,151,000 (2024: RM139,151,000) as at 31 December 2025 has yet to be amortised as the operation has not commenced and is therefore tested for impairment annually.

For impairment testing, the Group has performed the impairment assessment based on the shorter of useful life of mine and the expiry of mining lease. Other key assumptions used in the impairment testing were:

- Future tin prices were estimated to be RM156,310 per tonne (2024: RM138,150 per tonne)
- Post-tax discount rate of 14% (2024: 14%)
- Forecasted exchange rate of USD/MYR 4.06 (2024: USD/MYR 4.50)
- Estimated reserves of 23,200 tonnes of tin metal (2024: 24,739 tonnes)

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the mining rights to materially exceed their recoverable amounts. Historically, the Group has been able to obtain extension of the mining lease upon expiry.

19. Investments in subsidiaries

Company	2025 RM'000	2024 RM'000
Unquoted shares, at cost	<u>148,781</u>	<u>148,781</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

19. Investments in subsidiaries (cont'd)

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

Name of subsidiaries	Principal place of business	Principal activities	Proportion of ownership interest held by the Group [^]		Proportion of ownership interest held by non-controlling interests [^]	
			2025 %	2024 %	2025 %	2024 %
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")**	Malaysia	Dormant	100	100	-	-
M Smelt (C) Sdn. Bhd. ("M Smelt")*	Malaysia	Property holding and rental	100	100	-	-
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

Notes to the Financial Statements

for the financial year ended 31 December 2025

19. Investments in subsidiaries (cont'd)

For all the subsidiaries, the principal place of business and the country of incorporation are the same except for SRM, which the country of incorporation is Singapore.

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

The Group has subsidiaries that have NCI that is material to the Group.

31 December 2025

Name of subsidiaries	Principal place of business/ Country of incorporation	Proportion of ownership interest held by non-controlling interest	Profit/(Loss) 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%	14,580	43,445
Asas Baiduri Sdn. Bhd. ("ABSB")	Malaysia	20%	(11)	27,696

31 December 2024

Name of subsidiaries	Principal place of business/ Country of incorporation	Proportion of ownership interest held by non-controlling interest	Profit/(Loss) 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%	14,316	38,914
Asas Baiduri Sdn. Bhd. ("ABSB")	Malaysia	20%	(11)	27,707

Notes to the Financial Statements

for the financial year ended 31 December 2025

19. Investments in subsidiaries (cont'd)

Summarised financial information about RHT and its subsidiaries ("RHT Group") with material NCI

The summarised financial information of RHT Group are as follows:

Summarised statement of financial position

	2025	2024
	RM'000	RM'000
Current		
Assets	268,834	213,712
Liabilities	<u>(87,748)</u>	<u>(39,332)</u>
Net current assets	<u>181,086</u>	<u>174,380</u>
Non-current		
Assets	247,970	224,237
Liabilities	<u>(74,498)</u>	<u>(66,149)</u>
Net non-current assets	<u>173,472</u>	<u>158,088</u>
Net assets	<u>354,558</u>	<u>332,468</u>
Accumulated NCI	<u>70,735</u>	<u>66,396</u>

Summarised statement of profit or loss and statement of comprehensive income

	2025	2024
	RM'000	RM'000
Revenue	327,009	319,226
Profit before tax	111,586	100,536
Income tax expense	<u>(39,249)</u>	<u>(29,557)</u>
Profit after tax	72,337	70,979
Other comprehensive income	119	156
Total comprehensive income	<u>72,456</u>	<u>71,135</u>
Profit allocated to NCI	<u>14,388</u>	<u>14,111</u>
Dividend paid to NCI	-	18,241
Dividend payable to NCI (Note 32)	<u>10,073</u>	<u>-</u>

Summarised cash flow information

	2025	2024
	RM'000	RM'000
Operating	68,692	66,732
Investing	(40,144)	(7,275)
Financing	<u>(89)</u>	<u>(91,307)</u>
Net increase/(decrease) in cash and cash equivalents	<u>28,459</u>	<u>(31,850)</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

20. Investments in associate and joint venture

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Investment in associate				
In Malaysia:				
Unquoted shares, at cost	10,473	10,473	10,473	10,473
Share of post-acquisition reserves	21,464	20,044	-	-
	<u>31,937</u>	<u>30,517</u>	<u>10,473</u>	<u>10,473</u>
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)	-	-
	<u>7,039</u>	<u>7,039</u>	<u>8,193</u>	<u>8,193</u>
Accumulated impairment losses	(7,039)	(7,039)	(8,193)	(8,193)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments in associate and joint venture	<u>31,937</u>	<u>30,517</u>	<u>10,473</u>	<u>10,473</u>

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

Name of associate	Principal place of business/ Country of incorporation	Principal activities	Proportion of ownership interest*		Accounting model applied
			2025 %	2024 %	
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

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

(i) Investment in associate

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

The associate has the same reporting period as the Group.

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:

	2025	2024
	RM'000	RM'000
Non-current assets	14,665	15,157
Current assets	75,204	65,529
Total assets	<u>89,869</u>	<u>80,686</u>
Current liabilities, representing total liabilities	<u>10,026</u>	<u>4,393</u>
Net assets	<u>79,843</u>	<u>76,293</u>

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

	2025	2024
	RM'000	RM'000
Revenue	95,506	92,189
Profit before tax	4,759	538
Profit/(Loss) for the year	3,623	(583)
Other comprehensive income	137	56
Total comprehensive income/(loss)	<u>3,760</u>	<u>(527)</u>

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

	2025	2024
	RM'000	RM'000
Net assets at 31 December	79,843	76,293
Interest in associate	40%	40%
Carrying value of Group's interest in associate	<u>31,937</u>	<u>30,517</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

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	Principal place of business/ Country of incorporation	Proportion of ownership interest*		Nature of relationship	Accounting model applied
		2025 %	2024 %		
Held by the Company:					
KM Resources, Inc. ("KMR")	Labuan, Malaysia	30	30	Note (a)	Equity method

*equals to the proportion of voting rights held

Note (a)

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 further loss relating to KMR and its subsidiaries 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 3.1(a).

21. Investment securities

Group and Company	2025 RM'000	2024 RM'000
Equity securities		
Quoted investments	<u>28,581</u>	<u>26,981</u>

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

Group and Company	2025 RM'000	2024 RM'000
At FVOCI:		
- Equity securities (quoted)		
- Decklar Resources Inc. ("Decklar")	11	12
- Alphamin Resources Corp. ("Alphamin")	<u>28,570</u>	<u>26,969</u>
	<u>28,581</u>	<u>26,981</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

21. Investment securities (cont'd)

Alphamin and Decklar are both incorporated in Canada. Alphamin is listed on the TSX Venture Exchange ("TSX") while Decklar is listed on NEX Board, a separate board of TSX.

The Group and the Company have elected to measure these equity securities at FVOCI as these shares are not held for trading.

Partial disposal of investment in Alphamin

In the previous financial year, the Group and the Company have partially disposed of investment in Alphamin in view of favorable share price. The shares disposed of had a fair value of RM12,145,000 at the date of derecognition. Total gain of RM9,971,000 was transferred from FVOCI reserves to retained earnings.

The Group and the Company received dividend income from Alphamin, recognised in profit or loss as follows:

	2025	2024
	RM'000	RM'000
Group and Company		
Dividend income from Alphamin:		
- Related to investments derecognised during the period	-	1,005
- Related to investments held at the end of the reporting period	2,636	2,359
Total dividend income from investment securities at FVOCI (Note 5)	<u>2,636</u>	<u>3,364</u>

The sensitivity to the change in share price of Alphamin is disclosed in Note 37(e).

22. Mining assets

Group	Deferred mine exploration and evaluation expenditures	Mine properties	Total
	RM'000	RM'000	RM'000
Cost			
At 1 January 2025	946	25,233	26,179
Additions	1,042	76	1,118
At 31 December 2025	<u>1,988</u>	<u>25,309</u>	<u>27,297</u>
At 1 January 2024	1,537	24,229	25,766
Additions	413	-	413
Transfer (out)/in	(1,004)	1,004	-
At 31 December 2024	<u>946</u>	<u>25,233</u>	<u>26,179</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

22. Mining assets (cont'd)

Group	Deferred mine exploration and evaluation expenditures RM'000	Mine properties RM'000	Total RM'000
Accumulated amortisation			
At 1 January 2025	-	12,988	12,988
Amortisation for the year (Note 9)	-	823	823
At 31 December 2025	<u>-</u>	<u>13,811</u>	<u>13,811</u>
At 1 January 2024	-	12,081	12,081
Amortisation for the year (Note 9)	-	907	907
At 31 December 2024	<u>-</u>	<u>12,988</u>	<u>12,988</u>
Net carrying amount			
At 31 December 2025	<u>1,988</u>	<u>11,498</u>	<u>13,486</u>
At 31 December 2024	<u>946</u>	<u>12,245</u>	<u>13,191</u>

23. Deferred tax

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax liabilities/ (assets)				
At 1 January	4,087	603	(334)	(3,934)
Recognised in profit or loss (Note 13)	1,623	2,565	2,605	3,478
Recognised in other comprehensive income (Note 13)	454	919	172	122
At 31 December	<u>6,164</u>	<u>4,087</u>	<u>2,443</u>	<u>(334)</u>
Presented after appropriate offsetting as follows:				
Deferred tax assets	(5,003)	(4,125)	-	(334)
Deferred tax liabilities	<u>11,167</u>	<u>8,212</u>	<u>2,443</u>	<u>-</u>
	<u>6,164</u>	<u>4,087</u>	<u>2,443</u>	<u>(334)</u>
Presented prior to offsetting as follows:				
Deferred tax assets	(12,435)	(14,646)	(5,948)	(9,412)
Deferred tax liabilities	<u>18,599</u>	<u>18,733</u>	<u>8,391</u>	<u>9,078</u>
	<u>6,164</u>	<u>4,087</u>	<u>2,443</u>	<u>(334)</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

Group	Property, plant and equipment RM'000	Fair value changes on derivative financial instruments RM'000	Total RM'000
At 1 January 2025	18,724	9	18,733
Recognised in profit or loss	(579)	(9)	(588)
Recognised in other comprehensive income	454	-	454
At 31 December 2025	<u>18,599</u>	<u>-</u>	<u>18,599</u>
At 1 January 2024	16,321	-	16,321
Recognised in profit or loss	1,484	9	1,493
Recognised in other comprehensive income	919	-	919
At 31 December 2024	<u>18,724</u>	<u>9</u>	<u>18,733</u>
Company			
At 1 January 2025	9,069	9	9,078
Recognised in profit or loss	(850)	(9)	(859)
Recognised in other comprehensive income	172	-	172
At 31 December 2025	<u>8,391</u>	<u>-</u>	<u>8,391</u>
At 1 January 2024	9,103	-	9,103
Recognised in profit or loss	(156)	9	(147)
Recognised in other comprehensive income	122	-	122
At 31 December 2024	<u>9,069</u>	<u>9</u>	<u>9,078</u>

Notes to the Financial Statements
for the financial year ended 31 December 2025

23. Deferred tax (cont'd)**Deferred tax assets**

Group	Unutilised tax losses and unabsorbed capital allowances RM'000	Receivables RM'000	Other provisions RM'000	Total RM'000
At 1 January 2025	-	(175)	(14,471)	(14,646)
Recognised in profit or loss	<u>(1,604)</u>	<u>-</u>	<u>3,815</u>	<u>2,211</u>
At 31 December 2025	<u>(1,604)</u>	<u>(175)</u>	<u>(10,656)</u>	<u>(12,435)</u>
At 1 January 2024	-	(175)	(15,543)	(15,718)
Recognised in profit or loss	<u>-</u>	<u>-</u>	<u>1,072</u>	<u>1,072</u>
At 31 December 2024	<u>-</u>	<u>(175)</u>	<u>(14,471)</u>	<u>(14,646)</u>
Company				
At 1 January 2025	-	(175)	(9,237)	(9,412)
Recognised in profit or loss	<u>(1,604)</u>	<u>-</u>	<u>5,068</u>	<u>3,464</u>
At 31 December 2025	<u>(1,604)</u>	<u>(175)</u>	<u>(4,169)</u>	<u>(5,948)</u>
At 1 January 2024	-	(175)	(12,862)	(13,037)
Recognised in profit or loss	<u>-</u>	<u>-</u>	<u>3,625</u>	<u>3,625</u>
At 31 December 2024	<u>-</u>	<u>(175)</u>	<u>(9,237)</u>	<u>(9,412)</u>

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

	Group	
	2025 RM'000	2024 RM'000
Unutilised business losses	4,435	3,917
Unabsorbed capital allowances	<u>722</u>	<u>675</u>
	<u>5,157</u>	<u>4,592</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

23. Deferred tax (cont'd)

Deferred tax assets (cont'd)

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.

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 Malaysia Finance Act 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.

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

	Group	
	2025	2024
	RM'000	RM'000
Expire in:		
YA 2029	226	226
YA 2030	454	454
YA 2031	699	699
YA 2032	922	922
YA 2033	1,218	1,218
YA 2034	398	398
YA 2035	518	-
	<u>4,435</u>	<u>3,917</u>

24. Inventories

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Tin inventories	658,505	595,329	678,909	610,762
Other inventories (stores, spares, fuels, coals and consumables)	<u>20,096</u>	<u>20,515</u>	<u>13,917</u>	<u>15,063</u>
	<u>678,601</u>	<u>615,844</u>	<u>692,826</u>	<u>625,825</u>

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

The cost of inventories recognised as an expense in profit or loss is RM1,514,224,000 (2024: RM1,448,078,000) for the Group and RM1,681,688,000 (2024: RM1,601,501,000) for the Company.

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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

25. Trade receivables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Third parties	10,888	8,861	10,887	8,860
Allowance for impairment				
- Third parties	<u>(724)</u>	<u>(724)</u>	<u>(723)</u>	<u>(723)</u>
Trade receivable, net	10,164	8,137	10,164	8,137
Add: Other receivables (current and non-current) (Note 26)	68,052	23,750	193,066	114,778
Add: Cash, bank balances and deposits (Note 28)	<u>226,125</u>	<u>211,848</u>	<u>84,781</u>	<u>99,055</u>
Total financial assets carried at amortised cost	<u>304,341</u>	<u>243,735</u>	<u>288,011</u>	<u>221,970</u>

The Group's and the Company's normal trade terms are cash terms or by Letter of Credit (2024: from cash terms 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 37(d).

The aging analysis of trade receivables is as follows:

	Gross RM'000	Allowance for impairment RM'000	Net RM'000
Group			
At 31 December 2025			
Not past due	10,163	-	10,163
Past due:			
More than 120 days	<u>725</u>	<u>(724)</u>	<u>1</u>
Total	<u>10,888</u>	<u>(724)</u>	<u>10,164</u>
At 31 December 2024			
Not past due	8,137	-	8,137
Past due:			
More than 120 days	<u>724</u>	<u>(724)</u>	<u>-</u>
Total	<u>8,861</u>	<u>(724)</u>	<u>8,137</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

25. Trade receivables (cont'd)

The aging analysis of trade receivables is as follows:

Company	Gross RM'000	Allowance for impairment RM'000	Net RM'000
At 31 December 2025			
Not past due	10,163	-	10,163
Past due:			
More than 120 days	724	(723)	1
Total	<u>10,887</u>	<u>(723)</u>	<u>10,164</u>
At 31 December 2024			
Not past due	8,137	-	8,137
Past due:			
More than 120 days	723	(723)	-
Total	<u>8,860</u>	<u>(723)</u>	<u>8,137</u>

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. None of the Group and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

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		Company →	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables-nominal amounts	724	724	723	723
Less: Allowance for impairment	<u>(724)</u>	<u>(724)</u>	<u>(723)</u>	<u>(723)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movement in the allowance accounts:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	724	723	723	723
Impairment for the year	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
At 31 December	<u>724</u>	<u>724</u>	<u>723</u>	<u>723</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

26. Other receivables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Mine restoration fund	(a)	5,782	-	-	-
A subsidiary	(b)	-	-	76,242	75,105
Total other receivables (non-current)		<u>5,782</u>	<u>-</u>	<u>76,242</u>	<u>75,105</u>
Current					
Third parties		1,153	4,001	930	3,225
Subsidiaries	(b)	-	-	18,416	20,631
Joint venture		1	1	1	1
		<u>1,154</u>	<u>4,002</u>	<u>19,347</u>	<u>23,857</u>
Allowance for impairment - Third parties		<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>
		1,147	3,995	19,340	23,850
Margin deposits	(c)	56,266	14,896	56,266	14,896
Deposits		4,857	4,859	925	927
Dividend receivable from a subsidiary		-	-	40,293	-
Total other receivables (current)		<u>62,270</u>	<u>23,750</u>	<u>116,824</u>	<u>39,673</u>
Total other receivables (current and non-current)		<u>68,052</u>	<u>23,750</u>	<u>193,066</u>	<u>114,778</u>

(a) Mine restoration fund

The mine restoration fund relates to a trust fund placed with the relevant authorities of the Perak State Government (“relevant authorities”). The subsidiary, RHT is entitled to reimbursement from the trust fund once the specific phases of mine restoration activities are completed.

RHT is obliged to deposit RM2.89 million every year with the relevant authorities, for a 10-year period till 2033, in compliance with the approved mine restoration plan and payment schedule, which approved by the relevant authorities.

(b) Amounts due from subsidiaries

The amount due from a subsidiary under non-current assets is unsecured and bears interest at a rate of 4.0% (2024: 4.0%) per annum. The amount is not expected to be fully repaid within the next 12 months.

Amount due from subsidiaries under current assets are unsecured and repayable on demand and include an amount of RM18,263,000 (2024: RM18,937,000) where interest rate of 3.0% (2024: 3.0%) per annum is charged.

Notes to the Financial Statements

for the financial year ended 31 December 2025

26. Other receivables (cont'd)

(c) Margin deposits

These are refundable deposits placed with brokers for London Metal Exchange for forward tin transactions.

Further details on related party transactions are disclosed in Note 36.

Other information on financial risks of other receivables are disclosed in Note 37.

27. Trade prepayments

	2025 RM'000	2024 RM'000
Group and Company		
Trade prepayments	<u>6,771</u>	<u>3,015</u>

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

28. Cash, bank balances and deposits

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash on hand and at banks	57,664	75,287	46,482	65,362
Deposits of up to three months maturity with licensed banks	<u>168,461</u>	<u>136,561</u>	<u>38,299</u>	<u>33,693</u>
Cash, bank balances and deposits, representing cash and cash equivalents	<u>226,125</u>	<u>211,848</u>	<u>84,781</u>	<u>99,055</u>

Deposits are made for varying periods of between 1 day to 3 months (2024: between 1 day to 1 month) for the Group, and 1 day to 1 month (2024: between 1 day to 1 month) for the Company, 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 2025 for the Group and the Company were 2.8% (2024: 2.8%) and 2.7% (2024: 3.2%) per annum, respectively.

Notes to the Financial Statements

for the financial year ended 31 December 2025

29. Non-current assets classified as held for sale

As at 31 December 2025, non-current assets classified as held for sale are as follows:

(a) 80 units of flats in Bukit Mertajam

On 23 October 2025, the Company entered into Sale and Purchase agreements to dispose of 80 units of flats in Bukit Mertajam, for a total cash consideration of RM6,380,000. The sale was completed in first quarter of 2026.

The asset classified as held for sale and the related asset's revaluation reserves as at 31 December 2025 are as follows:

Group and Company	Note	RM'000
Assets:		
Property	i	<u>6,345</u>
Reserves:		
Revaluation reserves		<u>3,449</u>

Note i. Property

Property classified as held for sale comprise the following:

	RM'000
Buildings (Note 16)	6,380
Less: Cost to sell	<u>(35)</u>
	<u>6,345</u>

(b) Plant, machinery and factory equipment at Butterworth plant

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

The asset classified as held for sale as at 31 December 2025 is as follows:

Group and Company	RM'000
Assets:	
Cost of plant, machinery and factory equipment (Note 16)	37,153
Less: Accumulated depreciation (Note 16)	<u>(35,143)</u>
Net carrying amount	<u>2,010</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

30. Provisions

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Provision for mine restoration				
- RHT	67,403	58,337	-	-
- SL Tin	2,043	1,905	-	-
	69,446	60,242	-	-
Provision for retrenchment compensation	4,166	15,590	4,166	15,590
	<u>73,612</u>	<u>75,832</u>	<u>4,166</u>	<u>15,590</u>
Analysed as:				
Current	<u>6,134</u>	<u>16,529</u>	<u>4,166</u>	<u>15,590</u>
Non-current	<u>67,478</u>	<u>59,303</u>	-	-
Total	<u>73,612</u>	<u>75,832</u>	<u>4,166</u>	<u>15,590</u>

Provision for mine restoration

	Group	
	2025 RM'000	2024 RM'000
At 1 January	60,242	56,560
Addition during the year	6,916	1,576
Unwinding of discount on provision (Note 11)	2,288	2,106
At 31 December	<u>69,446</u>	<u>60,242</u>
Current	1,968	939
Non-current:		
Later than 1 year but not later than 2 years	1,943	935
Later than 2 years but not later than 5 years	5,848	3,723
Later than 5 years	59,687	54,645
	<u>67,478</u>	<u>59,303</u>
	<u>69,446</u>	<u>60,242</u>

Provision for retrenchment compensation

	Group and Company	
	2025 RM'000	2024 RM'000
At 1 January	15,590	15,246
(Reversal)/Addition during the year	(1,879)	971
Unwinding of discount on provision (Note 11)	-	512
Reclassified to other payables	(543)	-
Paid during the year	(9,002)	(1,139)
At 31 December	<u>4,166</u>	<u>15,590</u>
Current	<u>4,166</u>	<u>15,590</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

30. Provisions (cont'd)

(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 3.2(b) for significant accounting judgements and estimates made on the mine restoration costs.

RHT's original mine restoration plan amounting to RM28.9 million that was formulated by external consultant was approved by the relevant authorities in January 2024. During the year, the relevant authorities had approved the payment schedule, accordingly an amount of RM5.78 million was placed with the relevant authorities under a trust account, as disclosed in Note 26(a).

Management plan to submit the updated mine restoration plan (including the enlarged disturbed area) amounting to RM76.9 million (net present value: RM67.4 million) to the relevant authorities. The mine restoration plan for the enlarged disturbed area is prepared by in-house consultant based on the methodology used by the external consultant in formulating the original mine restoration plan.

(b) Provision for retrenchment compensation

The provision amounting to RM4.2 million as at 31 December 2025 (2024: RM15.6 million) is the compensation amount to be paid to the remaining employees at the Company's plant in Butterworth. The decommissioning of the Butterworth smelter plant is currently ongoing.

Notes to the Financial Statements

for the financial year ended 31 December 2025

31. Borrowings

	Group and Company	
	2025	2024
	RM'000	RM'000
Short term borrowings		
Unsecured:		
Short term trade financing	109,023	86,962
Bankers' acceptances/ Trust receipts	243,532	241,830
Secured:		
Term loan	13,333	14,444
	<u>365,888</u>	<u>343,236</u>
Long term borrowings		
Secured:		
Term loan	14,445	27,778
	<u>14,445</u>	<u>27,778</u>
Total borrowings	<u>380,333</u>	<u>371,014</u>

Short term trade financing

Short term trade financing bears interest rates ranging from 4.1% to 5.1% (2024: 4.8% to 5.8%) per annum.

Bankers' acceptances/ Trust receipts

Bankers' acceptances/ Trust receipts bear interest rates ranging from 3.6% to 4.1% (2024: 3.9% to 4.3%) per annum.

Term loan

The term loan is denominated in Ringgit Malaysia. The term loan bears interest rate of 4.8% (2024: 5.1%) per annum and is collateralised by land held for development of a subsidiary. At the reporting date, the carrying amount of land held for development is RM78,654,000.

The term loan is subject to the following financial covenants:

- a) the consolidated gearing ratio must at any time be not more than 2.0 times, and
- b) the debt service cover ratio must be not less than 1.25 times at all times.

The Group has complied with these covenants.

Notes to the Financial Statements

for the financial year ended 31 December 2025

31. Borrowings (cont'd)

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

	Group and Company	
	2025	2024
	RM'000	RM'000
On demand or within one year	365,888	343,236
More than 1 year and less than 2 years	13,333	13,333
More than 2 years and less than 5 years	1,112	14,445
	<u>380,333</u>	<u>371,014</u>

Other information on financial risks on borrowings are disclosed in Note 37.

32. Trade and other payables

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Current					
Trade payables					
Third parties	(a)	145,711	57,148	139,525	47,006
Subsidiaries	(a)	-	-	105,383	84,011
		<u>145,711</u>	<u>57,148</u>	<u>244,908</u>	<u>131,017</u>
Other payables					
Third parties	(b)	18,652	19,211	11,126	12,056
Immediate holding company		53	55	53	55
Subsidiaries	(c)	-	-	20,945	-
		<u>18,705</u>	<u>19,266</u>	<u>32,124</u>	<u>12,111</u>
Advance from an associate		2,112	2,045	2,112	2,045
Contract liabilities	(d)	41,240	27,658	41,240	27,658
Accruals		15,833	18,462	8,895	11,255
Dividend payable to a non-controlling shareholder of a subsidiary (Note 19)		10,073	-	-	-
		<u>87,963</u>	<u>67,431</u>	<u>84,371</u>	<u>53,069</u>
Total trade and other payables		<u>233,674</u>	<u>124,579</u>	<u>329,279</u>	<u>184,086</u>
Add: Borrowings: (Note 31)		<u>380,333</u>	<u>371,014</u>	<u>380,333</u>	<u>371,014</u>
Total financial liabilities carried at amortised cost		<u>614,007</u>	<u>495,593</u>	<u>709,612</u>	<u>555,100</u>

(a) Trade payables - third parties and subsidiaries

These are non-interest bearing and are normally settled by the Group and the Company on 60-day terms (2024: 60-day terms).

Notes to the Financial Statements

for the financial year ended 31 December 2025

32. Trade and other payables (cont'd)

(b) Other payables - third parties

These are non-interest bearing and are normally settled by the Group and the Company on 90-day terms (2024: 90-day terms).

(c) Other payables - subsidiaries

These are unsecured and repayable on demand and include advances amounting to RM26,000,000 (2024: RM Nil) which bears interest rate ranging from 2.1% to 2.3% (2024: Nil) per annum.

(d) Contract liabilities

An amount of RM1,073,200,000 (2024: RM1,064,504,000) included in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2025.

Further details on related party transactions are disclosed in Note 36.

Other information on financial risks of trade and other payables are disclosed in Note 37.

33. Share capital

Company	Number of ordinary shares '000	Amount RM'000
Issued and fully paid shares with no par value		
Ordinary shares		
At 1 January 2025	420,000	237,194
Issuance of ordinary shares pursuant to Bonus Issue	420,000	-
At 31 December 2025	<u>840,000</u>	<u>237,194</u>
At 1 January 2024/ 31 December 2024	<u>420,000</u>	<u>237,194</u>

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's residual assets.

During the financial year, the number of ordinary shares of the Company was increased from 420,000,000 shares to 840,000,000 shares by way of bonus issue of new ordinary shares on the basis of 1 bonus share for every 1 existing MSC share ("Bonus Issue"). The bonus shares were issued on 15 July 2025.

Notes to the Financial Statements

for the financial year ended 31 December 2025

33. Share capital (cont'd)

The new ordinary shares are issued as fully paid, at no consideration and without capitalisation from the Company's reserves, are ranked pari passu in all respects with the existing ordinary shares of the Company.

34. 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 2025	22,255	1,248	17,117	1,706	42,326
Other comprehensive income:					
Revaluation reserves on properties, net	1,415	-	-	-	1,415
Net fair value changes in quoted investments at FVOCI	-	-	1,600	-	1,600
Foreign currency translation	-	12	-	-	12
Share of foreign currency translation of associate	-	55	-	-	55
	1,415	67	1,600	-	3,082
At 31 December 2025	23,670	1,315	18,717	1,706	45,408
At 1 January 2024	19,426	1,221	24,205	1,706	46,558
Other comprehensive income:					
Revaluation reserves on properties, net	2,881	-	-	-	2,881
Net fair value changes in quoted investments at FVOCI	-	-	2,883	-	2,883
Foreign currency translation	-	5	-	-	5
Share of foreign currency translation of associate	-	22	-	-	22
	2,881	27	2,883	-	5,791
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities	-	-	(9,971)	-	(9,971)
Transfer of share of associate's revaluation reserves to retained earnings upon disposal of the associate's property	(52)	-	-	-	(52)
At 31 December 2024	22,255	1,248	17,117	1,706	42,326

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

	Revaluation reserves RM'000	FVOCI reserves RM'000	Total RM'000
Company			
At 1 January 2025	4,216	17,117	21,333
Other comprehensive income:			
Revaluation reserves on properties, net	545	-	545
Net fair value changes in quoted investments at FVOCI	-	1,600	1,600
	545	1,600	2,145
At 31 December 2025	4,761	18,717	23,478
At 1 January 2024	3,830	24,205	28,035
Other comprehensive income:			
Revaluation reserves on properties, net	386	-	386
Net fair value changes in quoted investments at FVOCI	-	2,883	2,883
	386	2,883	3,269
Transfer of FVOCI reserves to retained earnings upon disposal of investment securities	-	(9,971)	(9,971)
At 31 December 2024	4,216	17,117	21,333

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.

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

The account records the cumulative fair value changes of investment securities until they are derecognised and transferred to retained earnings.

Notes to the Financial Statements

for the financial year ended 31 December 2025

35. Commitments and contingency

(a) Capital commitments

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Capital expenditure:				
Approved and contracted for:				
- Property, plant and equipment	8,260	7,853	6,510	1,806
Approved but not contracted for:				
- Property, plant and equipment	4,261	4,074	1,047	-

(b) Legal claims

- (i) In respect of the suit against the Company with claim amount of RM2,152,533 for the purported breach of a sale and purchase agreement to supply 60,000 MT of tin slag ("Agreement"), the hearing took place on 4 and 5 February 2026. Further trial dates are required for the continuation of the proceedings, and a case management has been fixed on 5 March 2026 to obtain further directions from the Court.

At the case management held on 5 March 2026, the Court fixed further trial dates on 9 to 11 June 2026, 21 August 2026 and 24 November 2026.

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

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

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

On 21 May 2025, IRB issued notices of reduced assessment for YA 2019, YA 2021, and YA 2022 amounting to RM14.1 million which the amount was fully settled during the year, and the Notice of Appeal (Form Q) has been withdrawn.

Notes to the Financial Statements

for the financial year ended 31 December 2025

36. 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	2025 RM'000	2024 RM'000
Group			
Associate:			
- Sales of products	(i)	39,304	46,426
Director:			
- Legal/Professional fee charges	(ii)	3	19
Company			
Subsidiaries:			
- Purchases of products	(iii)	327,009	319,226
- Interest income	(iv)	3,577	3,564
- Management fee income	(v)	3,000	3,000
- Advances given	(vi)	2,215	2,049
- Advances received	(vii)	26,000	-
- Rental and service expenses (including security services)	(viii)	5,967	5,967
- Interest expense	(ix)	229	16
Associate:			
- Sales of products	(i)	39,304	46,426
Director:			
- Legal/Professional fee charges	(ii)	-	10

- (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) Legal/Professional fee was charged by a law firm where a former director of the Company and a director of a subsidiary are partners of the said law firm.
- (iii) The purchases of products from subsidiaries have been made according to the market prices and are normally settled by the Company on 60-day terms.
- (iv) Interest is charged on certain amounts due from subsidiaries. Further details of amount due from subsidiaries are disclosed in Note 26.
- (v) Management fee income is receivable from a subsidiary.
- (vi) Advances given to subsidiaries are subject to interest as disclosed in Note 26.

Notes to the Financial Statements

for the financial year ended 31 December 2025

36. Related party disclosures (cont'd)

(a) Related party transactions (cont'd)

- (vii) Advances received from a subsidiary is subject to interest as disclosed in Note 32(c).
- (viii) Rental and service charges (including security services) are payable to subsidiaries for lease of office, factory buildings, and warehouse.
- (ix) Interest expense is payable on advances received from a subsidiary. Further details are disclosed in Note 32(c).

Information regarding outstanding balances arising from related party transactions as at 31 December 2025 and 2024 are disclosed in Notes 26 and 32.

(b) Compensation of key management personnel

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short term employee benefits	5,588	5,593	4,509	4,539
Post-employment benefits:				
- Defined contribution plan	626	616	483	476
	<u>6,214</u>	<u>6,209</u>	<u>4,992</u>	<u>5,015</u>

Included in the total compensation of key management personnel was:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' fees (Note 8)	<u>749</u>	<u>809</u>	<u>749</u>	<u>809</u>

37. 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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

(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 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 2025			
- Malaysian Ringgit	+25	(237)	(484)
	-25	237	484
- United States Dollar	+25	(166)	(166)
	-25	166	166
At 31 December 2024			
- Malaysian Ringgit	+25	(303)	(499)
	-25	303	499
- United States Dollar	+25	(142)	(142)
	-25	142	142

(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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

(b) Foreign currency risk (cont'd)

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) 85% (2024: 72%) of the Group's and 33% (2024: 19%) of the Company's trade and other receivables are denominated in foreign currencies, mainly in United States Dollar.
- (ii) 63% (2024: 34%) of the Group's and 44% (2024: 23%) of the Company's trade and other payables are denominated in foreign currencies, mainly in United States Dollar.
- (iii) 29% (2024: 33%) of the Group's and 77% (2024: 71%) of the Company's cash and bank deposits are denominated in foreign currencies, mainly in United States Dollar.
- (iv) 29% (2024: 23%) 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 RM37,000 with deferred tax expense of RM9,000 for the Group and 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 net of tax and equity at the reporting date:

		2025 (Decrease)/ Increase in profit net of tax and equity RM'000	2024 (Decrease)/ Increase in profit net of tax and equity RM'000
Group and Company			
USD/RM	strengthened by 5%	(4,711)	(1,365)
	weakened by 5%	4,711	1,365

Notes to the Financial Statements

for the financial year ended 31 December 2025

37. 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 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 2025					
Financial liabilities:					
<u>Non-derivative</u>					
Borrowings:					
- Principal	31	365,888	14,445	-	380,333
- Interest		3,171	397	-	3,568
Trade and other payables		192,434	-	-	192,434
Lease liabilities					
- Principal	17(b)	192	515	3,300	4,007
- Interest		198	718	1,989	2,905
Total undiscounted financial liabilities		561,883	16,075	5,289	583,247

Notes to the Financial Statements
for the financial year ended 31 December 2025

37. 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 2024					
Financial liabilities:					
<u>Non-derivative</u>					
Borrowings:					
- Principal	31	343,236	27,778	-	371,014
- Interest		3,805	1,531	-	5,336
Trade and other payables		96,921	-	-	96,921
Lease liabilities					
- Principal	17(b)	273	584	3,419	4,276
- Interest		210	746	2,159	3,115
Total undiscounted financial liabilities		444,445	30,639	5,578	480,662
At 31 December 2025					
Financial liabilities:					
<u>Non-derivative</u>					
Borrowings:					
- Principal	31	365,888	14,445	-	380,333
- Interest		3,171	397	-	3,568
Trade and other payables		288,039	-	-	288,039
Lease liabilities					
- Principal	17(b)	79	-	-	79
- Interest		4	-	-	4
Total undiscounted financial liabilities		657,181	14,842	-	672,023

Notes to the Financial Statements

for the financial year ended 31 December 2025

37. 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 2024					
Financial liabilities:					
<u>Non-derivative</u>					
Borrowings:					
- Principal	31	343,236	27,778	-	371,014
- Interest		3,805	1,531	-	5,336
Trade and other payables		156,428	-	-	156,428
Lease liabilities					
- Principal	17(b)	165	94	-	259
- Interest		10	4	-	14
Total undiscounted financial liabilities		503,644	29,407	-	533,051

(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 2025

37. 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 97.3% (2024: 66.2%) 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 (current and non-current) at the reporting date were as follows:

Group	2025		2024	
	RM'000	% of total	RM'000	% of total
By country:				
United Kingdom	66,159	85	14,896	47
Malaysia	11,787	15	8,855	28
Japan	255	-	5,424	17
Hong Kong and Taiwan	1	-	2,705	8
Others	14	-	7	-
	<u>78,216</u>	<u>100</u>	<u>31,887</u>	<u>100</u>

Company	2025		2024	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	136,801	67	99,883	81
United Kingdom	66,159	33	14,896	12
Japan	255	-	5,424	5
Hong Kong and Taiwan	1	-	2,705	2
Others	14	-	7	-
	<u>203,230</u>	<u>100</u>	<u>122,915</u>	<u>100</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

37. 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 TSX Venture Exchange and NEX Board 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		2025	2024
		Increase/ (Decrease)	Increase/ (Decrease)
		in equity	in equity
		RM'000	RM'000
Share price	increased by 5% (2024: 22%) decreased by 5% (2024: 22%)	1,428 (1,428)	5,797 (5,797)

Notes to the Financial Statements

for the financial year ended 31 December 2025

37. 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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Share capital	237,194	237,194	237,194	237,194
Other reserves	45,408	42,326	23,478	21,333
Retained earnings	448,598	429,624	288,520	287,077
Total shareholders' equity	731,200	709,144	549,192	545,604
Non-controlling interests	70,735	66,396	-	-
Total equity	<u>801,935</u>	<u>775,540</u>	<u>549,192</u>	<u>545,604</u>
Total borrowings (Note 31)	<u>380,333</u>	<u>371,014</u>	<u>380,333</u>	<u>371,014</u>
Gearing ratio (total borrowings over total equity)	<u>0.5</u>	<u>0.5</u>	<u>0.7</u>	<u>0.7</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

38. 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:

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 2025					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2025	28,581	-	-	28,581
Revalued land and buildings (Note 16)					
- Land and buildings in Pulau Indah Industrial Park	31.12.2025	-	-	67,560	67,560
- Land and buildings in Daerah Hulu Perak	31.12.2025	-	-	6,431	6,431
- Land at Butterworth	31.12.2025	-	-	81	81
		<u>28,581</u>	<u>-</u>	<u>74,072</u>	<u>102,653</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

38. 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 2024					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2024	26,981	-	-	26,981
Revalued land and buildings (Note 16)					
- Land and buildings in Pulau Indah Industrial Park	31.12.2024	-	-	67,730	67,730
- 80 units flats in Bukit Mertajam	31.12.2024	-	-	6,240	6,240
- Land and buildings in Daerah Hulu Perak	31.12.2024	-	-	2,738	2,738
Derivative financial assets					
- Forward currency contracts	31.12.2024	-	37	-	37
		<u>26,981</u>	<u>37</u>	<u>76,708</u>	<u>103,726</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

38. 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 2025					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2025	28,581	-	-	28,581
Revalued buildings (Note 16)					
- Buildings in Pulau Indah Industrial Park	31.12.2025	-	-	16,660	16,660
		28,581	-	16,660	45,241
At 31 December 2024					
Assets measured at fair value:					
Investment securities (Note 21)					
- Equity instruments (quoted)	31.12.2024	26,981	-	-	26,981
Revalued buildings (Note 16)					
- Buildings in Pulau Indah Industrial Park	31.12.2024	-	-	16,820	16,820
- 80 units flats in Bukit Mertajam	31.12.2024	-	-	6,240	6,240
Derivative financial assets					
- Forward currency contracts	31.12.2024	-	37	-	37
		26,981	37	23,060	50,078

Notes to the Financial Statements

for the financial year ended 31 December 2025

38. 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 2025

38. 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	Range of adjustments/ parameters	Sensitivity of the input to fair value
Group					
At 31 December 2025					
Revalued land (Note 16)	45,001	Market comparable approach	Difference in location, zoning, size scheme, tenure and time	-15.0% to 25.0%	Every 1% increase or (decrease) in the adjustments would result in increase or (decrease) in fair value by RM472,000.
Revalued buildings (Note 16)	29,071	Depreciated replacement cost	Construction cost per square foot Depreciation rate	RM23.00 to RM200.00 5.0% to 70.0%	There are no reasonably possible changes in significant unobservable inputs that would result in a material change to the fair value of the assets.
At 31 December 2024					
Revalued land (Note 16)	41,227	Market comparable approach	Difference in location, zoning, size scheme, tenure and time	-15.0% to 25.0%	Every 1% increase or (decrease) in the adjustments would result in (decrease) or increase in fair value by RM370,000.
Revalued buildings (Note 16)	6,240	Market comparable approach	Difference in size, scheme and tenure	0%	Every 1% increase or (decrease) in the adjustments would result in an increase or (decrease) in fair value by RM61,000
Revalued buildings (Note 16)	29,241	Depreciated replacement cost	Construction cost per square foot Depreciation rate	RM23.00 to RM200.00 5.0% to 70.0%	There are no reasonably possible changes in significant unobservable inputs that would result in a material change to the fair value of the assets.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

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

Description	Fair value RM'000	Valuation techniques	Significant unobservable inputs	Range of adjustments/parameters	Sensitivity of the input to fair value
Company					
At 31 December 2025					
Revalued buildings (Note 16)	16,660	Depreciated replacement cost	Construction cost per square foot Depreciation rate	RM50.00 to RM200.00 7.5% to 66.5%	There are no reasonably possible changes in significant unobservable inputs that would result in a material change to the fair value of the assets.
At 31 December 2024					
Revalued buildings (Note 16)	6,240	Market comparable approach	Difference in size, scheme and tenure	0%	Every 1% increase or (decrease) in the adjustments would result in an increase or (decrease) in fair value by RM61,000
	16,820	Depreciated replacement cost	Construction cost per square foot Depreciation rate	RM50.00 to RM200.00 5.0% to 65.0%	There are no reasonably possible changes in significant unobservable inputs that would result in a material change to the fair value of the assets

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 2025.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

(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:

	<u>Note</u>
Trade receivables (current)	25
Other receivables (non-current)	26
Other receivables (current)	26
Cash, bank balances and deposits	28
Borrowings (current)	31
Borrowings (non-current)	31
Trade and other payables (current)	32

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.

39. 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:

(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.

Notes to the Financial Statements

for the financial year ended 31 December 2025

39. Segmental information (cont'd)

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
2025						
Revenue						
Sales to external customers		1,758,969	-	-	-	1,758,969
Inter-segment sales		-	327,009	-	(327,009)	-
Total revenue		<u>1,758,969</u>	<u>327,009</u>	<u>-</u>	<u>(327,009)</u>	<u>1,758,969</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

39. 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
2025 (cont'd)						
Results						
Profit/(Loss) from operations		43,675	119,127	(27)	(5,053)	157,722
Finance costs		(17,670)	(2,488)	(683)	-	(20,841)
Share of results of associate		-	-	1,449	-	1,449
Profit/(Loss) before tax		26,005	116,639	739	(5,053)	138,330
Income tax (expense)/credit		(2,719)	(40,462)	-	1,213	(41,968)
Profit/(Loss) net of tax		23,286	76,177	739	(3,840)	96,362
Assets						
Segment assets		1,062,115	395,945	28,589	(15,898)	1,470,751
Investments in associate and joint venture		-	-	31,937	-	31,937
Non-current assets classified as held for sale (Note 29)		8,355	-	-	-	8,355
Total assets		1,070,470	395,945	60,526	(15,898)	1,511,043
Liabilities						
Segment liabilities		595,789	113,173	146	-	709,108
Other segment information						
Additions of non- current assets						
- Property, plant and equipment	16	8,162	22,468	-	-	30,630
- Mining assets	22	-	1,118	-	-	1,118
Reversal of provision for retrenchment compensation	10	(1,879)	-	-	-	(1,879)
Depreciation expenses	9	7,769	6,041	-	-	13,810
Amortisation of mining rights	9	-	124	-	-	124
Amortisation of corporate club memberships	9	3	5	-	-	8
Amortisation of mine properties	9	-	823	-	-	823
Interest income	6	(1,750)	(3,042)	-	-	(4,792)
Net realised foreign exchange gain	7	(4,062)	-	-	-	(4,062)
Net unrealised foreign exchange gain	7	(3,022)	-	-	-	(3,022)

Notes to the Financial Statements

for the financial year ended 31 December 2025

39. 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
2024						
Revenue						
Sales to external customers		1,691,774	-	-	-	1,691,774
Inter-segment sales		-	319,226	-	(319,226)	-
Total revenue		<u>1,691,774</u>	<u>319,226</u>	<u>-</u>	<u>(319,226)</u>	<u>1,691,774</u>
Results						
Profit/(Loss) from operations		48,667	112,755	(35)	(9,908)	151,479
Finance costs		(16,320)	(2,311)	(612)	-	(19,243)
Share of results of associate		-	-	(233)	-	(233)
Profit/(Loss) before tax		<u>32,347</u>	<u>110,444</u>	<u>(880)</u>	<u>(9,908)</u>	<u>132,003</u>
Income tax (expense)/credit		(8,912)	(31,935)	-	2,378	(38,469)
Profit/(Loss) net of tax		<u>23,435</u>	<u>78,509</u>	<u>(880)</u>	<u>(7,530)</u>	<u>93,534</u>
Assets						
Segment assets		962,302	356,088	26,989	(12,058)	1,333,321
Investments in associate and joint venture		-	-	30,517	-	30,517
Total assets		<u>962,302</u>	<u>356,088</u>	<u>57,506</u>	<u>(12,058)</u>	<u>1,363,838</u>
Liabilities						
Segment liabilities		<u>492,498</u>	<u>95,641</u>	<u>159</u>	<u>-</u>	<u>588,298</u>
Other segment information						
Additions of non-current assets						
- Property, plant and equipment	16	9,348	11,180	-	-	20,528
- Mining assets	22	-	413	-	-	413
Provision for retrenchment compensation						
	10	971	-	-	-	971
Depreciation expenses						
	9	7,020	5,583	-	-	12,603
Amortisation of mining rights						
	9	-	131	-	-	131
Amortisation of corporate club memberships						
	9	3	5	-	-	8
Amortisation of mine properties						
	9	-	907	-	-	907
Interest income						
	6	(3,382)	(3,297)	-	-	(6,679)
Net realised foreign exchange gain						
	7	(426)	-	-	-	(426)
Net unrealised foreign exchange loss						
	12	<u>2,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,755</u>

Notes to the Financial Statements

for the financial year ended 31 December 2025

39. Segmental information (cont'd)**Business segments (cont'd)**

The following items were added to segment profit before tax to arrive at profit before tax as disclosed in the consolidated statement of profit or loss:

	Group	
	2025	2024
	RM'000	RM'000
Realised profit arising from inter-segment sales	15,865	5,957
Unrealised profit arising from inter-segment sales	<u>(20,918)</u>	<u>(15,865)</u>
	<u>(5,053)</u>	<u>(9,908)</u>

The following item was deducted from segment assets to arrive at total assets as disclosed in the consolidated statement of financial position:

	Group	
	2025	2024
	RM'000	RM'000
Unrealised profit arising from inter-segment sales, net of tax	<u>(15,898)</u>	<u>(12,058)</u>

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 five major customers totalling RM1,183,566,000, representing 67% of total revenue (2024: five major customers totalling RM1,161,302,000, representing 69% of total revenue), arising from sales by the tin smelting segment.

40. Subsequent event

The Middle East conflict which started on 28 February 2026 and caused the closure of the Strait of Hormuz, has significantly disrupted many business operations around the world.

The conflict is a non-adjusting post balance sheet event. For the Group, the impact on business operations has not been a direct consequence of the conflict, but as a result of the indirect effect globally due to rising energy costs. Liquefied natural gas which is the primary fuel for smelting, and diesel, which directly affects the transportation costs for mining, could significantly increase should the conflict be prolonged.

41. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 15 April 2026.

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) GROUP TOTAL INCOME AND TOTAL ASSETS

	Remarks	GROUP	
		2025 RM'000	2024 RM'000
Total Income			
Revenue		1,758,969	1,691,774
Other income		12,587	10,565
Interest income		4,792	6,679
Dividend income		2,636	3,364
Share of results of associate		1,449	(233)
Total Income		1,780,433	1,712,149
Total Assets		1,511,043	1,363,838

(B) BUSINESS ACTIVITIES

Shariah Non-Compliant Activities	Remarks	GROUP	
		2025 RM'000	2024 RM'000
Interest income		4,251	6,629
Insurance claims		437	-
Total		4,688	6,629

(C) COMPONENT OF FINANCIAL POSITION

(i) Cash Component

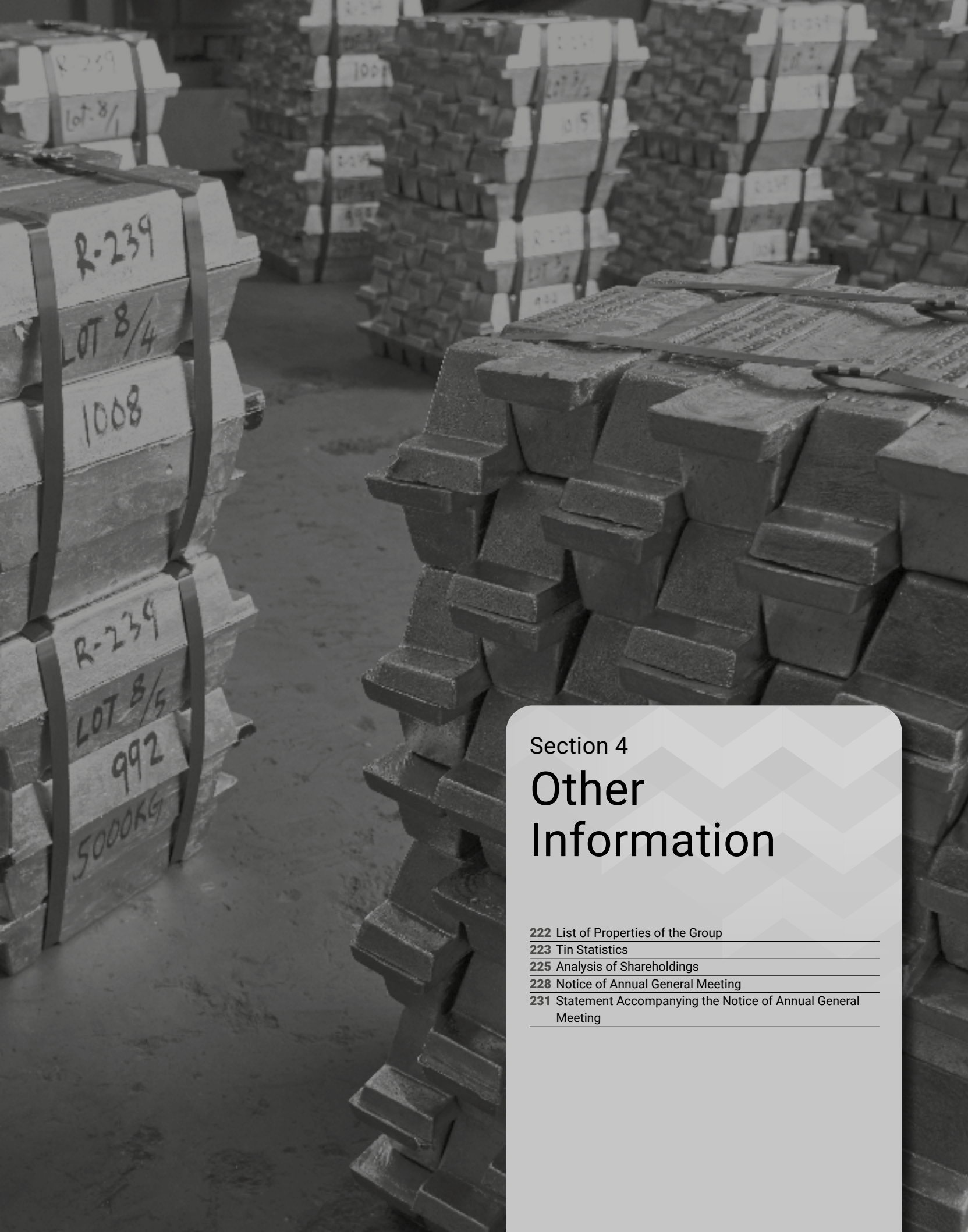
	Remarks	GROUP	
		2025 RM'000	2024 RM'000
Islamic Account/Instruments			
Cash at bank (exclude cash in hand)		499	-
Deposits with licensed bank	FD	21,952	1,909
Total		22,451	1,909
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		57,075	75,166
Deposits with licensed bank	REPO, FD	146,509	134,652
Total		203,584	209,818

Disclosure of Financial Data for Shariah Screening

(C) COMPONENT OF FINANCIAL POSITION (CONT'D)

(ii) Debt Component

	Remarks	GROUP	
		2025 RM'000	2024 RM'000
Islamic Financing			
Current			
Bankers' acceptances/Trust receipts		16,837	14,317
Total		16,837	14,317
Conventional Borrowing			
Current			
Short term trade financing		109,023	86,962
Bankers' acceptances/Trust receipts		226,695	227,513
Term loan		13,333	14,444
Hire purchase payable		79	75
Non-current			
Term loan		14,445	27,778
Hire purchase payable		-	94
Total		363,575	356,866
Total Debt		380,412	371,183



Section 4

Other Information

[222 List of Properties of the Group](#)

[223 Tin Statistics](#)

[225 Analysis of Shareholdings](#)

[228 Notice of Annual General Meeting](#)

[231 Statement Accompanying the Notice of Annual General Meeting](#)

List of Properties of the Group

31 December 2025

Location	Description	Approximate area	Tenure	Year of expiry	Approximate age of buildings	Net carrying amount at 31.12.2025 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	2 to 24 years	67,560	31.12.2025
2. Mukim Pengkalan Hulu Daerah Hulu Perak							
(a) Lot 344 & 348	Land with buildings	3.78 hectares	Freehold	–	over 50 years	355	31.12.2025
(b) Lot 2163, 55502, 55503, 55504, 56711, 56740, 56741 & 2071	Land with buildings	7.02 hectares	Leasehold	2068-2112	44 to over 50 years	1,428	31.12.2025
(c) Lot 7700, 7701 & 7702	3 units of terrace houses	417 sq. m	Leasehold	2108	15 years	640	31.12.2025
(d) Lot 55671 and 55675	2 units of semi-detached houses	526 sq. m	Freehold	–	12 years	630	31.12.2025
3. Mukim Belukar Semang Daerah Hulu Perak							
(a) Lot 1886	Vacant land	0.4 hectares	Freehold	–	–	25	31.12.2025
(b) Lot 2546, 2547 & 2548	Land with buildings	7.01 hectares	Leasehold	2050	–	54	31.12.2025
4. Lot 13295, 13296, 13297, 13298, 13299, 56773, 56774, 56775 & 56776 Daerah Hulu Perak	Land with power transmission line	446,827 sq. m	Leasehold	2051	–	3,299	31.12.2025
5. PT 686, Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang	Seabed leases with main wharf	1,394 sq. m	Leasehold	2069	–	81	31.12.2025
6. Lots 20514 - 20517 Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang	For future development	51,755 sq. m	Freehold	–	–	78,654	30.09.2018

Tin Statistics

Deliveries of Refined Tin from MSC

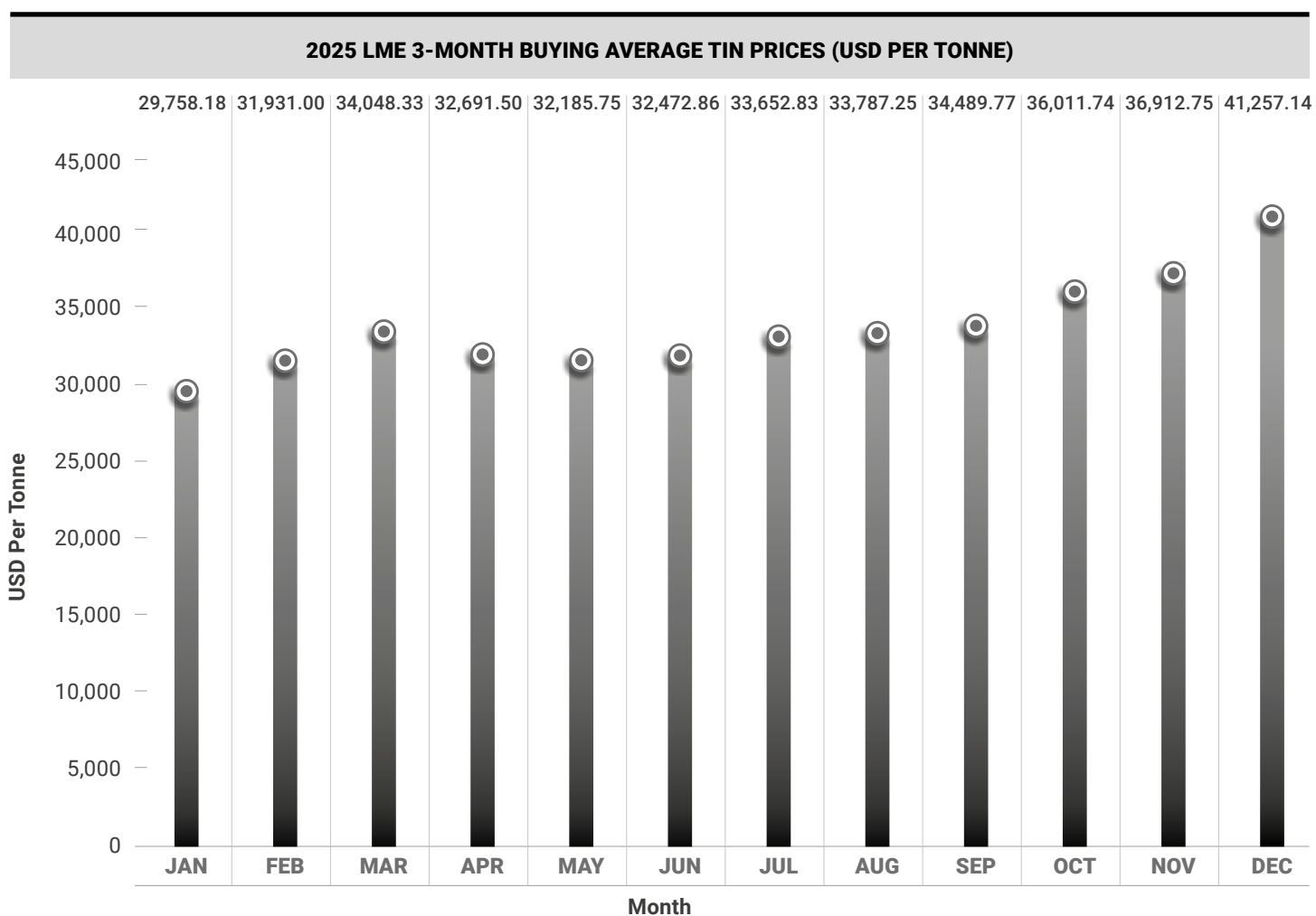
(Tonnes Refined Tin by reported destination)

Destination	2021	2022	2023	2024	2025
Africa	100	75	40	70	-
Australia & New Zealand	-	-	-	20	-
China	120	1,859	2,276	1,777	786
EEC	891	800	1,104	238	25
India, Pakistan & Bangladesh	308	285	-	275	791
Japan	4,197	4,587	3,454	3,580	3,080
Korea	1,825	680	1,311	1,370	420
Middle East	425	329	380	495	350
Taiwan	774	581	423	414	351
Rest of Asia Pacific	480	1,103	1,240	60	-
USA, Canada & Central America	1,195	270	904	572	290
	10,315	10,569	11,132	8,872	6,094
Malaysia					
For domestic consumption*	5,818	8,148	9,912	7,673	6,809
	16,133	18,717	21,044	16,545	12,903

* 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)
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
2024	5,707	13,824
2025	6,096	13,001



Analysis of Shareholdings

As at 31 March 2026

No. of Issued Shares	: 840,000,000 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		No. of Shares Held	
		Percentage (%)		Percentage (%)
Less than 100	34	0.59	599	0.00
100 to 1,000	591	10.31	339,605	0.04
1,001 to 10,000	2,904	50.64	14,562,772	1.74
10,001 to 100,000	1,717	29.94	58,325,100	6.94
100,001 to less than 5% of issued shares	486	8.47	359,885,524	42.84
5% and above of issued shares	3	0.05	406,886,400	48.44
TOTAL	5,735	100.00	840,000,000	100.00

DIRECTORS' SHAREHOLDINGS

Directors	Direct Interest		Deemed Interest	
	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
Ms. Chew Gek Khim PJG	3,393,000	0.40	-	-
Dato' Dr. (Ir.) Patrick Yong Mian Thong	853,000	0.10	-	-
Datuk Kamaruddin Bin Taib	-	-	-	-
Dato' Roslina Binti Zainal	-	-	-	-
Mr. Yap Seng Chong	-	-	-	-
Datuk Lim Hong Tat	-	-	-	-
Dato' Seri Paduka (TPr.) Dr. Maimunah Binti Mohd Sharif	-	-	-	-

Analysis of Shareholdings

As at 31 March 2026

THE 30 LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares Held	Percentage (%)
1	The Straits Trading Company Limited	224,720,000	26.75
2	Straits Trading Amalgamated Resources Sdn Bhd	138,996,000	16.55
3	Sword Investments Private Limited	43,170,400	5.14
4	Baxterley Holdings Private Limited	29,600,000	3.52
5	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 19)	14,209,200	1.69
6	Neoh Choo Ee & Company, Sdn. Berhad	11,000,000	1.31
7	Citigroup Nominees (Asing) Sdn Bhd UBS AG	8,241,350	0.98
8	Lim Khoon	7,076,800	0.84
9	Lee Pin	6,732,200	0.80
10	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	6,550,900	0.78
11	Olive Lim Swee Lian	6,421,000	0.76
12	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	6,243,900	0.74
13	Citigroup Nominees (Tempatan) Sdn Bhd Lembaga Tabung Haji (UOB)	5,970,500	0.71
14	Gan Yoon Soon	5,771,000	0.69
15	HSBC Nominees (Tempatan) Sdn Bhd BNPP SIN/2S for Pertubuhan Keselamatan Sosial (PKSUOBAM EQ)	3,960,700	0.47
16	OCBC Securities Private Ltd	3,932,200	0.47
17	Kenanga Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte Ltd (Client Account)	3,744,700	0.45
18	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Ong Tee Thong (PW-M00374) (952041)	3,501,200	0.42
19	Teck Trading Company Sdn Bhd	3,500,400	0.42
20	AmanahRaya Trustees Berhad PMB Shariah Growth Fund	3,500,000	0.42
21	Citigroup Nominees (Tempatan) Sdn Bhd Lembaga Tabung Haji (Eastspring)	3,295,400	0.39
22	HSBC Nominees (Asing) Sdn Bhd Exempt AN forBank Julius Baer & Co. Ltd. (Singapore Bch)	3,250,000	0.39
23	Kuek Siaw Kia @ Quek Shiew Poh	3,152,000	0.38
24	Song Swee Chee	3,030,000	0.36

Analysis of Shareholdings

As at 31 March 2026

THE 30 LARGEST SHAREHOLDERS (CONT'D)

No.	Shareholders	No. of Shares Held	Percentage (%)
25	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (UOB AM SC EQ)	3,018,600	0.36
26	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Yoon Soon	2,965,000	0.35
27	Lim Boon Tat (Lin Wenda)	2,883,600	0.34
28	Au Yong Mun Yue	2,780,000	0.33
29	Dynaquest Sdn. Bhd.	2,726,000	0.32
30	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Mettiz Capital Sdn Bhd (PB)	2,720,000	0.32

LIST OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
The Straits Trading Company Limited	224,720,000	26.75	211,766,400 ^{*1}	25.21
Straits Trading Amalgamated Resources Sdn. Bhd.	138,996,000	16.55	-	-
Sword Investments Private Limited	43,170,400	5.14	-	-
Tan Chin Tuan Pte. Ltd.	-	-	436,486,400 ^{*2}	51.96
The Cairns Pte. Ltd.	-	-	436,486,400 ^{*2}	51.96
Tecity Pte. Ltd.	-	-	436,486,400 ^{*2}	51.96
Raffles Investments Pte. Ltd.	-	-	436,486,400 ^{*2}	51.96
Aequitas Pte. Ltd.	-	-	436,486,400 ^{*2}	51.96
Dr. Tan Kheng Lian	-	-	436,486,400 ^{*3}	51.96

Notes:-

^{*1} Held through Straits Trading Amalgamated Resources Sdn. Bhd., Sword Investments Private Limited and Baxterley Holdings Private Limited.

^{*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-Seventh (“47th”) Annual General Meeting (“AGM”) of MALAYSIA SMELTING CORPORATION BERHAD (the “Company”) will be held at Grand Suite, Level 7, Hilton Kuala Lumpur, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur, Malaysia on Friday, 29 May 2026 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 2025 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 RM0.04 per share in respect of the financial year ended 31 December 2025. | Resolution 1 |
| 3. | To approve the payment of Directors’ Fees and Benefits of up to RM860,000.00 from 30 May 2026 until the next AGM of the Company to be held in year 2027. | Resolution 2 |
| 4. | To re-elect the following Directors of the Company who are retiring pursuant to Clause 102 of the Constitution of the Company: | |
| | (i) Ms. Chew Gek Khim PJG | Resolution 3 |
| | (ii) Datuk Kamaruddin Bin Taib | Resolution 4 |
| 5. | To re-elect Dato’ Seri Paduka (TPr.) Dr. Maimunah Binti Mohd Sharif who is retiring pursuant to Clause 109 of the Constitution of the Company. | Resolution 5 |
| 6. | To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

AS SPECIAL BUSINESS:

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

- | | | |
|----|--|---|
| 7. | ORDINARY RESOLUTION -
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Resolution 7
{Please refer to Note C(1)} |
| | “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 47th AGM, a Final Single-Tier Dividend of RM0.04 sen per share in respect of the financial year ended 31 December 2025 will be paid to shareholders on 26 June 2026. The entitlement date for the said Dividend shall be on 16 June 2026.

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 16 June 2026 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 2026

Notice of Annual General Meeting

Explanatory Notes:

A) Appointment of Proxy

1. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 May 2026 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her 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.*
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. *Audited Financial Statements for the financial year ended 31 December 2025.*

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.

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 29 May 2025, 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 47th AGM to be held on 29 May 2026.

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 46th 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-Seventh (“47th”) Annual General Meeting (“AGM”) of the Company pursuant to Clause 102 of the Company’s Constitution are Ms. Chew Gek Khim ^{PJG} and Datuk Kamaruddin Bin Taib.
2. The Director who is standing for re-election at the 47th AGM of the Company pursuant to Clause 109 of the Company’s Constitution is Dato’ Seri Paduka (TPr.) Dr. Maimunah Binti Mohd Sharif.
3. The details of the above Directors seeking re-election is set out in the Profile of Directors as disclosed on pages 8 to 11 of this Annual Report.
4. The details of attendance of the Directors of the Company at Board of Directors’ Meetings held during the financial year ended 31 December 2025 are disclosed in the Corporate Governance Overview Statement set out on page 85 of this Annual Report.
5. The details of the interest of the Directors in the securities of the Company are stated on page 225 of the Company’s Annual Report 2025.
6. 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.

This page has been intentionally left blank.

www.msmelt.com

Registered Office

Lot 6, 8 and 9, Jalan Perigi Nanas 6/1
Pulau Indah Industrial Park
West Port, Port Klang
42920 Pulau Indah
Selangor, Malaysia

Tel: (603) 3102 3083 | Fax: (603) 3102 3080