

**Perusahaan Sadur Timah Malaysia  
(Perstima) Berhad**  
(Registration No. 197901005687 (49971-D))  
(Incorporated in Malaysia)

**Interim Financial Report  
30 June 2021**

# Perusahaan Sadur Timah Malaysia (Perstima) Berhad

(Registration No. 197901005687 (49971-D))

(Incorporated in Malaysia)

## Notes to the interim financial report

### A. Explanatory Notes to the Interim Financial Statements – MFRS 134

#### 1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standard Board.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2021.

#### 2. Changes in Accounting Policies

The audited financial statements of the Group for the year ended 31 March 2021 were prepared according with MFRS. The significant accounting policies adopted in preparing this condensed financial report are consistent with those of the audited financial statements for the year ended 31 March 2021.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:-

##### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020***

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

##### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

##### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021***

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

***MFRSs, Interpretations and amendments effective from a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations in the respective financial year when the above standards, amendments and interpretations become effective.

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group and the Company upon their first adoption.

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### **3. Audit Report**

The most recent audited financial statements for the year ended 31 March 2021 was not subject to any qualification.

### **4. Seasonal or cyclical factors**

The business of the Group was not affected by any significant seasonal or cyclical factors in the current quarter.

### **5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, size or incidence for the financial period under review.

### **6. Changes in Estimates**

Not applicable as there were no estimates being reported during the prior periods.

### **7. Debt and equity securities**

There were no issuances, cancellations, repurchase, resale and repayments of debt and equity securities for the period under review.

### **8. Dividends paid**

There was no dividend paid for the financial quarter ended 30 June 2021.

## 9. Segment information

	<b>Quarter ended 30.06.2021</b>	
	Revenue RM'000	Profit before Tax RM'000
Malaysia	149,334	4,786
Vietnam	105,602	6,897
Philippines	--	(4,015)
	<hr/>	<hr/>
	254,936	7,668
Inter-segment elimination	(3,157)	18
	<hr/>	<hr/>
<b>Segment results</b>	251,779	7,686
Finance costs	--	(427)
Interest income	--	650
	<hr/>	<hr/>
	251,779	7,909
	<hr/> <hr/>	<hr/> <hr/>

## 10. Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

## 11. Capital commitments

	<b>30.06.2021 RM'000</b>
<i>Property, plant and equipment</i>	
Authorised but not contracted for	48,092
Contracted but not provided for in the financial statements	70,501
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	118,593
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## 12. Events subsequent to the statement of financial position date

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period under review.

## 13. Changes in composition of the Group

There were no changes in the composition of the Group during the period under review, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

## 14. Changes in contingent liabilities

There were no changes in contingent liabilities since the last annual statement of financial position as at 31 March 2021.

## B. Additional information required by Bursa Securities Main Market Listing Requirements

### 1. Review of Group performance and current year prospects

*Comparison with corresponding period in the previous year*

	Apr - June 2021	Apr - June 2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	149,334	115,685	33,649	29.1
- Vietnam	105,602	88,239	17,363	19.7
- Philippines	--	--	--	--
Consol Adjustment	(3,157)	(3,276)	119	3.6
Total	251,779	200,648	51,131	25.5
Profit/(loss) before tax				
- Malaysia	4,488	7,011	(2,523)	(36.0)
- Vietnam	7,418	6,974	444	6.4
- Philippines	(4,015)	(472)	(3,543)	<100
Consol Adjustment	18	18	--	--
Total	7,909	13,531	(5,622)	(41.6)

The Group's revenue for the quarter ended 30 June 2021 ("Current Quarter") compared with the quarter ended 30 June 2020 ("Previous Year Corresponding Period") increased by RM51.1 million (25.5%) due to higher sales volume coupled with higher selling price. The Group's profit before taxation for the Current Quarter compared with the Previous Year Corresponding Period decreased by RM5.6 million (41.6%) was due to lower profit margin despite higher sales volume during the Current Quarter.

For Malaysia, the Company's revenue for the Current Quarter increased by RM33.6 million (29.1%) as compared to the Previous Year Corresponding Period due to higher sales volume coupled with higher selling price. The Company's profit before taxation for the Current Quarter of RM4.5 million was lower as compared to RM7.0 million in the Previous Year Corresponding Period due to lower profit margin despite higher sales volume during the Current Quarter.

For Vietnam, the subsidiary Company's revenue increased by RM17.4 million (19.7%) compared with the Previous Year Corresponding Period due to higher sales volume coupled with higher selling price. The subsidiary Company's profit before taxation for the Current Quarter of RM7.4 million compared with RM7.0 million in the Previous Year Corresponding Period due to higher sales volume coupled with better profit margin during the Current Quarter.

For Philippines, the subsidiary Company's did not have any revenue during the Current Quarter since it was still at preliminary stage after being registered on 22 November 2018. The subsidiary Company's loss before taxation for the Current Quarter of RM4.0 million was due to the preliminary cost related to the rental fee and administration fee during the Current Quarter.

*Comparison with preceding quarter*

	Apr - June 2021	Jan - Mar 2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	149,334	136,779	12,555	9.2
- Vietnam	105,602	90,438	15,164	16.8
- Philippines	--	--	--	--
Consol Adjustment	(3,157)	(2,992)	(165)	(5.5)
Total	251,779	224,225	27,554	12.3
Profit before tax				
- Malaysia	4,488	13,788	(9,300)	(67.5)
- Vietnam	7,418	5,451	1,967	36.1
- Philippines	(4,015)	(1,047)	(2,968)	<100
Consol Adjustment	18	18	--	--
Total	7,909	18,210	(10,301)	(56.6)

For the Current Quarter, the Group recorded a revenue of RM251.8 million compared with RM224.2 million in the quarter ended 31 March 2021 ("Previous Quarter"). The Group's higher revenue was mainly due to higher sales volume coupled with higher selling price. The Group recorded a profit before tax of RM7.9 million compared with RM18.2 million in the Previous Quarter. The lower profit before tax was due to lower profit margin despite higher sales volume in the Current Quarter.

For Malaysia, the Company recorded a revenue of RM149.3 million as compared to RM136.8 million in the Previous Quarter. The Company's revenue was higher due to higher sales volume coupled with higher selling price. The Company recorded a profit before tax of RM4.5 million compared with RM13.8 million in the Previous Quarter. The lower profit before tax for the Current Quarter was mainly due to lower profit margin despite higher sales volume for the Current Quarter.

For Vietnam, the subsidiary Company recorded a revenue of RM105.6 million as compared to RM90.4 million in the Previous Quarter. The subsidiary Company's revenue was higher due to higher selling price despite lower sales volume for the Current Quarter. The Company recorded a profit before tax of RM7.4 million compared with RM5.5 million in the Previous Quarter. The higher profit before tax for the Current Quarter was due to higher profit margin despite lower sales volume.

For Philippines, the subsidiary Company's did not have any revenue during the Current Quarter since it was still at preliminary stage after being registered on 22 November 2018. The subsidiary Company's loss before taxation for the Current Quarter of RM4.0 million compared with RM1.0 million in the Previous Quarter was due to the preliminary cost related to the rental fee and administration fee during the Current Quarter.

### *Prospects*

The Board of Directors expects the Group's growth and profitability to be affected not only by the continued presence of higher raw material prices and the volatility of the Ringgit Malaysia against United States Dollar exchange but also by the continued significant economic and socio-economic effects of the unpredictable COVID-19 pandemic on the markets in which the Group makes and sells its products.

Despite the unpredictability, the diverse locations in which the Group's manufacturing facilities are based (Malaysia, Vietnam and Philippines (upon completion of construction of its new manufacturing facility)) and the diverse markets in which the Group sells its products may help the Group cushion any negative impact therefrom.

The Group will nevertheless apply its best efforts to continue to improve production efficiencies and cost savings and to increase sales and marketing efforts (including exploring new markets) to ensure the profitability of the Group for the current financial year.

## **2. Profit forecast**

Not applicable as no profit forecast was published.

## **3. Tax expense**

	<b>3 months quarter ended 30 June</b>		<b>Quarter ended 30 June</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Income tax expense/ (recoverable)				
Current period	2,509	3,088	2,509	3,088
Under/ (Over) provision in prior years	--	--	--	--
	2,509	3,088	2,509	3,088
Deferred tax income				
Addition/(Reversal) of temporary differences	--	--	--	--
Under/ (Over) provision in prior years	--	--	--	--
	--	--	--	--
	<u>2,509</u>	<u>3,088</u>	<u>2,509</u>	<u>3,088</u>

The effective rate of taxation for the quarter was lower than the statutory taxation rate mainly due to different tax rates in foreign jurisdictions.

## **4. Unquoted investments and properties**

There were no profits on sale of unquoted investments or properties as there were no disposals of unquoted investments or properties during the quarter under review.



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## 5. Quoted investments

There were no purchases or disposals of quoted securities during the quarter under review.

## 6. Status of corporate exercise announced

### Corporate Exercises - Rights Issue and Bonus Issue

On 11 November 2020, the Company announced that the Corporate Exercises have been completed following the listing of and quotation of 19,860,944 Rights Shares and 9,930,472 Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad.

The utilisation of proceeds up to 30 June 2021 is as follow:-

Purpose	Proposed utilisation (RM'million)	Actual proceeds raised (RM'million)	Actual Utilisation (RM'million)	Intended timeframe for utilisations
Part of financing for electrolytic tinning and tin free steel production line for the manufacturing plant in the Philippines	54.800	54.800	54.800	Within 24 months
Purchase of raw materials	3.233	3.233	3.233	Within 24 months
Estimated expenses for the Corporate Exercises	1.550	1.550	1.105	Within 1 month
<b>Total</b>	<b>59.583</b>	<b>59.583</b>	<b>59.138</b>	

## 7. Borrowing and debt securities

	30.06.2021 RM'000	31.03.2021 RM'000
Long Term - secured		
Term Loan	104,291	22,828
Short Term – unsecured		
Bank overdrafts	--	--
Bankers' acceptances	44,208	24,288
Import Purchase Loan	18,832	12,972
	<u>167,331</u>	<u>60,088</u>

## 8. Changes in material litigations

There were no material litigations as at the date of this quarterly report.

## 9. Dividends

The Directors proposed a final single-tier dividend of 20.0 sen per ordinary share in respect of financial year ended 31 March 2021 subject to approval of the shareholders at the forthcoming Annual General Meeting.

## 10. Basic earnings per share

### *Basic earnings per share*

The calculation of basic earnings per share for the period is based on the net profit attributable to ordinary shareholders of RM5,400,000 and the weighted average number of ordinary shares in issue during the quarter of 129,096,136.

## 11. Profit before tax

	3 months quarter ended 30 June		Quarter ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Profit before tax is arrived at after charging/(crediting)</b>				
Depreciation of property, plant and equipment	3,631	3,704	3,631	3,704
Depreciation of right-of-use assets	148	150	148	150
Interest expense	427	134	427	134
Interest income	(650)	(348)	(650)	(348)
Unrealised loss/(gain) on foreign exchange	--	--	--	--
Hostel rental income	(11)	(11)	(11)	(11)
Realised loss/(gain) on foreign exchange	(555)	(730)	(555)	(730)

Other than the above items, there were no impairment of assets, provision for and write off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments or properties, gain or loss on derivatives and exceptional items for the current quarter and financial quarter ended 30 June 2021.