

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

**Interim Financial Report  
30 June 2023**

# 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 2023. 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 2023.

#### 2. Changes in Accounting Policies

The audited financial statements of the Group for the year ended 31 March 2023 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 2023.

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 January 2023*

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts* - Initial application of MFRS 17 and MFRS 9 – *Comparative Information*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

***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 accounting standards, amendments and interpretations in the respective financial year when the above accounting standards, amendments and interpretations become effective, if applicable.

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

### **3. Audit Report**

The most recent audited financial statements for the year ended 31 March 2023 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 2023.

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## 9. Segment information

	<b>Quarter ended 30 June 2023</b>	
	Revenue	Profit/(Loss) before Tax
	RM'000	RM'000
Malaysia	143,979	19,900
Vietnam	87,275	445
Philippines	11,472	(5,533)
	<hr/>	<hr/>
	242,726	14,812
Inter-segment elimination	(3,566)	(20,689)
	<hr/>	<hr/>
<b>Segment results</b>	239,160	(5,877)
Finance costs	--	(3,728)
Interest income	--	1,249
	<hr/>	<hr/>
	239,160	(8,356)
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## 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>As at 30 June 2023 RM'000</b>
<i>Property, plant and equipment</i>	
Authorised but not contracted for	1,362
Contracted but not provided for in the financial statements	16,289
	<hr/>
	17,651
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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 2023.

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## 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 2023	Apr - June 2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	143,979	256,287	(112,308)	(43.8)
- Vietnam	87,275	186,252	(98,977)	(53.1)
- Philippines	11,472	--	11,472	>100
Consol Adjustment	(3,566)	(3,698)	132	3.6
Total	239,160	438,841	(199,681)	(45.5)
Profit/(loss) before tax				
- Malaysia	16,498	13,398	3,100	23.1
- Vietnam	1,536	25,773	(24,237)	(94.0)
- Philippines	(5,642)	(5,304)	(338)	(6.4)
Consol Adjustment	(20,748)	5,291	(26,039)	>100
Total	(8,356)	39,158	(47,514)	>100

The Group's revenue for the quarter ended 30 June 2023 ("Current Quarter") compared with the quarter ended 30 June 2022 ("Previous Year Corresponding Period") decreased by RM199.7 million (45.5%) due to lower sales volume coupled with lower selling price. The Group's loss before taxation of RM8.4 million for the Current Quarter compared with profit before taxation in the Previous Year Corresponding Period decreased by RM47.5 million (more than 100%) was due to quarter provision of RM8.1 million and unrealized loss of RM7.8 million coupled with lower sales volume and lower profit margin during the Current Quarter.

For Malaysia, the Company's revenue for the Current Quarter decreased by RM112.3 million (43.8%) as compared to the Previous Year Corresponding Period due to lower sales volume and lower selling price. The Company's profit before taxation for the Current Quarter of RM16.5 million as compared to RM13.4 million in the Previous Year Corresponding Period was due to unrealised exchange gain in the Current Quarter partly minimised by lower sales volume and lower profit margin compared with the Previous Year Corresponding Period.

For Vietnam, the subsidiary Company's revenue decreased by RM99.0 million (53.1%) compared with the Previous Year Corresponding Period due to lower sales volume and lower selling price. The subsidiary Company's profit before taxation for the Current Quarter of RM1.5 million compared with RM25.8 million in the Previous Year Corresponding Period due to quarter provision of RM8.1 million coupled with lower profit margin for export business and lower sales volume during the Current Quarter.

For Philippines, the subsidiary Company's revenue increased by RM11.5 million as compared to the Previous Year Corresponding Period as the subsidiary started its commercial operation from August 2022 onwards. The subsidiary Company's loss before taxation for the Current Quarter of RM5.6 million compared with RM5.3 million in the Previous Year Corresponding Period was due to lower sales volume during the Current Quarter as a result of newly established subsidiary.

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*Comparison with preceding quarter*

	Apr - June 2023	Jan - Mar 2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	143,979	151,158	(7,179)	(4.8)
- Vietnam	87,275	93,531	(6,256)	(6.7)
- Philippines	11,472	3,667	7,805	>100
Consol Adjustment	(3,566)	(4,191)	625	14.9
Total	239,160	244,165	(5,005)	(2.1)
Profit/(loss) before tax				
- Malaysia	16,498	4,080	12,418	>100
- Vietnam	1,536	972	564	58.0
- Philippines	(5,642)	(12,939)	7,297	56.4
Consol Adjustment	(20,748)	(3,333)	(17,415)	(>100)
Total	(8,356)	(11,220)	2,864	25.5

For the Current Quarter, the Group recorded a revenue of RM239.2 million compared with RM244.2 million in the quarter ended 31 March 2023 ("Previous Quarter"). The Group's lower revenue was mainly due to lower sales volume coupled with lower selling price. The Group recorded a loss before tax of RM8.4 million compared with RM11.2 million in the Previous Quarter. The loss before tax was due to quarter provision of RM8.1 million and unrealized loss of RM7.8 million coupled with lower profit margin and lower sales volume in the Current Quarter.

For Malaysia, the Company recorded a revenue of RM144.0 million as compared to RM151.2 million in the Previous Quarter. The Company's revenue was lower due to lower selling price despite higher sales volume. The Company recorded a profit before tax of RM16.5 million compared with RM4.1 million in the Previous Quarter. The higher profit before tax for the Current Quarter was due to unrealised gain of RM15.0 million coupled with higher sales volume partly offset by lower profit margin in the Current Quarter.

For Vietnam, the subsidiary Company recorded a revenue of RM87.3 million as compared to RM93.5 million in the Previous Quarter. The subsidiary Company's revenue was lower due to lower sales volume for the Current Quarter. The Company recorded a profit before tax of RM1.5 million compared with RM1.0 million in the Previous Quarter. The higher profit before tax for the Current Quarter was due to higher profit margin partly offset by quarter provision of RM8.1 million and lower sales volume.

For Philippines, the subsidiary Company's revenue increased by RM7.8 million compared with Previous Quarter was due to higher sales volume during the Current Quarter. The subsidiary Company's loss before taxation for the Current Quarter of RM5.6 million compared with RM12.9 million in the Previous Quarter was due reversal of previous year adjustment on revaluation of inventories to net realisable value of RM7.3 million as a result of newly established subsidiary during the Current Quarter.

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### *Prospects*

High global inflation and global economy slowdown trends have continuously affected major industries and commodities markets in year 2023. The tinplate industry was no exception.

The Group's operating environment is expected to continue facing strong headwinds and these trends are expected to persist throughout FYE 2024, due not only to interest rate hike and long-drawn Russia-Ukraine war resulting in higher financing and energy cost, but also to recessionary pressure giving rise to a bearish sentiment on tinplate supply and demand, coupled with the continuous weakening trend of Ringgit Malaysia against United States Dollar currency. The Group shall continue observing market fluctuation closely to mitigate and minimise the foreign exchange impact on Group financial position.

The Group will carefully look into our financing structure for working capital management and will continue to intensify its sales and marketing efforts in addition to applying its best efforts to improve production efficiencies and costs savings 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>Quarter ended 30 June 2023</b>		<b>Period ended 30 June 2023</b>	
	<b>2023 RM'000</b>	<b>2022 RM'000</b>	<b>2023 RM'000</b>	<b>2022 RM'000</b>
Income tax expense/ (recoverable)				
Current period	879	7,980	879	7,980
Under/ (Over) provision in prior years	--	--	--	--
	879	7,980	879	7,980
Deferred tax income Addition/(Reversal) of temporary differences	--	--	--	--
Under/ (Over) provision in prior years	--	--	--	--
	--	--	--	--
	879	7,980	879	7,980

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

There were no corporate proposals announced nor were there any corporate proposals not completed as at the date of this quarterly report.

## 7. Borrowing and debt securities

	<b>As at 30 June 2023 RM'000</b>	<b>As at 31 March 2023 RM'000</b>
Long Term - secured		
Term Loan	104,141	98,359
Short Term – unsecured		
Bank overdrafts	--	--
Bankers' acceptances	156,576	156,192
Term Loan	30,845	38,843
Revolving Credit	7,003	5,047
	<u>298,565</u>	<u>298,441</u>

## 8. Changes in material litigations

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

## 9. Dividends

No dividend has been declared for the period ended 30 June 2023.

## 10. Basic earnings per share

### *Basic earnings per share*

The calculation of basic earnings per share for the period is based on the net loss attributable to ordinary shareholders of RM9,235,000 and the weighted average number of ordinary shares in issue during the quarter of 129,096,136.

## 11. Profit before tax

	Quarter ended 30 June 2023		Period ended 30 June 2023	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit before tax is arrived at after charging/(crediting)</b>				
Depreciation of property, plant and equipment	6,995	2,881	6,995	2,881
Depreciation of right-of-use assets	147	148	147	148
Interest expense	3,728	2,022	3,728	2,022
Interest income	(1,249)	(379)	(1,249)	(379)
Unrealised loss/(gain) on foreign exchange	7,847	--	7,847	--
Hostel rental income	(14)	(13)	(14)	(13)
Realised loss/(gain) on foreign exchange	(1,983)	(2,953)	(1,983)	(2,953)

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 period ended 30 June 2023.