

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

**Interim Financial Report
30 June 2024**

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 2024. 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 2024.

2. Changes in Accounting Policies

The audited financial statements of the Group for the year ended 31 March 2024 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 2024.

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:-

MFRS Accounting Standards, 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*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

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MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 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.

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3. Audit Report

The most recent audited financial statements for the year ended 31 March 2024 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 period ended 30 June 2024.

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9. Segment information

	Quarter ended 30 June 2024	
	Revenue	Profit/(Loss) before Tax
	RM'000	RM'000
Malaysia	119,410	(560)
Vietnam	71,724	5,018
Philippines	32,537	(19,295)
	<hr/>	<hr/>
	223,671	(14,837)
Inter-segment elimination	(3,519)	9,872
	<hr/>	<hr/>
Segment results	220,152	(4,965)
Finance costs	--	(3,280)
Interest income	--	471
	<hr/>	<hr/>
	<u>220,152</u>	<u>(7,774)</u>

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

	As at 30 June 2024 RM'000
<i>Property, plant and equipment</i>	
Authorised but not contracted for	--
Contracted but not provided for in the financial statements	<hr/>
	<hr/>

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 2024.

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 2024	Apr - June 2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	119,410	143,979	(24,569)	(17.1)
- Vietnam	71,724	87,275	(15,551)	(17.8)
- Philippines	32,537	11,472	21,065	>100
Consol Adjustment	(3,519)	(3,566)	47	1.3
Total	220,152	239,160	(19,008)	(8.0)
Profit/(loss) before tax				
- Malaysia	(439)	16,498	(16,937)	>100
- Vietnam	5,341	1,536	3,805	>100
- Philippines	(22,489)	(5,642)	(16,847)	>100
Consol Adjustment	9,813	(20,748)	30,561	>100
Total	(7,774)	(8,356)	582	7.0

The Group's revenue for the quarter ended 30 June 2024 ("Current Quarter") compared with the quarter ended 30 June 2023 ("Previous Year Corresponding Period") decreased by RM19.0 million (8.0%) due to lower selling price despite higher sales volume. The Group's loss before taxation of RM7.8 million for the Current Quarter compared with RM8.4 million in the Previous Year Corresponding Period, decreased by RM0.6 million (7.0%) was due to lower profit margin despite higher sales volume during the Current Quarter.

For Malaysia, the Company's revenue for the Current Quarter decreased by RM24.6 million (17.1%) as compared to the Previous Year Corresponding Period due to lower sales volume coupled with lower selling price. The Company's loss before taxation for the Current Quarter of RM0.4 million as compared to profit before taxation of RM16.5 million in the Previous Year Corresponding Period was due to lower profit margin coupled with lower sales volume in the Current Quarter compared with the Previous Year Corresponding Period.

For Vietnam, the subsidiary Company's revenue decreased by RM15.6 million (17.8%) 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 RM5.3 million compared with RM1.5 million in the Previous Year Corresponding Period due to additional provision of RM8.1 million in the Previous Year Corresponding Period despite lower profit margin and lower sales volume during the Current Quarter.

For Philippines, the subsidiary Company's revenue increased by RM21.1 million (more than 100%) as compared to the Previous Year Corresponding Period due to higher sales volume. The subsidiary Company's loss before taxation for the Current Quarter of RM22.5 million compared with RM5.6 million in the Previous Year Corresponding Period was due to lower profit margin despite higher sales volume during the Current Quarter. Since the subsidiary started its commercial operation in August 2022, they are still fine tuning its operational efficiency.

Comparison with preceding quarter

	Apr - June 2024	Jan - Mar 2024	Changes	
	RM'000	(audited) RM'000	RM'000	%
Revenue				
- Malaysia	119,410	148,543	(29,133)	(19.6)
- Vietnam	71,724	74,365	(2,641)	(3.6)
- Philippines	32,537	18,619	13,918	74.8
Consol Adjustment	(3,519)	(1,549)	(1,970)	>100
Total	220,152	239,978	(19,826)	(8.3)
Profit/(loss) before tax				
- Malaysia	(439)	19,693	(20,132)	>100
- Vietnam	5,341	5,418	(77)	(1.4)
- Philippines	(22,489)	(36,754)	14,265	38.8
Consol Adjustment	9,813	(2,119)	11,932	>100
Total	(7,774)	(13,762)	5,988	43.5

For the Current Quarter, the Group recorded a revenue of RM220.2 million compared with RM240.0 million in the quarter ended 31 March 2024 ("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 RM7.8 million compared with RM13.8 million in the Previous Quarter. The lower loss before tax was due to lower profit margin coupled with lower sales volume in the Current Quarter.

For Malaysia, the Company recorded a revenue of RM119.4 million as compared to RM148.5 million in the Previous Quarter. The Company's revenue was lower mainly due to lower sales volume despite higher selling price. The Company recorded a loss before tax of RM0.4 million compared with profit before tax of RM19.7 million in the Previous Quarter. The lower profit before tax for the Current Quarter was due to lower profit margin in the Current Quarter partly minimised by interest income to subsidiary company of RM17.0 million in the Previous Quarter.

For Vietnam, the subsidiary Company recorded a revenue of RM71.7 million as compared to RM74.4 million in the Previous Quarter. The subsidiary Company's revenue was lower due to lower sales volume despite higher selling price for the Current Quarter. The Company recorded a profit before tax of RM5.3 million compared with RM5.4 million in the Previous Quarter. The lower profit before tax for the Current Quarter was due to lower sales volume despite higher profit margin in the Current Quarter.

For Philippines, the subsidiary Company's revenue increased by RM13.9 million compared with Previous Quarter. The subsidiary Company's loss before taxation for the Current Quarter of RM22.5 million compared with RM36.8 million in the Previous Quarter was mainly due to reversal of revaluation of inventories to net realisable value of RM10.2 million in the Current Quarter coupled with higher sales volume.

Prospects

The Board anticipates that the Group's operating environment will continue to face strong headwinds and these trends are expected to persist throughout year 2024. However, with recent weakening trend of United States Dollar currency, it shall be able to minimise the foreign exchange risk to the Group financial position.

Against the strong headwinds, the Group continues to monitor vigilantly the global and regional economic conditions along with the aggregate supply and consumption patterns of the tinplate industry. The Group shall remain cautious and continue to focus 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.

2. Profit forecast

Not applicable as no profit forecast was published.

3. Tax expense

	Quarter ended 30 June		Period ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Income tax expense/ (recoverable)				
Current period	876	879	876	879
Under/ (Over) provision in prior years	--	--	--	--
	876	879	876	879
Deferred tax income				
Addition/(Reversal) of temporary differences	--	--	--	--
Under/ (Over) provision in prior years	--	--	--	--
	--	--	--	--
	876	879	876	879

The effective rate of taxation for the quarter was higher than the statutory taxation rate mainly due to certain expenses were not allowable for tax deduction and current quarter loss by subsidiary within the Group.

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.

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

	As at 30 June 2024 RM'000	As at 31 March 2024 RM'000
Long Term - secured		
Term Loan	49,770	49,859
Short Term – unsecured		
Bank overdrafts	--	--
Bankers' acceptances	223,448	176,135
Term Loan	17,690	23,630
Revolving Credit	--	--
	<u>290,908</u>	<u>249,624</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 quarter ended 30 June 2024.

10. Basic earnings/(loss) per share

Basic earnings/(loss) per share

The basic earnings/(loss) per ordinary share for the quarter is calculated by dividing the Group's net profit/(loss) attributable to owners of the Company of RM(8,650,000) by the weighted average number of ordinary shares during the period of 129,096,136.

11. Profit before tax

	Quarter ended 30 June		Period ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax is arrived at after charging/(crediting)				
Depreciation of property, plant and equipment	6,780	6,995	6,780	6,995
Depreciation of right-of-use assets	147	147	147	147
Interest expense	3,280	3,728	3,280	3,728
Interest income	(471)	(1,249)	(471)	(1,249)
Unrealised loss/(gain) on foreign exchange	174	7,847	174	7,847
Hostel rental income	(15)	(14)	(15)	(14)
Realised loss/(gain) on foreign exchange	(1,463)	(1,983)	(1,463)	(1,983)

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 2024.