

**Perusahaan Sadur Timah Malaysia
(Perstima) Berhad**

(Registration No. 197901005687 (49971-D))
(Incorporated in Malaysia)

**Interim Financial Report
30 September 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*

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.

[The rest of this page is intentionally left blank]

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 September 2024.

[The rest of this page is intentionally left blank]

9. Segment information

	Revenue	Period ended 30 September 2024 Profit/(Loss) before Tax
	RM'000	RM'000
Malaysia	264,337	(43,465)
Vietnam	144,786	9,904
Philippines	74,357	(26,020)
	<hr/>	<hr/>
Inter-segment elimination	483,480 (7,013)	(59,581) 50,980
	<hr/>	<hr/>
Segment results	476,467	(8,601)
Finance costs	--	(7,032)
Interest income	--	1,770
	<hr/>	<hr/>
	<u>476,467</u>	<u>(13,863)</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 September 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/> <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 material contingent liabilities of the Group as at the date of this announcement.

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

	July - Sep 2024	July - Sep 2023	Changes		Apr-Sep 2024	Apr-Sep 2023	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue								
- Malaysia	144,927	136,944	7,983	5.8	264,337	280,923	(16,586)	(5.9)
- Vietnam	73,062	80,046	(6,984)	(8.7)	144,786	167,321	(22,535)	(13.5)
- Philippines	41,820	5,883	35,937	>100	74,357	17,355	57,002	>100
Consol Adjustment	(3,494)	(3,685)	191	5.2	(7,013)	(7,251)	238	3.3
Total	256,315	219,188	37,127	16.9	476,467	458,348	18,119	4.0
Profit/(loss) before tax								
- Malaysia	(42,718)	(7,229)	(35,489)	>100	(43,157)	9,269	(52,426)	>100
- Vietnam	5,615	8,546	(2,931)	(34.3)	10,956	10,082	874	8.7
- Philippines	(10,035)	(11,781)	1,746	14.8	(32,534)	(17,423)	(15,111)	(86.7)
Consol Adjustment	41,049	11,842	29,207	>100	50,872	(8,906)	59,778	>100
Total	(6,089)	1,378	(7,467)	>100	(13,863)	(6,978)	(6,885)	(98.7)

The Group's revenue for the quarter ended 30 September 2024 ("Current Quarter") compared with the quarter ended 30 September 2023 ("Previous Year Corresponding Period") increased by RM37.1 million (16.9%) due to higher sales volume despite lower selling price. The Group's loss before taxation of RM6.1 million for the Current Quarter compared with profit before taxation of RM1.4 million in the Previous Year Corresponding Period 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 RM8.0 million (5.8%) as compared to the Previous Year Corresponding Period due to higher sales volume despite lower selling price. The Company's loss before taxation for the Current Quarter of RM42.7 million as compared to RM7.2 million in the Previous Year Corresponding Period was due to unrealised exchange loss of amount due from subsidiary coupled with lower profit margin partly offset by higher sales volume in the Current Quarter compared with the Previous Year Corresponding Period.

For Vietnam, the subsidiary Company's revenue decreased by RM7.0 million (8.7%) compared with the Previous Year Corresponding Period due to lower sales volume partly offset by higher selling price. The subsidiary Company's profit before taxation for the Current Quarter of RM5.6 million compared with RM8.5 million in the Previous Year Corresponding Period due to reversal of provision of RM10.7 million in the Previous Year Corresponding Period despite higher profit margin partly offset by lower sales volume during the Current Quarter.

For Philippines, the subsidiary Company's revenue increased by RM35.9 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 RM10.0 million compared with RM11.8 million in the Previous Year Corresponding Period was due to 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

	July - Sep 2024	Apr - June 2024	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	144,927	119,410	25,517	21.4
- Vietnam	73,062	71,724	1,338	1.9
- Philippines	41,820	32,537	9,283	28.5
Consol Adjustment	(3,494)	(3,519)	25	0.7
Total	256,315	220,152	36,163	16.4
Profit/(loss) before tax				
- Malaysia	(42,718)	(439)	(42,279)	>100
- Vietnam	5,615	5,341	274	5.1
- Philippines	(10,035)	(22,489)	12,454	55.4
Consol Adjustment	41,049	9,813	31,236	>100
Total	(6,089)	(7,774)	1,685	21.7

For the Current Quarter, the Group recorded a revenue of RM256.3 million compared with RM220.1 million in the quarter ended 30 June 2024 ("Previous Quarter"). The Group's higher revenue was mainly due to higher sales volume despite lower selling price. The Group recorded a loss before tax of RM6.1 million compared with RM7.8 million in the Previous Quarter. The lower loss before tax was due to higher sales volume in the Current Quarter.

For Malaysia, the Company recorded a revenue of RM144.9 million as compared to RM119.4 million in the Previous Quarter. The Company's revenue was higher mainly due to higher sales volume coupled with higher selling price. The Company recorded a loss before tax of RM42.7 million compared with RM0.4 million in the Previous Quarter. The higher loss before tax for the Current Quarter was due to unrealised exchange loss of amount due from subsidiary partly offset by higher profit margin in the Current Quarter.

For Vietnam, the subsidiary Company recorded a revenue of RM73.1 million as compared to RM71.7 million in the Previous Quarter. The subsidiary Company's revenue was higher due to higher sales volume despite lower selling price for the Current Quarter. The Company recorded a profit before tax of RM5.6 million compared with RM5.3 million in the Previous Quarter. The higher profit before tax for the Current Quarter was due to higher sales volume despite lower profit margin in the Current Quarter.

For Philippines, the subsidiary Company's revenue increased by RM9.3 million compared with Previous Quarter. The subsidiary Company's loss before taxation for the Current Quarter of RM10.0 million compared with RM22.5 million in the Previous Quarter was mainly due to unrealised of exchange gain of intercompany loan couple with higher sales volume during the quarter.

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.

Nevertheless, the Group continues to monitor vigilantly the global and regional economic conditions along with the aggregate supply and consumption patterns of the tinsplate industry. The Group shall remain cautious and continue to focus on the quality of our product 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 September		Period ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Income tax expense/ (recoverable)				
Current period	914	1,726	1,790	2,605
Under/ (Over) provision in prior years	--	--	--	--
	914	1,726	1,790	2,605
Deferred tax income				
Addition/(Reversal) of temporary differences	--	--	--	--
Under/ (Over) provision in prior years	--	--	--	--
	--	--	--	--
	914	1,726	1,790	2,605

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 September 2024 RM'000	As at 31 March 2024 RM'000
Long Term - secured		
Term Loan	43,520	49,859
Short Term – unsecured		
Bank overdrafts	--	--
Bankers' acceptances	292,388	176,135
Term Loan	10,434	23,630
Revolving Credit	--	--
	<u>346,342</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 period ended 30 September 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(15,653,000) by the weighted average number of ordinary shares during the period of 129,096,136.

11. Profit before tax

	Quarter ended 30 September		Period ended 30 September	
	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	6,541	7,092	13,321	14,087
Depreciation of right-of-use assets	143	149	290	296
Interest expense	3,752	3,592	7,032	7,320
Interest income	(1,299)	(1,020)	(1,770)	(2,269)
Unrealised loss/(gain) on foreign exchange	(158)	1,004	16	8,851
Hostel rental income	(13)	(14)	(28)	(28)
Realised loss/(gain) on foreign exchange	(7,873)	(1,863)	(9,336)	(3,846)

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 September 2024.