



MALAYSIA SMELTING CORPORATION BERHAD

INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

MALAYSIA SMELTING CORPORATION BERHAD (197801006055 (43072-A))

7 May 2021



Malaysia Smelting Corporation Berhad (197801006055 (43072-A))
Interim Financial Report
For the First Quarter ended 31 March 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		As at 31.03.2021 Unaudited RM'000	As at 31.12.2020 Audited RM'000
Assets			
Non-current assets			
Property, plant and equipment		137,703	137,912
Right-of-use assets		5,490	6,918
Land held for development		78,654	78,654
Intangible assets		3,120	3,165
Investments in associates and joint ventures		27,018	25,999
Investment securities		33,178	23,359
Other non-current assets		12,275	12,167
Deferred tax assets		7,686	9,085
Derivative financial instruments		33	-
		305,157	297,259
Current assets			
Inventories		665,462	604,131
Trade receivables	B5	40,612	25,576
Other receivables		515	1,148
Trade prepayments		6,554	10,255
Other prepayments		1,551	1,056
Tax recoverable		16,985	17,588
Derivative financial instruments		-	625
Cash, bank balances and deposits		37,935	36,846
		769,614	697,225
Total assets		1,074,771	994,484
Equity and liabilities			
Current liabilities			
Provisions		13,798	13,798
Borrowings	B6	360,191	355,223
Trade and other payables		165,501	133,127
Lease liabilities		129	1,621
Current tax payable		4,783	607
Derivative financial instruments		8,998	1,075
		553,400	505,451
Net current assets		216,214	191,774
Non-current liabilities			
Provisions		39,404	39,128
Deferred tax liabilities		2,554	2,554
Borrowings	B6	49,961	49,357
Lease liabilities		4,214	4,187
Derivative financial instruments		-	531
		96,133	95,757
Total liabilities		649,533	601,208
Net assets		425,238	393,276
Equity attributable to owners of the Company			
Share capital		200,000	200,000
Other reserves		31,689	21,832
Retained earnings		193,790	171,669
		425,479	393,501
Non-controlling interest		(241)	(225)
Total Equity		425,238	393,276
Total equity and liabilities		1,074,771	994,484
Net assets per share attributable to owners of the Company (RM)		1.06	0.98

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 MARCH 2021**

	Note	1 st Quarter		Year to Date	
		3 months ended		3 months ended	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	275,907	205,314	275,907	205,314
Operating profit/(loss)		32,789	(11,861)	32,789	(11,861)
Finance costs		(3,540)	(3,581)	(3,540)	(3,581)
Share of results of associates and joint ventures		978	(327)	978	(327)
Profit/(Loss) before tax	B2	30,227	(15,769)	30,227	(15,769)
Income tax (expense)/credit	B3	(8,122)	2,579	(8,122)	2,579
Profit/(Loss) net of tax		22,105	(13,190)	22,105	(13,190)
Attributable to:					
Owners of the Company		22,121	(13,188)	22,121	(13,188)
Non-controlling interest		(16)	(2)	(16)	(2)
		22,105	(13,190)	22,105	(13,190)
Earnings/(Loss) per share attributable to owners of the Company (sen):					
Basic and diluted	B12	5.5	(3.3)	5.5	(3.3)

The unaudited condensed consolidated statement of profit or loss should be read in conjunction with the audited annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021**

	1 st Quarter		Year to Date	
	3 months ended		3 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) net of tax	22,105	(13,190)	22,105	(13,190)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Net fair value changes in quoted investments at Fair Value through Other Comprehensive Income ("FVOCI")	9,819	(1,594)	9,819	(1,594)
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	(3)	(4)	(3)	(4)
Share of foreign currency translation of an associate and a joint venture	41	644	41	644
	38	640	38	640
Other comprehensive income for the period, net of tax	9,857	(954)	9,857	(954)
Total comprehensive income for the period	31,962	(14,144)	31,962	(14,144)
Total comprehensive income attributable to:				
Owners of the Company	31,978	(14,142)	31,978	(14,142)
Non-controlling interest	(16)	(2)	(16)	(2)
	31,962	(14,144)	31,962	(14,144)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Report.



Malaysia Smelting Corporation Berhad (197801006055 (43072-A))
Interim Financial Report
For the First Quarter ended 31 March 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2021

	3 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
Operating activities		
Operating cash flows before changes in working capital	21,855	13,343
(Increase)/Decrease in inventories	(37,331)	15,276
(Increase)/Decrease in trade and other receivables	(13,895)	8,114
Decrease/(Increase) in trade prepayments	3,701	(8,545)
Increase in other prepayments	(331)	(1,155)
Increase/(Decrease) in payables	31,833	(7,251)
Decrease in amount due to immediate holding company	-	(35)
Cash generated from operations	5,832	19,747
Income tax paid	(1,945)	(5,117)
Interest paid	(2,890)	(2,456)
Net cash generated from operating activities	997	12,174
Investing activities		
Interest received	18	160
Payment for deferred mine exploration and evaluation expenditures and mine properties	(434)	(290)
Payment for right-of-use assets	(34)	-
Purchase of property, plant and equipment	(2,427)	(1,328)
Net cash used in investing activities	(2,877)	(1,458)
Financing activities		
Drawdown of short term trade borrowings	4,407	4,050
Payment of lease liabilities	(1,465)	(1,728)
Net cash generated from financing activities	2,942	2,322
Net increase in cash and cash equivalents	1,062	13,038
Effect of changes in foreign exchange rates	27	(20)
Cash and cash equivalents as at 1 January	36,846	35,738
Cash and cash equivalents as at 31 March	37,935	48,756

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at		Non-cash changes Foreign exchange movement	Carrying amount as at	
	1 January 2021 RM'000	Cash flows RM'000		31 March 2021 RM'000	RM'000
Lease liabilities	5,808	(1,465)	-	4,343	
Loan from immediate holding company	73,461	-	-	73,461	
Short term trade borrowings	355,223	4,407	561	360,191	
Term loan	49,357	-	604	49,961	
Total liabilities from financing activities	483,849	2,942	1,165	487,956	

	Carrying amount as at		Non-cash changes Foreign exchange movement	Carrying amount as at	
	1 January 2020 RM'000	Cash flows RM'000		31 March 2020 RM'000	RM'000
Lease liabilities	10,120	(1,728)	-	8,392	
Loan from immediate holding company	73,461	-	-	73,461	
Short term trade borrowings	216,912	4,050	415	221,377	
Term loan	49,259	-	(53)	49,206	
Total liabilities from financing activities	349,752	2,322	362	352,436	

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Report.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

This condensed consolidated Interim Financial Report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020.

These explanatory notes attached to the Interim Financial Report 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 December 2020.

A2. Changes in Accounting Policies

i) Amendments and Annual Improvements adopted by the Group

The significant accounting policies adopted in the preparation of the Interim Financial Report are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020 except for the adoption of the pronouncements that became effective from 1 January 2021.

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to MFRS 16 Leases – COVID-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform – Phase 2	1 January 2021

The adoption of the above pronouncements did not have a material impact on the financial statements of the Group.

ii) Standards, Amendments and Annual Improvements issued but not yet effective

The Group has not adopted the following pronouncements that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendment to MFRS 16 Leases – COVID-19 – Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018-2020</i> "	1 January 2022
Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment – Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. Changes in Accounting Policies (cont'd)

ii) Standards, Amendments and Annual Improvements issued but not yet effective (cont'd)

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A3. Seasonal or Cyclical Factors

There were no significant seasonal or cyclical factors affecting the business operations of the Group.

A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter except for reversal of inventories written down to net realisable value of RM24.0 million as disclosed in Note B2.

A5. Significant Changes in Estimates

There were no significant changes in estimates that have had a material effect during the current quarter.

A6. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities during the current quarter.

A7. Dividend Paid

There was no dividend paid during the current quarter and previous year corresponding quarter.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (cont'd)

(c) Others

These include investments in other metal and mineral resources to form a reportable operating segment.

The following tables provide an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments:

	Tin Smelting RM'000	Tin Mining RM'000	Others RM'000	Sub-total RM'000	(Eliminations)/ Adjustments RM'000	Total RM'000
Results for 3 months ended 31 March 2021						
Revenue						
Sales to external customers	275,907	-	-	275,907	-	275,907
Inter-segment sales	-	67,198	-	67,198	(67,198)	-
Total revenue	275,907	67,198	-	343,105	(67,198)	275,907
Results						
Operating profit/(loss)	17,672	26,615	(3)	44,284	(11,495)	32,789
Finance costs	(3,092)	(329)	(119)	(3,540)	-	(3,540)
Share of results of associates and joint ventures	-	-	978	978	-	978
Profit/(Loss) before tax	14,580	26,286	856	41,722	(11,495)	30,227
Income tax (expense)/credit	(4,185)	(6,696)	-	(10,881)	2,759	(8,122)
Profit/(Loss) net of tax	10,395	19,590	856	30,841	(8,736)	22,105
Results for 3 months ended 31 March 2020						
Revenue						
Sales to external customers	205,314	-	-	205,314	-	205,314
Inter-segment sales	-	36,673	-	36,673	(36,673)	-
Total revenue	205,314	36,673	-	241,987	(36,673)	205,314
Results						
Operating (loss)/profit	(21,179)	6,642	(22)	(14,559)	2,698	(11,861)
Finance costs	(3,121)	(359)	(101)	(3,581)	-	(3,581)
Share of results of associates and joint ventures	-	-	(327)	(327)	-	(327)
(Loss)/Profit before tax	(24,300)	6,283	(450)	(18,467)	2,698	(15,769)
Income tax credit/(expense)	5,025	(1,798)	-	3,227	(648)	2,579
(Loss)/Profit net of tax	(19,275)	4,485	(450)	(15,240)	2,050	(13,190)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (cont'd)

	Tin Smelting RM'000	Tin Mining RM'000	Others RM'000	Sub-total RM'000	(Eliminations) /Adjustments RM'000	Total RM'000
Assets and Liabilities as at 31 March 2021						
Assets						
Segment assets	965,957	65,058	33,187	1,064,202	(16,449)	1,047,753
Investment in associates and joint ventures	-	-	27,018	27,018	-	27,018
Total assets	965,957	65,058	60,205	1,091,220	(16,449)	1,074,771
Liabilities						
Segment liabilities	580,398	69,027	108	649,533	-	649,533
Assets and Liabilities as at 31 December 2020						
Assets						
Segment assets	876,237	76,593	23,367	976,197	(7,712)	968,485
Investment in associates and joint ventures	-	-	25,999	25,999	-	25,999
Total assets	876,237	76,593	49,366	1,002,196	(7,712)	994,484
Liabilities						
Segment liabilities	544,999	56,106	103	601,208	-	601,208

A10. Property, Plant and Equipment

The same valuation of land and buildings has been brought forward from the previous audited financial statements for the year ended 31 December 2020.

A11. Event After the Reporting Period

There was no material event subsequent to end of the current quarter.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A14. Capital Commitments

Capital commitments of the Group as at 31 March 2021 are as follows:

	31.03.2021 RM'000	31.12.2020 RM'000
Approved and contracted for	7,619	9,103
Approved but not contracted for	1,145	1,120
	8,764	10,223

A15. Related Party Transactions

There were no significant transactions with related party in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2020.

A16. Fair Value of Assets and Liabilities

The Group 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)

The Group held the following financial assets and liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 March 2021				
Assets measured at fair value:				
Land and buildings	-	-	58,585	58,585
Investment securities	33,178	-	-	33,178
Derivative financial instruments – non-current	-	33	-	33
Liabilities measured at fair value:				
Derivative financial instruments – current	5,951	3,047	-	8,998

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A16. Fair Value of Assets and Liabilities (cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2020				
Assets measured at fair value:				
Land and buildings	-	-	58,633	58,633
Investment securities	23,359	-	-	23,359
Derivative financial instruments – current	-	625	-	625
Liabilities measured at fair value:				
Derivative financial instruments – current	1,075	-	-	1,075
Derivative financial instruments – non-current	-	531	-	531

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 current quarter.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B1. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was unqualified.

B2. Profit/(Loss) Before Tax

The following items have been included in arriving at the profit/(loss) before tax:

	3 months ended 31.03.2021 RM'000	3 months ended 31.03.2020 RM'000
After charging/(crediting):		
Depreciation and amortisation	4,461	5,055
Fair value loss in derivative financial instruments		
- Forward tin contracts	4,876	1,194
- Forward currency contracts	3,108	4,789
Net foreign exchange loss/(gain)	40	(471)
Interest income	(18)	(160)
(Reversal of inventories written down)/ Inventories written down to net realisable value	(24,000)	14,000
Other income including investment income	(43)	(29)
Property, plant and equipment written off	12	-

Save as disclosed above, there was no material impairment of assets recognised as a loss during the current quarter.

B3. Income Tax (Expense)/Credit

Income tax (expense)/credit comprises the following:

	3 months ended 31.03.2021 RM'000	3 months ended 31.03.2020 RM'000
Income tax		
- Current provision	(6,724)	(1,878)
Deferred tax		
- Relating to origination and reversal of temporary differences	(1,398)	4,457
Total income tax (expense)/credit	(8,122)	2,579

For the current quarter, the effective tax rate for the Group was higher than the statutory tax rate in Malaysia mainly due to certain non-tax deductible expenses and the absence of Group tax relief.

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B4. Corporate Proposal

There was no corporate proposal announced but not completed as at 1 May 2021, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report.

B5. Trade Receivables

The age analysis of trade receivable of the Group as at 31 March 2021 is as follows:

	←	Past due					→	
	Not past due	< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	>120 days	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Trade receivables as at 31.03.2021	40,247	298	65	-	-	2	40,612	
Trade receivables as at 31.12.2020	25,328	-	240	6	-	2	25,576	

The Group's normal trade credit terms granted to related and non-related parties range from cash term to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has trade receivables amounting to RM365,000 that are past due at the reporting date but not impaired. Although these balances are unsecured in nature, they are from creditworthy customers.



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B6. Loans and Borrowings

Details of the Group's loans and borrowings as at 31 March 2021 are as follows:

	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
Short Term Borrowings (unsecured)		
Short term trade financing	24,211	23,650
Bankers' acceptances / Trust receipt	305,980	301,573
Revolving credit	30,000	30,000
	360,191	355,223
Long Term Borrowings (unsecured)		
Term loan	49,961	49,357
	410,152	404,580

Amount denominated in foreign currency	'000	'000
Short term trade financing (US dollars)	5,871	5,871
Term loan (Singapore dollars)	16,200	16,200

During the 3 months ended 31 March 2021, the Group increased its total borrowings by approximately 1.4% from RM404.6 million as at 31 December 2020 to RM410.2 million as at 31 March 2021 due to drawdown of short term borrowings for working capital requirements. The gearing ratio of the Group remains at 1.0 as at 31 March 2021 and 31 December 2020. Gearing ratio is defined as total bank borrowings over total equity.

The weighted average interest rate of short term borrowings excluding revolving credit and term loan as at 31 March 2021 for the Group was 2.6% (2020: 2.8%) per annum. Revolving credit as at 31 March 2021 bears interest rate of 4.1% (2020: 4.1%) per annum.

Term loan of the Group denominated in Singapore dollar (SGD) was hedged to Ringgit Malaysia (RM) at an average exchange rate of RM/SGD 3.1448. The term loan bears a fixed interest rate of 3.5% per annum.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B7. Derivative Financial Instruments

(a) Foreign Exchange

The Group has exposure to fluctuations in foreign exchange rates in both the investment in foreign entities and business transactions. The Group's foreign exchange risk exposure is mainly in United States Dollar and Singapore Dollar.

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 also uses forward currency contracts to manage foreign exchange risk.

(b) Tin Prices

The Group is exposed to tin price risk on sales and purchases of tin. The Group uses forward tin contracts for tin trading, arbitraging for profit and to manage tin price risk.

Derivative financial instruments entered into by the Group are similar to those disclosed in the annual financial statements for the financial year ended 31 December 2020.

The outstanding forward tin contracts and forward foreign currency contracts as at 31 March 2021 are as follows:

Derivative Financial Instruments	Contract Value RM'000	Fair Value RM'000	Fair Value – Financial Assets/(Liabilities) RM'000
At 31 March 2021			
Forward Tin Contracts			
- Less than 1 year	74,029	91,429	(5,951)
Forward Currency Contracts			
- Less than 1 year	177,692	180,739	(3,047)
- 1 year to 3 years	50,946	50,979	33
At 31 December 2020			
Forward Tin Contracts			
- Less than 1 year	33,171	36,693	(1,075)
Forward Currency Contracts			
- Less than 1 year	59,747	59,122	625
- 1 year to 3 years	50,946	50,415	(531)



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B8. Material Litigation

There was no material litigation as at 1 May 2021, being the latest practicable date which is not earlier than 7 days from the issuance date of this Interim Financial Report, except as disclosed in Note A13.

B9. Material Change in the Quarterly Results as Compared with the Preceding Quarter

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31.03.2021 RM'000	Immediate Preceding Quarter 31.12.2020 RM'000	Changes %
Revenue	275,907	232,574	19%
Operating Profit	32,789	29,010	13%
Profit Before Interest and Tax	33,767	24,871	36%
Profit Before Tax	30,227	20,460	48%
Profit After Tax	22,105	14,408	53%
Profit Attributable to Owners of the Company	22,121	14,920	48%

1Q 2021 vs. 4Q 2020 (QoQ)

The Group recorded revenue of RM 275.9 million in 1Q 2021 as compared with RM 232.6 million in 4Q 2020, while the Group's profit before tax in 1Q 2021 was RM 30.2 million as compared with RM 20.5 million in 4Q 2020. This was mainly due to increase in average tin prices from RM76,870 (4Q 2020) to RM100,115 (1Q 2021) per metric tonne and higher sales quantity of refined tin in 1Q 2021.

The tin smelting segment recorded a profit before tax of RM 14.6 million in 1Q 2021 as compared with RM 17.8 million in 4Q 2020. Despite higher reversal of inventories written down (1Q 2021: RM24.0 million; 4Q 2020: RM21.1 million), lower profit before tax in 1Q 2021 was mainly due to unfavourable fair value change in derivative financial instruments.

The tin mining segment recorded a profit before tax of RM26.3 million in 1Q 2021 as compared with RM11.4 million in 4Q 2020. This was mainly due to higher average tin prices as stated above and higher tin production quantity in 1Q 2021.

The Group's share of results of associates and joint ventures recorded a net share of profit of RM 1.0 million in 1Q 2021 as compared with a net share of loss of RM 4.1 million in 4Q 2020.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B10. Review of Performance

Financial review for current quarter and financial year to date

	Individual Period (1 st quarter)		Changes %
	Current Year Quarter	Preceding Year Corresponding Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	
Revenue	275,907	205,314	34%
Operating Profit/(Loss)	32,789	(11,861)	> 100%
Profit/(Loss) Before Interest and Tax	33,767	(12,188)	> 100%
Profit/(Loss) Before Tax	30,227	(15,769)	> 100%
Profit/(Loss) After Tax	22,105	(13,190)	> 100%
Profit/(Loss) Attributable to Owners of the Company	22,121	(13,188)	> 100%

1Q 2021 vs. 1Q 2020 (YoY)

Group revenue was RM275.9 million in 1Q 2021 as compared with RM205.3 million in 1Q 2020, while the Group recorded a profit before tax of RM30.2 million in 1Q 2021 as compared with a loss before tax of RM15.8 million in 1Q 2020. This was mainly due to higher average tin prices for 1Q 2021 of RM100,115 as compared with 1Q 2020 of RM69,675 per metric tonne and higher sales quantity of refined tin in 1Q 2021.

The tin smelting segment recorded a profit before tax of RM14.6 million in 1Q 2021 as compared with a loss before tax of RM24.3 million in 1Q 2020. This was mainly due to reversal of inventories written down of RM24.0 million in 1Q 2021 (1Q 2020: inventories written down to net realisable value of RM14.0 million).

The tin mining segment recorded a profit before tax of RM26.3 million in 1Q 2021 as compared with RM6.3 million in 1Q 2020. This was mainly due to higher average tin prices as stated above and higher tin production quantity in 1Q 2021.

The Group's share of results of associates and joint ventures recorded a net share of profit of RM1.0 million in 1Q 2021 as compared with a net share of loss of RM0.3 million in 1Q 2020.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B11. Prospects

Tin prices surged and reached a 10-year high in March 2021, lifted by buoyant demand for tin solder in consumer electronics, as well as supply disruptions due to lockdowns in tin producing countries around the world (Malaysia included), voluntary production cuts in Brazil and Indonesia, and political turmoil in Myanmar. The outlook for tin demand is promising from its continued use in semiconductors, electronics, home appliances, photovoltaics, automotive, and lithium-ion batteries.

Covid-19 pandemic remains a threat despite availability of vaccines worldwide. Uncertainties persist about the future course of the pandemic and its further economic and social consequences arising thereafter.

The Group remains cautious, and will continue to focus on its operational efficiencies and improve on all areas of operations, technology, manpower and logistics. The operation in the Pulau Indah plant, using the newer and more efficient technology and a more productive work force, is currently in the testing stage and it is expected to be fully commissioned by late 2021/early 2022. With the utilisation of the ISASMELT furnace, we will reduce operational and manpower costs, while improving our carbon footprint. Once the move is completed, we can expect higher operational efficiency.

For our tin mining segment, we have undertaken efforts to increase daily mining output and improve our overall mining productivity. The Group is also exploring potential joint ventures to expand its mining activities.

B12. Earnings/(Loss) Per Share Attributable to Owners of the Company

	3 months ended 31.03.2021	3 months ended 31.03.2020
Profit/(Loss) net of tax attributable to owners of the Company (RM'000)	22,121	(13,188)
Weighted average number of ordinary shares in issue ('000)	400,000	400,000
Basic and diluted earnings/(loss) per share (sen)	5.5	(3.3)



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B13. Dividend

The Board of Directors has recommended, for approval at the forthcoming Annual General Meeting, payment of a first and final single tier dividend of RM0.01 per share (2019: RM0.02 per share) amounting to RM4,000,000 (2019: RM8,000,000) for the financial year ended 31 December 2020. The book closure date and the date of the payment of the dividend will be determined and announced at a later date.

Authorised for Issue

The Interim results was authorised for issue by the Board in accordance with a resolution of the Directors on 7 May 2021.