

Interim Financial Report

APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2021

Results for Announcement to the Market

Key Information	Half-year Ended 30 June 2021	Half-year Ended 30 June 2020	% Change
	RM'000	RM'000	
Revenue from ordinary activities	4,200	4,942	-15%
Profit/(Loss) after tax from ordinary activities attributable to members	75	(170)	144%
Net profit/(loss) attributable to members	75	(170)	144%

Explanation of Key Information

An explanation of the above figures is contained in the Review of Operations included within the attached directors' report.

Net Tangible Assets per share

	Half-year Ended 30 June 2021	Half-year Ended 30 June 2020
	RM/Share	RM/Share
Net tangible assets per share	0.28	0.10

Dividend Reinvestment Plans

The Group does not have any dividend reinvestment plans in operation.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 30 June 2021.

Directors

The names of directors who held office during or since the end of the half-year:

Tan Sri Dr Mah King Thian
Dato Seri' Mah King Seng
Mr. Soong Swee Koon
Mr. Jack Tian Hock Tan
Mr. Lee Chong Hoe
Mr. Derrick De Souza
Dr. Jordina Siu Yi Mah (Alternate Director to Tan Sri Dr Mah King Thian)
Ms. Li-Na Mah (Alternate Director to Dato' Seri Mah King Seng)

Review of Operations for the 6 months ended 30 June 2021

Over the past year, the Malaysian Government has imposed several Movement Control Orders (MCOs) to curb the spread of COVID 19 cases throughout the country. Fortunately, the Power Generation sector has been allowed to operate as an essential business. By following the Government's strict Safety Operating Procedure, the Group has been able to continue operating despite nation-wide MCOs.

However, the intermittent MCO lockdowns particularly state and international border closures have caused major disruptions to the supply of services and spare parts required to maintain the plant in good operating condition. Consequently, there has been a significant increase in machinery downtime, leading to a 15% drop in power generated and exported as compared to the preceding year's corresponding period.

	KWh
6 months ended 30 June 2020	10,585,177
6 months ended 30 June 2021	8,995,845

Despite the significant drop in plant productivity, the Group managed to record a net profit of RM75,126 for the 6-month period compared to the net loss of RM169,940 incurred in the preceding year's corresponding period, mainly due to the interest savings from the debt capitalisation exercise in August 2020.

The debt capitalisation exercise has increased the Group Net Tangible Assets per share from RM0.10/share to RM0.28/share.

DIRECTORS' REPORT

Rounding of Amounts

The consolidated group has applied the relief available to it under ASIC Corporation Instrument 2016/191 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest RM1,000.

Auditor's Independence Declaration

The lead Auditor's Independence Declaration under s 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 30 June 2021.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director



Tan Sri Dr Mah King Thian

Dated this 25 day of August 2021

TIMAH RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN 69 123 981 537
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TIMAH RESOURCES LIMITED

SYDNEY

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2 Park Street
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Australia

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In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Timah Resources Limited. As the lead audit partner for the review of the financial report of Timah Resources Limited for the review period ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the review.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

S. Kumar

Sandeep Kumar

Partner

Dated: 25 August 2021

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Timah Resources Limited ABN 69 123 981 537 and Controlled Entities

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE HALF-YEAR ENDED
30 JUNE 2021

	Note	Consolidated Group	
		Half-year Ended 30 June 2021	Half-year Ended 30 June 2020
		RM'000	RM'000
Revenue	2	4,200	4,942
Cost of sales		(3,405)	(3,509)
Gross profit		795	1,433
Other income	2	397	154
Administrative expenses		(334)	(435)
Finance costs		(662)	(1,250)
Profit/(Loss) before income tax		196	(98)
Income tax expenses		(121)	(72)
Profit/(Loss) for the period		75	(170)
Other comprehensive income:			
Exchange differences on translation of foreign operations		24	77
Total comprehensive income/(loss) for the period		99	(93)
Earnings per share (cents)		0.08	(0.19)

The accompanying notes form part of these financial statements.

Timah Resources Limited ABN 69 123 981 537 and Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2021

	Note	Consolidated Group	
		As at	As at
		30 June 2021	31 December 2020
		RM'000	RM'000
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents		6,484	6,352
Trade and other receivables		2,658	2,832
Other assets		326	140
Inventories		130	136
TOTAL CURRENT ASSETS		9,598	9,460
NON-CURRENT ASSETS			
Property, plant and equipment		41,317	43,075
Right of use		319	330
Deferred tax assets		13,931	13,926
TOTAL NON-CURRENT ASSETS		55,567	57,331
TOTAL ASSETS		65,165	66,791
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade and other payables		1,337	1,386
Lease liabilities		10	10
TOTAL CURRENT LIABILITIES		1,347	1,396
NON-CURRENT LIABILITIES			
Borrowings		30,389	32,119
Lease liabilities		341	346
Deferred tax liabilities		7,233	7,106
TOTAL NON-CURRENT LIABILITIES		37,963	39,571
TOTAL LIABILITIES		39,310	40,967
NET ASSETS		25,855	25,824
EQUITY			
Issued capital		47,262	47,330
Foreign currency translation reserve		16	(8)
Retained earnings		(21,423)	(21,498)
TOTAL EQUITY		25,855	25,824

The accompanying notes form part of these financial statements.

Timah Resources Limited ABN 69 123 981 537 and Controlled Entities

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED
30 JUNE 2021**

Consolidated Group	Ordinary Share Capital RM'000	Retained Earnings RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000
Balance at 1 January 2020	31,711	(21,322)	(288)	10,101
Comprehensive income				
Debt capitalisation	15,803	-	-	15,803
Share buy-back	(184)	-	-	(184)
Loss for the period	-	(176)	-	(176)
Foreign exchange translation difference	-	-	280	280
Balance at 31 December 2020	47,330	(21,498)	(8)	25,824
Balance at 1 January 2021	47,330	(21,498)	(8)	25,824
Comprehensive income				
Share buy-back	(68)	-	-	(68)
Profit for the period	-	75	-	75
Foreign exchange translation difference	-	-	24	24
Balance at 30 June 2021	47,262	(21,423)	16	25,855

The accompanying notes form part of these financial statements.

Timah Resources Limited ABN 69 123 981 537 and Controlled Entities

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED
30 JUNE 2021**

	Consolidated Group	
	Half-year Ended 30 June 2021	Half-year Ended 30 June 2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,369	4,269
Payments to suppliers and employees	(1,972)	(2,257)
Interest received	132	21
Finance costs	(629)	(1,207)
Net cash generated from operating activities	<u>1,900</u>	<u>826</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(76)	(82)
Net cash used in investing activities	<u>(76)</u>	<u>(82)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,635)	(1,500)
Advances from holding company	-	1,635
Right to use	6	(4)
Share buy-back	(68)	-
Net cash (used in)/provided by financing activities	<u>(1,697)</u>	<u>131</u>
Net increase in cash held	127	875
Cash and cash equivalents at beginning of period	6,353	6,074
Effect of exchange rate changes on cash and cash equivalents	4	58
Cash and cash equivalents at end of period	<u><u>6,484</u></u>	<u><u>7,007</u></u>

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 30 June 2021 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Timah Resources Limited and its controlled entities (referred to as the “consolidated group” or “group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2021, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 25 August 2021.

The consolidated financial statements have been prepared using reverse acquisition accounting. In reverse acquisition accounting, the cost of the business combination is deemed to have been incurred by the legal subsidiary Mistral (the acquirer for accounting purposes) in the form of equity instruments issued to the owners of the legal parent, Timah (the acquirer for accounting purposes).

The ultimate holding company of the Group is Cepatawawasan Group Berhad. Cepatawawasan Group Berhad is incorporated in Malaysia.

Functional and Presentation Currency

The functional currency of each of the group’s entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Malaysian Ringgit which is the parent entity’s functional and presentation currency.

c. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2021

NOTE 2: REVENUE

	Consolidated Group	
	Half-year Ended 30 June 2021	Half-year Ended 30 June 2020
	RM'000	RM'000
The following revenue items are relevant in explaining the financial performance for the interim period:		
Revenue:		
Sales of renewable energy	4,200	4,942
Other Income:		
Sales of sludge oil	169	111
Interest income	132	21
Debt forgiveness	96	-
Other income	-	22
	4,597	5,096

NOTE 3: ISSUED CAPITAL

Movements in share capital of the Company are set out below:

	No.	RM'000
Opening balance at 1 January 2020	91,694,275	31,711
Debt capitalisation	-	15,803
Share buy-back	(999,057)	(184)
Closing balance at 31 December 2020	90,695,218	47,330
Opening balance at 1 January 2021	90,695,218	47,330
Share buy-back	(350,003)	(68)
Closing balance at 30 June 2021	90,345,215	47,262

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2021

NOTE 4: OPERATING SEGMENTS

The Group operated in one business segment being renewal energy power generation and 2 geographical segments.

	Australia	Malaysia	Total
	RM'000	RM'000	RM'000
(i) Segment Performance			
Year Ended 30.06.2021			
Revenue	96	4,501	4,597
Total Segment Revenue			
Inter-Segment Elimination	-	-	-
Total Group Revenue	96	4,501	4,597
Segment Net (Loss)/Profit before tax	(292)	367	75
Year Ended 30.06.2020			
Revenue	30	5,066	5,096
Total Segment Revenue			
Inter-Segment Elimination	-	-	-
Total Group Revenue	30	5,066	5,096
Segment Net (Loss)/Profit before tax	(398)	228	(170)
(ii) Segment Asset			
As at 30.06.2021	3,384	61,781	65,165
As at 31.12.2020	3,713	63,078	66,791
(iii) Segment Liabilities			
As at 30.06.2021	88	39,222	39,310
As at 31.12.2020	82	40,885	40,967

NOTE 5: EVENTS AFTER THE END OF THE INTERIM PERIOD

There are no events after the end of the interim period.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Timah Resources Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 11, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Tan Sri Dr Mah King Thian

Dated this 25 day of August 2021

TIMAH RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN 69 123 981 537

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
TIMAH RESOURCES LIMITED AND CONTROLLED ENTITIES

SYDNEY

Level 40
2 Park Street
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Australia

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Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Timah Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Timah Resources Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Timah Resources Limited 's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company.

Directors' Responsibility for the Half-Year Financial Report

The directors of Timah Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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TIMAH RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN 69 123 981 537

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
TIMAH RESOURCES LIMITED AND CONTROLLED ENTITIES

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

S. Kumar

SANDEEP KUMAR

Partner

Dated: 25 August 2021