

## *Appendix 4E (Preliminary Final Report – Unaudited)*

### *Timah Resources Limited (ABN 69 123 981 537) and Controlled Entities*

#### APPENDIX 4E – PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

##### Results for Announcement to the Market

Key Information	31 Dec 2023	31 Dec 2022	
	<b>RM'000</b>	<b>RM'000</b>	<b>% Change</b>
Revenue from ordinary activities	8,494	8,186	4%
Profit / (Loss) after tax from ordinary activities attributable to members	433	(2,234)	119%
Net (loss) / profit attributable to members	433	(2,234)	119%
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	5,751	4,517	27%

##### 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	31 Dec 2023	31 Dec 2022
	RM/Share	RM/Share
Net tangible assets per share	0.26	0.26

##### 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 year ended 31 December 2023.

### Directors

The names of directors who held office during or since the end of the 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 year ended 31 December 2023*

For FY2023, the Group is pleased to report that Mistral Engineering Sdn. Bhd. achieved a Net Profit Before Tax of RM1,154,852, a significant YoY improvement of 775% over the preceding year's Net Profit Before Tax of RM131,993. Average power generation also improved by 4% (from 2.27 MW to 2.36MW).

Meanwhile, the Group is able to record a higher net profit before taxation of RM832,969 attributable to the improvement on cost efficiency accomplished by the top management.

Several major maintenance and repair works for the Biogas plant were also completed during FY2023. A total expense of RM 2,037,154 was incurred as part of the servicing and overhaul of the plant's gas engines. (27% lower compared to preceding year at RM2,803,567) These repairs and improvements were necessary to secure the long-term profitability of the plant. Consequently, the plant's performance is expected to improve in FY2024 with a 2HFY24 target of 3MW being set.

A constant supply of Palm Oil Mill Effluent (POME) feedstock is integral to the plant's operation. As such, the Group has awarded Shijiazhuang Zhengzhong Technology Co. Ltd a contract to supply a 5,087m3 capacity POME holding and regeneration tank. Delivery of the tank is expected to take place in Sandakan around the 20th of March 2024.

To comply with IAS 12 Income Taxes, the group has agreed with its auditors to derecognise RM400,000 of deferred tax assets in 2023. This derecognised portion of the deferred tax assets will be excluded from financial statements until the uncertainty in the forecast is clear, and the future taxable income is sufficient.

At the FY2023 AGM on the 11th of May 2023, shareholders agreed to an equal reduction in the Group's share capital amounting to AUD 300,008.04. The payment of the Capital Return was made on 1st August 2023. This exercise will not affect the number of shares held by each shareholder, nor will it affect the control of the Board of the Group.

For the year 2024, the Group continues to remain cautiously optimistic about the plant's profitability amidst a challenging period. To provide further value to our shareholders, the Group will continue to explore any growth or expansion opportunities that can contribute to improved profitability.

***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.

***Status of Audit***

The 31 December 2023 financial statements and accompanying notes for Timah Resources Limited are in the process of being audit.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023

	<b>Consolidated Group</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	8,494	8,186
Cost of sales	(8,120)	(8,996)
<b>Gross profit / (loss)</b>	<b>374</b>	<b>(810)</b>
Other income	2,138	2,190
Administrative expenses	(459)	(530)
Finance costs	(1,220)	(1,172)
<b>Profit / (Loss) before income tax</b>	<b>833</b>	<b>(322)</b>
Income tax expenses	(400)	(1,912)
<b>Profit / (Loss) for the period</b>	<b>433</b>	<b>(2,234)</b>
<b>Other comprehensive income:</b>		
Exchange differences on translation of foreign operations	49	(21)
<b>Total comprehensive income / (losses) for the period</b>	<b>482</b>	<b>(2,255)</b>
<b>Earnings per share</b>		
– basic earnings per share (cents)	0.49	(2.50)
– diluted earnings per share (cents)	0.49	(2.50)

The accompanying notes form part of these financial statements.

## Consolidated Statement of Financial Position as at 31 December 2023

	<b>Consolidated Group</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6,518	8,069
Trade and other receivables	969	852
Other assets	837	1,166
Inventories	150	191
<b>TOTAL CURRENT ASSETS</b>	8,474	10,278
<b>NON-CURRENT ASSETS</b>		
Right of use	264	286
Deferred tax assets	11,613	12,013
Property, plant and equipment	33,798	36,305
<b>TOTAL NON-CURRENT ASSETS</b>	45,675	48,604
<b>TOTAL ASSETS</b>	54,149	58,882
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	714	409
Lease liabilities	12	12
<b>TOTAL CURRENT LIABILITIES</b>	726	421
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	22,687	27,295
Lease liabilities	312	324
Deferred tax liabilities	7,417	7,417
<b>TOTAL NON-CURRENT LIABILITIES</b>	30,416	35,036
<b>TOTAL LIABILITIES</b>	31,142	35,457
<b>NET ASSETS</b>	23,007	23,425
<b>EQUITY</b>		
Issued capital	45,990	46,890
Foreign currency translation reserve	(42)	(91)
Retained earnings	(22,941)	(23,374)
<b>TOTAL EQUITY</b>	23,007	23,425

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes In Equity for the year ended 31 December 2023

<b>Consolidated Group</b>	<b>Ordinary Share Capital RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Foreign Currency Translation Reserve RM'000</b>	<b>Total RM'000</b>
<b>Balance at 1 January 2022</b>	47,104	(21,140)	(70)	25,894
<b>Comprehensive income</b>				
Share buy-back	(214)	-	-	(214)
Profit for the period	-	(2,234)	-	(2,234)
Foreign exchange translation difference	-	-	(21)	(21)
<b>Balance at 31 December 2022</b>	<u>46,890</u>	<u>(23,374)</u>	<u>(91)</u>	<u>23,425</u>
<b>Balance at 1 January 2023</b>	46,890	(23,374)	(91)	23,425
<b>Comprehensive income</b>				
Share capital reduction	(900)	-	-	(900)
Profit for the period	-	433	-	433
Foreign exchange translation difference	-	-	49	49
<b>Balance at 31 December 2023</b>	<u>45,990</u>	<u>(22,941)</u>	<u>(42)</u>	<u>23,007</u>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows for the year ended 31 December 2023

	<b>Consolidated Group</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	10,437	10,295
Payments to suppliers and employees	(4,256)	(4,084)
Interest received	117	16
Finance costs	(1,220)	(1,172)
Net cash provided by operating activities	5,078	5,055
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for construction assets	(1,192)	(786)
Net cash used in investing activities	(1,192)	(786)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment to holding company	(4,608)	(2,181)
Right to use	22	22
Share capital reduction	(900)	(214)
Net cash used in financing activities	(5,486)	(2,373)
Net (decrease) / increase in cash held	(1,600)	1,896
Cash and cash equivalents at beginning of period	8,069	6,194
Effect of exchange rate changes on cash and cash equivalents	49	(21)
Cash and cash equivalents at end of period	6,518	8,069

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. TML a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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 Engineering Sdn Bhd (the acquirer for accounting purposes) in the form of equity instruments issued to the owners of the legal parent, TML (the acquire for accounting purposes).

The ultimate holding company of TML is Cepatwawasan Group Berhad, a company incorporated in Malaysia.

#### Functional and Presentation Currency

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

#### b. Accounting Policies

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

### Note 2: REVENUE

	<b>Consolidated Group</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue:		
Sales of renewable energy	8,494	8,186
Other Income:		
Sales of sludge oil	652	812
Interest income	117	16
Unrealised forex exchange gain	79	66
POME treatment	1,290	1,280
Miscellaneous income	-	16
	<u>2,138</u>	<u>2,190</u>
Total	<u>10,632</u>	<u>10,376</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### Note 3: ISSUED CAPITAL

Movement in share capital of TML are set out below:

	<b>No.</b>	<b>RM'000</b>
Opening balance at 1 January 2022	89,695,417	47,104
Share buy-back	(935,656)	(214)
Closing balance at 31 December 2022	88,759,761	46,890
Share capital reduction	-	(900)
Closing balance at 31 December 2023	88,759,761	45,990

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of TML in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

#### Share Options

There were no share options on issue or recommended for issue during or end of the financial year.

#### Capital management

Management controls the capital of TML's in order to maintain the capital management objectives.

TML's objectives for managing capital are to:

- (a) Ensure their ability to operate as a going concern.
- (b) Maximise returns to stakeholders by maintaining an optimal debt/equity structure via the issuance/redemption of debt or equity as appropriate.

There are no externally imposed capital requirements and there have been no changes in the strategy adopted by management to control the capital of the entity since the prior year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 4: OPERATING SEGMENTS

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

	<b>Australia</b>	<b>Malaysia</b>	<b>Unallocated</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(i) Segment Performance</b>				
<b>Period Ended 31.12.2023</b>				
<b>Total Segment Revenue</b>	60	10,515	57	10,632
Inter-Segment Elimination	-	-	-	-
<b>Total Group Revenue</b>	60	10,515	57	10,632
<b>Segment Net (Loss) / Profit before tax</b>	(322)	1,155	-	833
<b>Period Ended 31.12.2022</b>				
<b>Total Segment Revenue</b>	1	10,360	15	10,376
Inter-Segment Elimination	-	-	-	-
<b>Total Group Revenue</b>	1	10,360	15	10,376
<b>Segment Net (Loss) / Profit before tax</b>	(454)	132	-	(322)
<b>(ii) Segment Assets</b>				
<b>Total Group Assets</b>				
As at 31.12.2023		1,400	52,749	54,149
As at 31.12.2022		2,583	56,299	58,882
<b>(iii) Segment Liabilities</b>				
<b>Total Liabilities</b>				
As at 31.12.2023		530	30,612	31,142
As at 31.12.2022		540	34,917	35,457

### NOTE 5: EVENTS AFTER THE END OF THE PERIOD

There have been no other subsequent events that would have a material impact on the financial report for the year ended 31 December 2023.

End.