Timah Resources Limited

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 2024

Results for Announcement to the Market

Key Information	**31 Dec 2024**	**31 Dec 2023**	
	RM'000	**RM'000**	**% Change**
Revenue from ordinary activities	8,678	8,494	2%
(Loss) / Profit after tax from ordinary activities attributable to members	(3,517)	433	-912%
Net (loss) / profit attributable to members	(3,517)	433	-912%
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	2,732	5,751	-53%

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 2024**	**31 Dec 2023**
	RM/Share	RM/Share
Net tangible assets per share	0.22	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 2024.

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

Mr. Siu Wen 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 2024

Despite recording a net loss, the Group remains cautiously optimistic, as total power exports increased by 2% (393,979 kWh), from 18,192,624 kWh to 18,586,603 kWh. During the same period, average power generation ranged between 1.68 MW and 2.80 MW, peaking in July 2024. However, the supply of POME feedstock remains beyond the Group's direct control, affecting the Biogas Plant's operational consistency.

Given high maintenance costs, limited spare parts, and the cessation of the local third-party service agent, the Board decided to write off the three Guascor gas engines (GE1, GE2, and GE4). Declining POME feedstock levels have led to underutilization, increased maintenance needs, and potential overhaul costs estimated at RM4 million. In contrast, the operational Jenbacher engines have demonstrated greater reliability, efficiency, and cost-effectiveness.

On 18 December 2024, an independent registered valuation company, Azmi & Co (Shah Alam) Sdn. Bhd., valued these engines at RM2,757,131, with a minimal scrap value of RM100,000. They will be scrapped accordingly, although Management will seek opportunities to sell them or salvage usable components where feasible. This measure, reflected in the 2024 financial statements, aligns with the Company's long-term objectives of operational efficiency, financial prudence, and sustainability while maintaining power generation capacity.

During FY2024, major maintenance and repair works were completed at the Biogas Power Plant, with expenses totaling RM1,770,281—15% lower than the RM2,037,154 spent the previous year. These investments are expected to secure the plant's long-term profitability and improve performance in the coming fiscal year.

	2015	2016	2017	2018	2019	2019	2020	2021	2022	2023	2024
Year End	June	June	June	June	June	Dec	Dec	Dec	Dec	Dec	Dec
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tax expense / (benefit)											
Deferred tax	(395)	1,254	557	(57)	(5,358)	51	467	311	1,912	400	1,359
Deferred tax assets											
Unabsorbed capital allowances	913	291	291	6,067	7,066	8,296	8,231	8,199	8,199	8,199	8,199
Investment tax allowance	-	-	-	-	5,688	5,688	5,688	5,688	3,808	3,408	2,049
Unutilised tax losses	-	-	-	609	-	-	-	-	-	-	-
Others	-	-	-	46	19	9	7	19	6	6	6
	913	291	291	6,722	12,773	13,993	13,926	13,906	12,013	11,613	10,254
Deferred tax liabilities											
Temporary differences	-	632	1,189	7,563	8,255	6,707	7,106	7,399	7,417	7,417	7,417
Net DTA/(DTL)	913	(341)	(898)	(841)	4,518	7,286	6,820	6,507	4,596	4,196	2,837
Profit Before Income tax	(197)	(13,328)	501	523	(1,697)	108	291	669	(322)	833	(2,258)
Income tax benefit / (expense)	395	(1,254)	(557)	57	5,358	(51)	(467)	(311)	(1,912)	(400)	(1,359)
Profit After Income tax	198	(14,582)	(56)	580	3,661	57	(176)	358	(2,234)	433	(3,617)

Referring to Timah's consolidated Profit and Loss statement and its deferred tax assets and liabilities, the Group—after consulting its auditors—derecognized RM1,359,207 in deferred tax assets (DTA) in accordance with IAS 12 (Income Taxes), following the same approach as last year. This amount is significantly higher than in the previous financial year (a 240% increase), primarily due to the prior over-recognition of the DTA related to an approved Investment Tax Allowance (ITA) granted by the Inland Revenue Board (LHDN) on 11 March 2019.

Given Mistral's recent challenges in securing sufficient POME feedstock, its performance did not align with earlier forecasts. From a conservative standpoint, Management concurred with the auditors that derecognizing part of the DTA was necessary to ensure the Group's financial statements remain accurate and do not overstate assets.

Despite this adjustment, as of FY2024, the Group still holds a remaining DTA of RM2.84 million, expected to offset income tax expenses—averaging RM354,625 annually—over the remaining eight years of the SEDA Feed-in Tariff contract, which expires on 14 February 2033, assuming other factors remain constant. Furthermore, the write-down aligns with the Group's plan to declare a dividend in 2025 barring any unforeseen circumstances, reflecting a prudent approach that supports long-term profitability while maintaining a transparent and conservative financial position.

Although the write-off of the three idle gas engines and the deferred tax asset adjustment have affected short-term results, these strategic decisions position the Group, under Timah's leadership, to operate more sustainably and cost-effectively. Looking ahead, the Board remains cautiously optimistic about maintaining profitability amid ongoing challenges. The Group will continue to explore growth and expansion opportunities to strengthen its financial position and deliver greater value to shareholders over the long term.

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 2024 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 2024

		Consolidated Group	
		31 Dec 2024	**31 Dec 2023**
		RM'000	**RM'000**
Revenue	Note 2	8,678	8,494
Cost of sales		(7,989)	(8,120)
Gross profit		689	374
Other income		1,694	2,138
Other expenses	Note 3	(2,757)	-
Administrative expenses		(600)	(459)
Finance costs		(1,184)	(1,220)
(Loss) / Profit before income tax		(2,158)	833
Income tax expenses		(1,359)	(400)
(Loss) / Profit for the period		(3,517)	433
Other comprehensive income:			
Exchange differences on translation of foreign operations		(65)	49
Total comprehensive (losses) / income for the period		(3,582)	482
Earnings per share			
– basic earnings per share (cents)		(0.04)	0.49
– diluted earnings per share (cents)		(0.04)	0.49

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2024

	Consolidated Group	
	31 Dec 2024	31 Dec 2023
	RM'000	RM'000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7,654	6,518
Trade and other receivables	923	969
Other assets	245	837
Inventories	225	150
TOTAL CURRENT ASSETS	9,047	8,474
NON-CURRENT ASSETS		
Right of use	242	264
Deferred tax assets	10,254	11,613
Property, plant and equipment	30,252	33,798
TOTAL NON-CURRENT ASSETS	40,748	45,675
TOTAL ASSETS	49,795	54,149
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	510	714
Lease liabilities	16	12
TOTAL CURRENT LIABILITIES	526	726
NON-CURRENT LIABILITIES		
Borrowings	22,131	22,687
Lease liabilities	296	312
Deferred tax liabilities	7,417	7,417
TOTAL NON-CURRENT LIABILITIES	29,844	30,416
TOTAL LIABILITIES	30,370	31,142
NET ASSETS	19,425	23,007
EQUITY		
Issued capital	45,990	45,990
Foreign currency translation reserve	(107)	(42)
Retained earnings	(26,458)	(22,941)
TOTAL EQUITY	19,425	23,007

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes In Equity for the year ended 31 December 2024

Consolidated Group	Ordinary Share Capital	Retained Earnings	Foreign Currency Translation Reserve	Total
	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2023	46,890	(23,374)	(91)	23,425
Comprehensive income				
Share capital reduction	(900)	-	-	(900)
Profit for the period	-	433	-	433
Foreign exchange translation difference	-	-	49	49
Balance at 31 December 2023	45,990	(22,941)	(42)	23,007
Balance at 1 January 2024	45,990	(22,941)	(42)	23,007
Comprehensive income				
Loss for the period	-	(3,517)	-	(3,517)
Foreign exchange translation difference	-	-	(65)	(65)
Balance at 31 December 2024	45,990	(26,458)	(107)	19,425

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 31 December 2024

	Consolidated Group	
	31 Dec 2024	31 Dec 2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	10,184	10,437
Payments to suppliers and employees	(7,272)	(4,256)
Interest received	115	117
Finance costs	(1,184)	(1,220)
Net cash provided by operating activities	1,843	5,078
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for construction assets	(182)	(1,192)
Net cash used in investing activities	(182)	(1,192)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to holding company	(484)	(4,608)
Right to use	22	22
Share capital reduction	-	(900)
Net cash used in financing activities	(462)	(5,486)
Net increase / (decrease) in cash held	1,199	(1,600)
Cash and cash equivalents at beginning of period	6,519	8,069
Effect of exchange rate changes on cash and cash equivalents	(64)	49
Cash and cash equivalents at end of period	7,654	6,518

The accompanying notes form part of these financial statements.

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

	Consolidated Group	
	31 Dec 2024	**31 Dec 2023**
	RM'000	**RM'000**
Revenue:		
Sales of renewable energy	8,678	8,494
Other Income:		
Sales of sludge oil	422	652
Sales of RECs	70	-
Interest income	115	117
Unrealised forex exchange gain	-	79
Insurance claim	73	-
POME treatment	1,014	1,290
	1,694	2,138
Total	10,372	10,632

Note 3: OTHER EXPENSES

	Consolidated Group	
	31 Dec 2024	31 Dec 2023
	RM'000	RM'000
Property, plant and equipment written off	2,757	-

Note 4: ISSUED CAPITAL

Movement in share capital of TML are set out below:

	No.	RM'000
Opening balance at 1 January 2023	88,759,761	46,890
Share capital reduction	-	(900)
Closing balance at 31 December 2023	88,759,761	45,990
Share capital reduction	-	-
Closing balance at 31 December 2024	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.

NOTE 5: OPERATING SEGMENTS

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

	Australia RM'000	Malaysia RM'000	Total RM'000
(i) Segment Performance			
Year Ended 31.12.2024			
Total Segment Revenue	-	8,678	8,678
Total Segment Other Income	29	1,665	1,694
Inter-Segment Elimination	-	-	-
Total Group Revenue	29	10,343	10,372
Segment Net Loss before tax	(434)	(1,724)	(2,158)
Year Ended 31.12.2023			
Total Segment Revenue	-	8,494	8,494
Total Segment Other Income	60	2,078	2,138
Inter-Segment Elimination	-	-	-
Total Group Revenue	60	10,572	10,632
Segment Net (Loss) / Profit before tax	(322)	1,155	833
(ii) Segment Assets			
Total Group Assets			
As at 31.12.2024	945	48,850	49,795
As at 31.12.2023	1,400	52,749	54,149
(iii) Segment Liabilities			
Total Liabilities			
As at 31.12.2024	574	29,796	30,370
As at 31.12.2023	530	30,612	31,142

NOTE 6: 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 2024.

End.