

## Interim Financial Report

## APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2023

## Results for Announcement to the Market

Key Information	Half-year Ended 30 June 2023	Half-year Ended 30 June 2022	% Change
	RM'000	RM'000	
Revenue from ordinary activities	3,906	4,052	-4%
Loss after tax from ordinary activities attributable to members	(163)	(784)	79%
Net loss attributable to members	(163)	(784)	79%

## 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 2023	Half-year Ended 30 June 2022
	RM/Share	RM/Share
Net tangible assets per share	0.26	0.28

## 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 2023.

**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 2023**

For this financial period under review, the Biogas Power Plant generated and exported 8,365 MWh of renewable energy, which was 3.6% lower than the preceding year's export of 8,678 MWh for the corresponding period.

However, the average power generation of the Biogas power plant did improve from 2.15 MW during the first quarter of 2023 to 2.22MW (3% increase) during the second quarter of 2023.

Mistral Engineering Sdn Bhd achieved a Net Loss Before Tax of RM84,516 for this period. This a significant improvement over the preceding year's Net Loss Before Tax of RM596,845 for the corresponding period. Overall, Gross Profit Margin improved from 38.96% to 43.80%.

Most COVID-19 pandemic control measures have been lifted but ongoing delays and increased prices for essential spare parts and services have continued to burden our operations. Unfavourable wet weather has reduced the quality and quantity of our POME feedstock, which in turn has disrupted power generation. The unexpected shutdown of the adjacent Biomass Power Plant until February this year and the frequent stoppages of the adjacent Palm Oil Mill have both contributed to the supply shortage of feedstock.

Furthermore, the plant had to continue undergoing significant overhaul and maintenance works during this 6-month period. These repairs were long overdue and had been delayed until now due to the border closures caused by the COVID-19 pandemic. Therefore, from January to June 2023, the plant incurred a further substantial sum of RM 1,096,882 to service and overhaul its gas engines.

With the essential maintenance works now complete (as well as overhauls of some the gas engines), the plant's power generation is expected to improve. A 3MW target has been set for the second half of this year and barring any unforeseen circumstances, the plant is likely to hit that target based on current progress.

To stabilise and optimise the supply of future POME feedstock, we have awarded Shijiazhuang Zhengzhong Technology Co. Ltd the contract for the supply of one unit of POME holding and regeneration tank of 5,087m<sup>3</sup>. The contract was awarded 1st February 2023 and commissioning is expected to start in 2024.

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 2023.

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

Director .....

Tan Sri Dr Mah King Thian

Dated this 29 day of August 2023

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**K.S. Black & Co.**

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***Lead Auditors' Independence Declaration under Section 307C of the Corporations Act 2001***

To the Directors of Timah Resources Limited.

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2023 there has been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The entities are in respect of Timah Resources Limited and the entities it controlled during the period.

KS Black & Co  
Chartered Accountants



Scott Bennison  
Partner

29/8/2023

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Timah Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying Half-year Financial Report of Timah Resources Limited.

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 is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the **Consolidated Entity's** financial position as at 30 June 2023 and of its performance for the financial Half-year ended on that date; and
- b) complying with Australian Accounting Standards *AASB 134 Interim Financial Reporting and Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2023.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1 - 4 comprising a summary of significant accounting policies and other explanatory information.
- The Directors' Declaration.

The **Consolidated Entity** comprises Timah Resources Limited (the Company and the entities it controlled at the Half-year's end or from time to time during the Half-year.

The **Half year Period** is the 6 months ended on 30 June 2023.

#### Other matters

We note that the market capitalisation of the Group at the date of our review report is approximately \$3.73M compared with net assets of the Group of approximately \$7.9M indicating impairment.

Notwithstanding this indication of impairment, the Group NPV calculation adjusted for non-cash items, exceeds net assets of the Group mitigating a negative impairment indicator.

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The directors of the company 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

**Responsibilities of the Directors for the Half-year Financial Report.**

The directors of the company 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**

Our responsibility is to express a conclusion on the Half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Performed by Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year financial report is not in accordance with the Corporation Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 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. As the auditor of Timah Resources Limited, ASRE 2410 required that we comply with the ethical requirements relevant to the audit of the half-year financial report.

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 subsequently less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurances that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

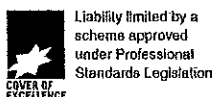
KS Black & Co  
Chartered Accountants



Scott Bennison  
Partner

Dated: 29/8/2023

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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 2023

	Note	Consolidated Group	
		Half-year Ended 30 June 2023	Half-year Ended 30 June 2022
		RM'000	RM'000
Revenue	2	3,906	4,052
Cost of sales		(4,077)	(4,632)
<b>Gross loss</b>		(171)	(580)
Other income	2	817	572
Administrative expenses		(179)	(191)
Finance costs		(630)	(552)
<b>Loss before income tax</b>		(163)	(751)
Income tax expenses		-	(33)
<b>Loss for the period</b>		(163)	(784)
<b>Other comprehensive income:</b>			
Exchange differences on translation of foreign operations		74	4
<b>Total comprehensive loss for the period</b>		(237)	(780)
<b>Earnings per share (cents)</b>		(0.2)	(0.8)

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 2023

	Note	Consolidated Group	
		As at	As at
		30 June 2023	31 December 2022
		RM'000	RM'000
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		6,458	8,069
Trade and other receivables		885	852
Other assets		1,258	1,166
Inventories		274	191
<b>TOTAL CURRENT ASSETS</b>		<b>8,875</b>	<b>10,278</b>
<b>NON-CURRENT ASSETS</b>			
Right of use		275	286
Deferred tax assets		12,013	12,013
Property, plant and equipment		35,197	36,305
<b>TOTAL NON-CURRENT ASSETS</b>		<b>47,485</b>	<b>48,604</b>
<b>TOTAL ASSETS</b>		<b>56,360</b>	<b>58,882</b>
<b><u>LIABILITIES</u></b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		441	409
Lease liabilities		12	12
<b>TOTAL CURRENT LIABILITIES</b>		<b>453</b>	<b>421</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		24,841	27,295
Lease liabilities		318	324
Deferred tax liabilities		7,417	7,417
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>32,576</b>	<b>35,036</b>
<b>TOTAL LIABILITIES</b>		<b>33,029</b>	<b>35,457</b>
<b>NET ASSETS</b>		<b>23,331</b>	<b>23,425</b>
<b>EQUITY</b>			
Issued capital		46,890	46,890
Foreign currency translation reserve		(22)	(91)
Retained earnings		(23,537)	(23,374)
<b>TOTAL EQUITY</b>		<b>23,331</b>	<b>23,425</b>

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 2023

Consolidated Group	Ordinary Share Capital RM'000	Retained Earnings RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000
<b>Balance at 1 January 2022</b>	<b>47,104</b>	<b>(21,140)</b>	<b>(70)</b>	<b>25,894</b>
<b>Comprehensive income</b>				
Share buy-back	(214)	-	-	(214)
Loss for the period	-	(2,234)	-	(2,234)
Foreign exchange translation difference	-	-	21	21
<b>Balance at 31 December 2022</b>	<b>46,890</b>	<b>(23,374)</b>	<b>(91)</b>	<b>23,425</b>
<b>Balance at 1 January 2023</b>	<b>46,890</b>	<b>(23,374)</b>	<b>(91)</b>	<b>23,425</b>
<b>Comprehensive income</b>				
Loss for the period	-	(163)	-	(163)
Foreign exchange translation difference	-	-	69	69
<b>Balance at 30 June 2023</b>	<b>46,890</b>	<b>(23,537)</b>	<b>(22)</b>	<b>23,331</b>

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 2023

	<b>Consolidated Group</b>	
	<b>Half-year Ended 30 June 2023</b>	<b>Half-year Ended 30 June 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	4,592	4,617
Payments to suppliers and employees	(2,508)	(3,571)
Interest received	56	1
Finance costs	(630)	(552)
Net cash generated from operating activities	1,510	495
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(727)	(236)
Net cash used in investing activities	(727)	(236)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(2,454)	(1,541)
Right to use	11	11
Share buy-back	-	(53)
Net cash used in financing activities	(2,443)	(1,583)
Net (decrease)/increase in cash held	(1,660)	(1,324)
Cash and cash equivalents at beginning of period	8,069	6,194
Effect of exchange rate changes on cash and cash equivalents	49	4
<b>Cash and cash equivalents at end of period</b>	<b>6,458</b>	<b>4,874</b>

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 2023 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 2022, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 29 August 2023.

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 Cepatwawasan Group Berhad. Cepatwawasan 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.

**b. Going Concern**

Notwithstanding that the Group incurred a loss of RM163,243 for the half year ended 30 June 2023, the financial statements of the Group have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

The ultimate holding company has agreed to provide continue financial support to the extent that the Group will be able to meet it liabilities as and when they fall due during the next twelve months period ending 30 June 2024.

Based on the above basis, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

**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 2023

**NOTE 2: REVENUE**

	<b>Consolidated Group</b>	
	<b>Half-year Ended 30 June 2023</b>	<b>Half-year Ended 30 June 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
The following revenue items are relevant in explaining the financial performance for the interim period:		
Revenue:		
Sales of renewable energy	3,906	4,052
Other Income:		
Sales of sludge oil	84	550
Interest income	56	1
Unrealised forex exchange gain	74	-
POME treatment	603	-
Miscellaneous income	-	21
	<u>4,723</u>	<u>4,624</u>

**NOTE 3: ISSUED CAPITAL**

Movements in share capital of the Company 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	<u>88,759,761</u>	<u>46,890</u>
Opening balance at 1 January 2023	88,759,761	46,890
Share buy-back	-	-
Closing balance at 30 June 2023	<u>88,759,761</u>	<u>46,890</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2023

**NOTE 4: OPERATING SEGMENTS**

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

	<b>Australia</b>	<b>Malaysia</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(i) Segment Performance</b>			
<b>Year Ended 30.06.2023</b>			
Revenue	46	4,667	4,723
<b>Total Segment Revenue</b>			
Inter-Segment Elimination	-	-	-
<b>Total Group Revenue</b>	<b>46</b>	<b>4,667</b>	<b>4,723</b>
<b>Segment Net Loss before tax</b>	<b>(79)</b>	<b>(84)</b>	<b>(163)</b>
<b>Year Ended 30.06.2022</b>			
Revenue	1	4,623	4,624
<b>Total Segment Revenue</b>			
Inter-Segment Elimination	-	-	-
<b>Total Group Revenue</b>	<b>1</b>	<b>4,623</b>	<b>4,624</b>
<b>Segment Net (Loss)/Profit before tax</b>	<b>(155)</b>	<b>(629)</b>	<b>(784)</b>
<b>(ii) Segment Asset</b>			
<b>As at 30.06.2023</b>	<b>2,566</b>	<b>53,794</b>	<b>56,360</b>
<b>As at 31.12.2022</b>	<b>2,583</b>	<b>56,299</b>	<b>58,882</b>
<b>(iii) Segment Liabilities</b>			
<b>As at 30.06.2023</b>	<b>534</b>	<b>32,495</b>	<b>33,029</b>
<b>As at 31.12.2022</b>	<b>540</b>	<b>34,917</b>	<b>35,457</b>

**NOTE 5: SIGNIFICANT EVENTS DURING THE INTERIM PERIOD**

At the 2023 Annual General meeting held on 11 May 2023, shareholders voted in favour of reducing the Group's share capital by up to \$300,000 by way of an equal capital reduction.

The per share capital return constitutes an equal reduction of the Group's share capital for the purposes of the Corporations Act. It applies to each shareholder in proportion to the number of shares they hold, and the terms of the reduction are the same for each shareholder.

No shares will be cancelled in connection with the return of capital. Accordingly, the return of capital will not affect the number of shares held by each shareholder, nor will it affect the control of the Board of the Group.

The Board is satisfied that the equal capital reduction is fair and reasonable to the Group's shareholders as a whole and does not materially prejudice the Group's ability to pay its creditors.

**NOTE 6: SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD**

On 1 Aug 2023, Timah Resources Limited is pleased to announce that a Capital Return Payment has been made to shareholders. The Group has determined to reduce its share capital by AUD 300,008.04 by way of equal capital reduction. The record date for determining eligible shareholders was 31 July 2023.

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 7 to 14, 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 2023 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 29 day of August 2023

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