



# Majestic Corporation Plc

(Aquis Exchange Ticker - MCJ)

**Interim Results to  
30 June 2023**



*We Prefer Metals to Recycled NOT Mined*



**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.**

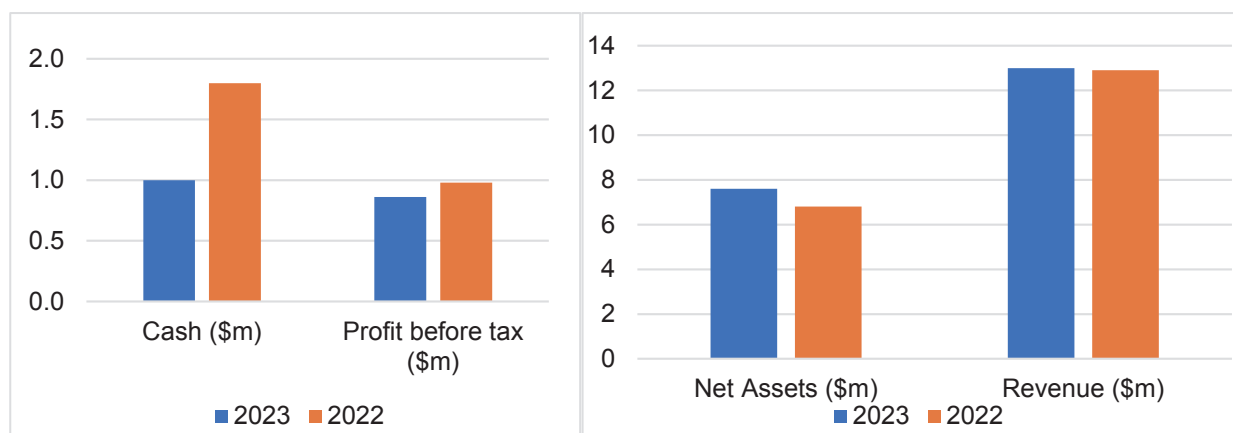
18 September 2023

**Majestic Corporation Plc**  
**(the "Company" or "Majestic")**  
**Interim Results to 30 June 2023**

Majestic Corporation plc (AQUIS: MCJ), an emerging leader in the precious metals and non-ferrous metals recycling, is pleased to announce its interim results for the 6 month period ended 30 June 2023.

**Financial highlights:**

- Revenue was US\$13.0m (H1 2022: US\$12.9m)
- Profit before tax US\$862k (H1 2022: US\$980k)
- Net assets increased to US\$7.6m (as at 31 December 2022: US\$6.8m)
- Cash in bank and on hand of US\$1m (as at 31 December 2022: US\$1.8m)





**Majestic Corporation Plc**



**Peter Lai, Chairman and CEO of Majestic said:**

“We have today published another strong set of interim results achieved against a period of high interest rates, geopolitical tension and with China, the biggest consumers of commodities, experiencing shrinking GDP. We continue to closely monitor economic developments, which predict a drop in industrial activities in key sectors that are drivers for demand in commodities.

Despite these difficult conditions for global markets, which we don't see improving in the short term, our focus remains on safeguarding our competitiveness by further reducing our costs and securing long term contracts with customers.”

Improving performance in a year of macro and political uncertainty is a tribute to the team's effort and risk management. We are confident that the Company will continue to prosper in the coming years.”

**For further information please contact:**

Majestic Corporation Plc  
Chairman and Chief Executive Officer  
Peter Lai                      Tel: +852 9726 2890

Chief Financial Officer  
Joe Lee                        Tel: +44 (0) 7539 103 502

Guild Financial Advisory Limited (Corporate Advisor)  
Ross Andrews              Tel: +44 (0) 7973 839 767





## **About the Company**

Majestic Corporation is an emerging leader in the precious metals and non-ferrous metals recycling. Working with suppliers globally Majestic plays an integral role in the circular economy by making resources available for future use.

## **CHAIRMAN AND CEO'S REPORT FOR THE PERIOD ENDED 30 JUNE 2023**

The Board of Majestic Corporation Plc is pleased to announce the Company's unaudited interim results for the six months ended 30 June 2023.

### **Statement from Chairman and CEO**

As a vertically integrated organisation, we process, upgrade and recycle non-ferrous metals products and deliver it to refineries directly. We continue to source material from the US, Mexico, Australia and Europe (including the UK) and upgrade the products through a network of facilities located in Italy and Malaysia. The first half of the 2023 financial year has been challenging due to the high level of uncertainty resulting from geopolitical conflicts, logistical pressures and macroeconomic headwinds yet the Company has performed well.

The Russian invasion of Ukraine continued to have a material adverse impact on the business, to both the cost and supply of precious metals. The Board will continue to monitor the effects on our supply pressures, logistics, foreign exchange rate fluctuations and commodity pricing.

### **Outlook**

Looking forward to the current global situation, the rising interest rates and inflation rates tends to have an adverse impact on the price of commodities, however there is also usually a period of resetting in many industries to reflect a more nationalistic approach and control of a country's own critical metal supplies. Majestic is well positioned to benefit from this, with the core sectors being precious and industrial metals.

The Board remains cautiously optimistic and continues to evaluate opportunities for generating value for shareholders.



## **CHAIRMAN AND CEO'S REPORT FOR THE PERIOD ENDED 30 JUNE 2023**

### **Financial Highlights**

- The 6 months result to 30 June 2023 marks the second interim results following the successful listing of the company to the AQSE exchange in March 2022.
- The turnover for the 6-month period was another strong result at US\$13m (H12022: \$12.9M).
- The Company has retained a strong cash position at 30 June 2023 with cash at bank US\$1m (as at 31 December 2022: US\$1.8m).
- Underlying earnings before tax of US\$862k (2022: US\$980k).

### **Strategic Report**

The principal activity of the Group continues to be urban recycling of precious metals and non-ferrous metals from weee and auto petroleum catalysts. We have procurement warehouse locations in the USA, and the UK and long-term suppliers in Italy, Lithuania, Mexico and Australia. In addition, we have processing facilities in Malaysia capable of handling twenty thousand tons a year. With our reputation, quality, and volume, we are able to deliver directly to refineries.

The success of our strategy rests on the Company's profitability first, and we eliminate risk by hedging our sales, especially at the time of uncertainty. The result announced today demonstrates this to be successful strategy.

Peter Lai Chairman & CEO



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2023**

(Expressed in United States Dollar)

	<u>Notes</u>	<b>Unaudited 30.6.2023</b>	<b>Unaudited 30.6.2022</b>
Turnover	4	13,011,621	12,880,410
Cost of goods sold		(11,764,400)	(11,530,662)
Gross Profit		1,247,221	1,349,748
Other income	4	5,158	88,364
Administrative expenses		(390,528)	(458,335)
Profit from operation and before taxation	5	861,851	979,777
Taxation		(121,150)	(148,523)
Profit for the period		740,701	831,254
Other comprehensive income for the period		-	-
Total comprehensive income for the period		740,701	831,254
<b>Earnings per share (cents per share)</b>		<b>3.7</b>	<b>4.2</b>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022 & 30 JUNE 2023**

(Expressed in United States Dollar)

	<u>Notes</u>	<b><u>Unaudited 30.06.2023</u></b>	<b><u>Audited 31.12.2022</u></b>
<b>CURRENT ASSETS</b>			
Inventories	8	9,221,001	8,383,096
Trade receivables	9	1,524,470	1,669,301
Prepayments and deposits		2,474,396	2,717,785
Amounts due from related companies		860,333	1,163,131
Tax recoverable		-	9,298
Amount due from director		104,443	53,209
Cash in bank and on hand		974,305	1,827,447
		<u>15,158,948</u>	<u>15,823,267</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	3,180,375	1,621,771
Deposits received		1,391,555	2,934,416
Accruals and other payables		36,764	86,463
Amounts due to related companies		1,337,309	1,285,073
Import loans	11	1,531,134	3,064,412
Tax payable		109,978	-
		<u>7,587,115</u>	<u>8,992,135</u>
<b>NET CURRENT ASSETS</b>		<u>7,571,833</u>	<u>6,831,132</u>
<b>NET ASSETS</b>		<u>7,571,833</u>	<u>6,831,132</u>
<b>CAPITAL AND RESERVE</b>			
Called up share capital	12	135,919	135,919
Share premium		403,217	403,217
Capital reserve		4,767,431	4,767,431
Merger reserve		(44,525)	(44,525)
Foreign currency reserve		(17,723)	(17,723)
Retained profit		2,327,514	1,586,813
		<u>7,571,833</u>	<u>6,813,132</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2023**

(Expressed in United States Dollar)

	Share capital	Share premium	Capital reserve	Merger reserve	Foreign currency reserve	Retained profits	Total
Balance at 1 January 2022	1	-	4,767,431	-	-	1,365,099	6,132,531
Shares issued	135,918	-	-	-	-	-	135,918
Profit for the period	-	-	-	-	-	288,755	288,755
Bonus share issuer	-	-	-	-	-	(67,041)	(67,041)
Cash share issue	-	492,340	-	-	-	-	492,340
IPO costs	-	(89,123)	-	-	-	-	(89,123)
Foreign currency reserve	-	-	-	-	(17,723)	-	(17,723)
Merger reserve	-	-	-	(44,525)	-	-	(44,525)
Balance at 31 December 2022	135,919	403,217	4,767,431	(44,525)	(17,723)	1,586,813	6,831,132
Balance at 1 January 2023	135,919	403,217	4,767,431	(44,525)	(17,723)	1,586,813	6,831,132
Profit for the period	-	-	-	-	-	740,701	740,701
Balance at 30 June 2023	135,919	403,217	4,767,431	(44,525)	(17,723)	2,327,514	7,571,833





**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 30 JUNE 2023**

(Expressed in United States Dollar)

	<b>Unaudited 30.6.2023</b>	<b>Unaudited 30.6.2022</b>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	740,701	831,254
Adjustment:		
Cost of goods sold	11,764,400	11,530,662
Operating profit before working capital changes	12,505,101	12,361,916
Changes in working capital		
Purchase of inventories	(12,602,305)	(12,069,571)
(Increase)/decrease in trade and other receivables	649,082	23,461
(Decrease)/Increase in trade and other payables	128,258	581,642
<b>NET CASH GENERATED/(USED) TO OPERATING ACTIVITIES</b>	<b>680,136</b>	<b>897,448</b>
<b>INVESTING ACTIVITIES</b>		
<b>NET CASH USED TO INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Withdrawal/(Repayment) of import loans	(1,533,278)	(697,766)
<b>NET CASH (USED)/GENERATED FROM FINANCING ACTIVITIES</b>	<b>(1,533,278)</b>	<b>(697,766)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(853,142)</b>	<b>199,682</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF INTERIM PERIOD - 1ST JAN</b>	<b>1,827,447</b>	<b>2,467,428</b>
<b>CASH AND CASH EQUIVALENTS AT END OF INTERIM PERIOD - 30TH JUNE</b>	<b>974,305</b>	<b>2,667,110</b>



**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

---

(Expressed in United States Dollar)

**1. GENERAL INFORMATION AND BASIS OF PREPARATION**

The Company is a public company, limited by shares, and incorporated and domiciled in the United Kingdom. The company has its listing on AQSE Growth Market.

The address of its registered office and the principal place of business are located Unit 15 Drome Road, Deeside Industrial Park, Deeside, Wales, CH5 2NY, United Kingdom.

The financial statements are presented in United States Dollars.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

On 8 March 2022, the Company acquired the entire shareholding of Majestic Corporation Limited via a share-for-share exchange. The insertion of the Company on top of the existing Majestic Corporation Group does not constitute a business combination under IFRS 3 Business Combinations. This transaction has been deemed to be an acquisition in line with guidance from the Interpretations Committee (IFRIC) and as such the consolidated accounts for the Group are treated as a continuation of the consolidated accounts of the Majestic Corporation Group.

Under the principles of continuation accounting the consolidated financial statement of the newly formed Group must reflect:

- The assets and liabilities of the Majestic Corporation Group at pre-combination carrying amounts;
- The retained earnings and other equity balances of the Majestic Corporation Group at pre-combination carrying amounts;
- The assets and liabilities of the Company at fair value;
- The share capital of the Company;



## NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

(Expressed in United States Dollar)

### **Basis of preparation**

These interim condensed consolidated financial statements (Interim Financial Statements) Majestic Corporation Group Plc comprise the results of the Group for the 6 months ended 30 June 2023.

The consolidated reserves of the Group have been adjusted in the current period following the share-for-share exchange to reflect the share capital of the Company with the difference giving rise to a merger reserve.

The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, “Interim Financial Reporting and the Disclosure and Transparency Rules of the Financial Conduct Authority. The annual financial statements of the Group will be prepared in accordance with UK adopted International Financial Reporting Standards. They do not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006 and should be read in conjunction with the financial statements prepared for the Majestic Corporation Group for the twelve months ended 31 December 2022, which were prepared in accordance with International Financial Reporting Standards (IFRS) and are filed with the Companies Registry in Hong Kong and are available to shareholders on request”

The information for the period ended 30 June 2023 has neither been audited nor reviewed and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

### **3. PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies adopted are set out below.

a. Basis of accounting and accounting policies

The financial statements have been prepared under the historical cost basis.



**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

---

(Expressed in United States Dollar)

b. Revenue recognition

Revenue from the sales of goods is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location. Following delivery, the customer has full discretion over the usage of the goods, has the primary responsibility upon selling the goods and bears the risks in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Interest income is recognised as other income as it accrues using the effective interest method.

c. Cash and cash equivalents

Cash and cash equivalents include demand deposits and other short-term highly liquid investments with original maturities of three months or less.

d. Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

e. Trade and other payables

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

---

(Expressed in United States Dollar)

f. Translation of foreign currency

Foreign currency transactions during the period are translated into United States Dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the market rates of exchange ruling at the reporting date. Exchange gains and losses on foreign currency translation are dealt with in the statement of income and retained earnings.

g. Taxation

The tax expense in the consolidated income statement comprises current tax payable and deferred tax.

h. Inventories

Inventories are stated at the lower of cost and net realisable value. In arriving at net realisable value an allowance has been made for deterioration and obsolescence.

i. Good in transit

The risk and reward of the inventory transfers to customers once they have issued an analysis report confirming shipment has been accepted.

j. Leases

Leases are classified as operating leases and the rentals receivable or payable under these leases are credited or charged to the statement of income and retained earnings on a straight-line basis over the duration of the leases.

k. Going concern

The consolidated financial statements are prepared on the going concern basis. The financial position of the Company, its cash flows and liquidity position are described in the interim consolidated financial statements and notes. The Company has the financial resources to



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

(Expressed in United States Dollar)

continue in operation for the foreseeable future, a period of not less than 12 months from the date of the report.

**4. TURNOVER AND OTHER INCOME**

Turnover represents the amounts received and receivables for goods sold to the customers. Turnover and other income recognised during the period are as follows:

	<b>Unaudited</b>	<b>Unaudited</b>
	<b>30.6.2023</b>	<b>30.6.2022</b>
<b>Turnover</b>		
Sales to Japan	8,736,156	9,621,693
Sales to Malaysia	4,275,465	3,258,717
	<u>13,011,621</u>	<u>12,880,410</u>
<b>Other income</b>		
Interest income	5,080	1,025
Exchange gain	-	77,144
Government subsidies	-	10,195
Miscellaneous income	78	-
	<u>5,158</u>	<u>88,364</u>

**5. PROFIT FROM OPERATION AND BEFORE TAXATION**

Profit from operation and before taxation have been arrived at after charging:

	<b>Unaudited</b>	<b>Unaudited</b>
	<b>30.6.2023</b>	<b>30.6.2022</b>
Finance costs	58,828	74,616
Cost of goods sold	<u>11,764,400</u>	<u>11,530,662</u>





**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

(Expressed in United States Dollar)

**6. DIRECTORS REMUNERATIONS**

Director's remunerations disclosed is as follows:

	<b>Unaudited 30.6.2023</b>	<b>Unaudited 30.6.2022</b>
Fees	-	-
Other emoluments	61,653	79,286
	<u>61,653</u>	<u>79,286</u>

**7. STAFF COST**

	<b>Unaudited 30.6.2023</b>	<b>Unaudited 30.6.2022</b>
Salary	58,449	65,922
Mandatory provident fund	4,192	3,323
	<u>62,641</u>	<u>69,245</u>

**8. INVENTORIES**

Inventories comprise entirely of stock in trade.

	<b>Unaudited 30.06.2023</b>	<b>Audited 31.12.2022</b>
Stock in warehouse	3,854,471	2,695,214
Stock in transit	5,366,530	5,687,882
	<u>9,221,001</u>	<u>8,383,096</u>



## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

(Expressed in United States Dollar)

### 9. TRADE RECEIVABLES

The ageing analysis of the trade receivables, based on invoice dates, is as follows:

	<b>Unaudited 30.06.2023</b>	<b>Audited 31.12.2022</b>
Within one month	197,341	215,252
1-3 months	1,153,564	1,454,049
Over 3 months	173,565	-
	<u>1,524,470</u>	<u>1,669,301</u>



Trade receivables disclosed above include amounts which are past due at the end of the reporting period against which the Company has not recognized an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are recoverable subsequent to the reporting date. The Company does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.



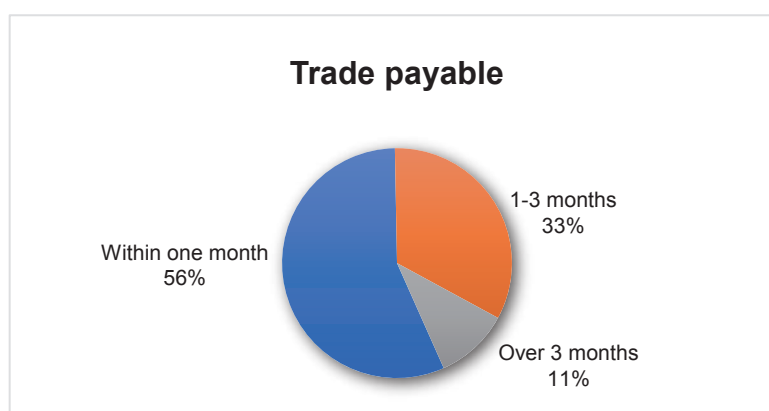
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

(Expressed in United States Dollar)

**10. TRADE PAYABLES**

The ageing analysis of the trade payables, based on invoice dates, is as follows:

	<b>Unaudited 30.06.2023</b>	<b>Audited 31.12.2022</b>
Within one month	1,792,810	413,533
1-3 months	1,056,135	1,207,323
Over 3 months	331,430	915
	<u>3,180,375</u>	<u>1,621,771</u>



**11. IMPORT LOANS**

The Company has obtained credit facilities from its bankers as secured by guarantees of the director and a related company together with fixed deposit of the Company. The loans are interest bearing at LIBOR+1.45% and repayable in 120 days from the drawdown date which has multiple repayment dates.



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

(Expressed in United States Dollar)

**12. SHARE CAPITAL**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30.6.2023</b>	<b>31.12.2022</b>
Issued and fully paid		
20,000,000 ordinary shares of £0.005 each	<u>135,919</u>	<u>135,919</u>

**13. FINANCIAL RISK MANAGEMENT**

Exposure to credit, liquidity, interest rate, foreign currency and equity price risks arises in the normal course of the Company's business. The Company's exposure to these risks and the financial risk management policies and practices used by the Company to manage these risks are described below.

a. Credit risk management

In order to minimize credit risk, credit approvals and monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

b. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

(Expressed in United States Dollar)

c. Market risk management – interest rate risk

The Company draws import loans to maintain stable cashflow. The loan is interest bearing at LIBOR+1.45%. 5% is the sensitivity rate used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The Company's sensitivity to a 5% increase and decrease in LIBOR is as follow:

	<b>Unaudited 30.06.2023</b>	<b>Audited 31.12.2022</b>
5% increase effect on profit for the year	(5,783)	(4,402)
5% decrease effect on profit for the year	5,783	4,402

d. Market risk management – foreign currency risk

The Company undertakes most of the transactions denominated in United States Dollar with few transactions denominated in Euro. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The Company's sensitivity to a 5% increase and decrease in Euro against United States Dollar is as follow:

	<b>Unaudited 30.06.2023</b>	<b>Audited 31.12.2022</b>
5% increase effect on profit for the year	(68,934)	(64,398)
5% decrease effect on profit for the year	68,934	64,398



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

(Expressed in United States Dollar)

**14. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period. As the condensed consolidated interim financial statements have been presented as a continuation of the existing group, the number of shares taken as being in issue for both the current and preceding periods are deemed to be the number of ordinary shares issued by Majestic Corporation Plc to acquire Majestic Corporation Limited in the share for share exchange. The weighted average number of shares is then adjusted to reflect changes in the number of ordinary shares issued in Majestic Corporation Limited that occurred during the previous period.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<b>Unaudited 30.06.2023</b>
Profits attributable to ordinary equity holders of the Company	740,701
Average number of shares	20,000,000
Earnings per share (cents per share)	3.7

There have been no other transactions involving actual ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of this financial information.