



MEDIA RELEASE

MSC records net profit of RM35.4 million in 1QFY23

Kuala Lumpur and Singapore, 19 May 2023 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) has today announced a revenue and net profit attributable to owners of the company (“net profit”) for its first quarter ended 31 March 2023 (“1QFY23”) of RM340.1 million and RM35.4 million respectively.

Commenting on the Group’s performance, **Dato’ Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, “Our 1QFY23 financial performance is commendable considering the lower tin price environment and higher operating costs. Recognizing the risks posed by external factors such as volatile tin price movements and global economic trends, we have actively pursued initiatives to optimize our operational efficiencies and cost structure. These efforts have proven fruitful, strengthening our resilience as we continue to grow.”

On a quarter-on-quarter comparison (1QFY23 vs 4QFY22), the Group’s net profit grew by 37% as tin smelting and tin mining segments recorded improved financial performance.

With average tin prices rising by 18% during the quarter (1QFY23 : RM116,100 per MT vs 4QFY22 : RM98,100 per MT), profit after tax (“PAT”) contributions from the tin smelting and tin mining segments grew at an even greater rate of 28% and 92% respectively.

The improved performance of the tin smelting segment (1QFY23: RM24.6 million vs 4QFY22 : RM19.2 million) was due to higher profits from increased sales of refined tin derived from the processed tin intermediates and sales of

by-products. Meanwhile, profitability of the tin mining segment (1QFY23 : RM17.5 million vs 4QFY22 : RM9.1 million) was bolstered by higher quantity of tin production and improved operating efficiencies.

As compared to the corresponding quarter in the previous year ("1QFY22"), where average tin price was at a peak of RM180,000 per MT, the average tin price in 1QFY23 of RM116,100 per MT represents a year-on-year decline of 36%. As a result of the lower tin price and higher production costs, the Group's net profit stood 45% lower, from RM64.3 million reported in 1QFY22.

"The Group's smelting activities are currently undertaken at our Pulau Indah smelter using the more efficient top submerged lance ("TSL") furnace. This newer technology is expected to lead to higher operational efficiency, lower operational and manpower costs. We have also installed 1.26Mwp solar photovoltaic ("PV") panels on the rooftop of the premises, which will not only reduce our carbon footprint, but also contribute to lower energy costs."

"Meanwhile, our Butterworth smelting facility is being utilized for the smelting of tin intermediates. We expect to fully de-commission the Butterworth plant by mid-2024. Until then, we will incur a duplicate of expenses with the running of both plants."

"For our mining division, we continue to explore new technologies to enhance mining productivity at the Group's Rahman Hydraulic Tin mine in Klian Intan. At the same time, we look forward to higher mining output arising from our acquisition of an adjacent mining landbank, allowing us to expand our existing mining pit further."

"In conclusion, we remain committed to delivering long-term value to our shareholders. Through our strategic plans, MSC will be well-positioned to capitalize on future opportunities and weather any challenges that may arise."

ABOUT MALAYSIA SMELTING CORPORATION BERHAD

The MSC Group is currently one of the world's leading integrated producers of tin metal and tin-based products and a global leader in custom tin smelting since 1887. MSC which is a subsidiary of The Straits Trading Company Limited of Singapore is listed both on the Main Market of Bursa Malaysia and the Main Board of Singapore Exchange.

-end-

Released on behalf of Malaysia Smelting Corporation Berhad by Capital Front Investor Relations.

For media enquiries, kindly contact:

Name: Keow Mei-Lynn

Email: meilynn@capitalfront.biz

Tel: 012-250 5575