



MEDIA RELEASE

MSC reports net profit of RM85.1 million for FY23

- *Proposed final single-tier dividend of 7 sen per share for FY23*
- *Adopted a dividend payout policy of at least 30% of net profit*

Kuala Lumpur and Singapore, 15 February 2024 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) has today announced the financial results for its fourth quarter (“4QFY23”) and full year ended 31 December 2023 (“FY23”).

For FY23, MSC posted a revenue of RM1.4 billion, as compared to RM1.5 billion in the prior year (“FY22”). During the year, the Group recorded higher sales of refined tin, offset by lower average tin prices, which fell 13.6% to RM118,100 per metric tonne (“MT”), as compared to RM136,700 per MT in FY22. Meanwhile, the Group’s net profit attributable to owners of the company (“net profit”) amounted to RM85.1 million, against RM98.3 million in FY22.

The tin smelting segment posted a net profit of RM36.0 million in FY23, from a net loss of RM5.5 million in FY22. The earnings turnaround was on the back of higher earnings from increased sales of refined tin derived from tin intermediates, as well as higher sales of by-products, and smelting revenue.

Meanwhile, net profit for the Group’s tin mining operations amounted to RM64.4 million, against RM95.1 million a year ago. While tin production remained stable in FY23, financial performance was impacted by less favourable tin price movements during the year.

For 4QFY23, MSC recorded a net profit of RM9.4 million, on the back of revenue of RM404.6 million. The tin smelting arm posted a net loss of RM2.2 million, as compared to a net profit of RM19.2 million in the preceding year's corresponding quarter ("4QFY22"). The slower performance was primarily due to foreign exchange loss during the quarter, as well as the absence of sale of refined tin from processed tin intermediates and sale of by-products. As for the tin mining segment, net profit rose by 30.0% year-on-year to RM11.9 million in 4QFY23, mainly attributable to comparatively higher tin prices, and increased tin production quantity during the quarter. Average tin prices rose 18.2% to RM116,000 per MT in 4QFY23, up from RM98,100 per MT in 4QFY22.

Commenting on the Group's performance, **Dato' Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, "FY2023 presented a challenging operating backdrop with high interest rates, inflationary pressures, compounded by prolonged geopolitical tensions from the conflict in the Middle East, and the Russia-Ukraine war. Despite external headwinds, we delivered a resilient set of results in FY2023."

"As we move forward, we remain resolute in executing our strategic plans to streamline operations and enhance efficiencies at MSC. On the smelting side, the move to the Pulau Indah smelter is expected to yield improved operational efficiencies and cost savings of approximately 30%, along with a smaller carbon footprint. Meanwhile, we are decommissioning our Butterworth smelter in stages, starting in 2024."

"As for our tin mining business, our focus is on increasing our daily production and overall mining productivity. To achieve this, we are exploring new tin resources and expanding our mining activities."

"At MSC, we are committed to deliver sustainable value to our shareholders. As part of this commitment, we have adopted a dividend payout policy of at least 30% of net profit. This policy reflects our commitment to long-term

value creation, ensuring our shareholders are rewarded fairly, while allowing us to reinvest in strengthening the company.”

For FY23, the Board has proposed a final single-tier dividend of 7 sen per share for the quarter under review, subject to shareholders’ approval at the Group’s forthcoming Annual General Meeting. Total dividend per share for FY23 amounts to 14 sen, representing a 69% payout based on FY23 net profit as compared to previous years payout of between 23% to 30%.

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.

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

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