



Malaysia Smelting Corporation Berhad

[197801006055 (43072-A)]



**ANNUAL REPORT 2024**





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## VISION

To be a successful world-class organisation in its integrated core businesses of mining, smelting, manufacturing and global marketing for tin and tin-based products delivering sustainable shareholder value through quality operations.



## MISSION

Whether in the upstream or downstream sectors of the world tin industry, the name MSC will be synonymous with creativity, value, service and quality.

MSC Group will be a creative organisation, caring about its employees and its customers.

- We will provide the highest levels of service to all the Group's suppliers and customers by participating and contributing solutions and values in all stages of the world tin supply chain - mining, smelting, refining, recycling, products transformation, engineering and marketing;
- We will respond quickly and sensitively to the changing needs of the Group's suppliers and customers; and
- We aim to nurture an atmosphere of continuous self-development by emphasising on training and development while adhering to the highest standard of integrity.

MSC Group's growth strategy is to leverage on its core competencies to focus on organic growth as well as on strategic acquisitions that will broaden the Group's core businesses and strengthen its global leadership position in both upstream and downstream sectors of the world tin industry.



## CORE VALUES

- Intellectual, honesty and integrity
- Adding value through innovation and continuous improvement
- Global perspective and competitive spirit
- Respect for the environment and the health and safety of its employees
- Creating sustainable shareholder value through quality operations





## SECTION 1

# OVERVIEW

01	Vision, Mission & Core Values
03	Our Work Culture
04	Corporate Profile
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08	Profile of Directors
11	Profile of Key Management



## Embracing A Vibrant Work Culture

We believe that our people shape our success, which is why we make every effort to ensure that they are equipped with the right resources and a conducive workplace to enable them to develop holistically.



Conducting career development programmes



Recognising employee contributions



Providing rewards & incentives



Cultivating a safe work environment



The Group's niche expertise in tin is continually being strengthened in all areas over the entire global tin supply chain covering geology, mining, mineral processing, smelting, marketing, resource management and financing. Malaysia Smelting Corporation Berhad will pursue its growth strategy on its core business in tin through strategic acquisitions and organic growth where its core expertise, skills and capabilities can add value and make a difference particularly in increasing operating efficiencies, innovating products and services as well as forging global commercial and marketing networks to ensure its continued leadership position in the industry.

Investment opportunities will continue to be evaluated and the Group may in future decide to invest in selective projects that meet its investment criteria. Main emphasis will be on opportunities in regions where the country risks could be effectively managed and that the mines could be developed and operated with relatively lower cost structure.



## Corporate Profile

With roots dating back to 1887 as the smelting operations arm of The Straits Trading Company Limited (STC), Malaysia Smelting Corporation Berhad ("MSC") of today continues to enjoy an unsurpassed global reputation as the world's leading custom smelter and is renowned as one of the world's largest integrated producers of tin.

With the Group's core expertise and solid foundation of over a century of smelting excellence to its credit, the Group's new smelting facility which uses Top Submerged Lance ("TSL") technology will thrust the smelter to the apex of smelting excellence. This combined with a smaller carbon footprint is expected to consolidate MSC's pole position in years to come. The Group is currently one of the world's leading integrated producers of tin metal and tin-based products. In 2024, the Group produced 16,291 tonnes of tin metal making MSC one of the largest suppliers of tin metal in the world.

MSC has played a key and prominent role in providing the world with a continuous supply of high grade tin metal. MSC has been able to combine effectively its vast experience in state-of-the-art technological innovations to improve its smelting and refining processes. It is able to effectively convert primary, secondary and complex tin-bearing ores into high purity tin metal thanks to its efficient TSL furnace and its comprehensive refining plant and equipment comprising crystallisers, Electrolysis plants and Vacuum Distillation Unit which forms the backbone of MSC's refining operation.

With a strong foundation in quality, global recognition, and sustainable practices, "Malaysia Smelting Corporation Straits Refined Tin" continues to be a benchmark in the tin industry. Backed by the expertise of MSC and produced at its advanced Pulau Indah smelting facility, this brand is registered with the London Metal Exchange (LME) and widely recognised across international markets. This brand boasts a purity ranging from Standard Grade A (99.85% Sn) to the premium-grade electrolytic tin (99.99% Sn).

In November 2004, MSC expanded upstream in mining through the acquisition of Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), Malaysia's long established and largest operating open-pit tin mine. Since the takeover, extensive work has been carried out covering mining, pit operation and improvement to the milling / concentrator circuits. This has transformed RHT to become a sustainable and a significant tin producer, incorporating international best mining and energy efficiency practices.



With the completion of the acquisition of Asas Baiduri Sdn. Bhd. ("Asas Baiduri") on 4 July 2022, MSC's immediate focus will be to further extend RHT's existing mining pit eastward which will enable the Company to increase its daily mining output. Meanwhile, MSC will embark on the exploration and mining of tin resources within Asas Baiduri's land in the next few years. The addition of Asas Baiduri's 568-acre land will provide MSC with a long-term supply of tin and further extend MSC's mining operations.

In the areas of research and development, MSC, as a cofounder and board member of International Tin Association ("ITA"), continues to support ITA's initiatives among other things to rigorously pursue research and development to thrust tin as an environmentally friendly metal. Tin has already proven its mettle in a wide range of applications including chemical, medical, energy and others.

In order to realise its vision to reduce carbon footprint, MSC is continuously expanding its solar panel capacity at its Pulau Indah smelter to harness power from renewable sources.

MSC's niche expertise in tin is continuously being strengthened in all areas over the entire global tin supply chain covering geology, mining, mineral processing, smelting and marketing.

MSC will pursue its growth strategy on its core business in tin through strategic acquisitions and organic growth where its core expertise can add value particularly in increasing operating efficiencies, innovating products and services to ensure its continued leadership position in the industry.

# Corporate Information

## BOARD OF DIRECTORS

- |   |  |  |
|---|--|--|
| <b>1 MS. CHEW GEK KHIM</b> PJG<br><i>Chairman,<br/>Non-Independent<br/>Non-Executive Chairman</i> | <b>2 MR. YAP SENG CHONG</b><br><i>Independent Non-Executive Director</i> | <b>3 DATUK KAMARUDDIN BIN TAIB</b><br><i>Independent Non-Executive Director</i>                                  |
| <b>4 DATO' ROSLINA BINTI ZAINAL</b><br><i>Independent Non-Executive Director</i>                  | <b>5 DATUK LIM HONG TAT</b><br><i>Independent Non-Executive Director</i> | <b>6 DATO' DR. (IR.) PATRICK YONG MIAN THONG</b><br><i>Group Chief Executive Officer/<br/>Executive Director</i> |

## AUDIT & RISK MANAGEMENT COMMITTEE

**Mr. Yap Seng Chong** (Chairman)  
**Datuk Kamaruddin Bin Taib**  
**Datuk Lim Hong Tat**

## NOMINATING & REMUNERATION COMMITTEE

**Datuk Lim Hong Tat** (Chairman)  
**Dato' Roslina Binti Zainal**  
**Mr. Yap Seng Chong**

## EXECUTIVE COMMITTEE

**Ms. Chew Gek Khim** PJG (Chairman)  
**Datuk Lim Hong Tat**  
**Dato' Dr. (Ir.) Patrick Yong Mian Thong**

## ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE

**Dato' Roslina Binti Zainal** (Chairman)  
**Datuk Kamaruddin Bin Taib**  
**Datuk Lim Hong Tat**

## KEY MANAGEMENT

**Dato' Dr. (Ir.) Patrick Yong Mian Thong**  
 (Group Chief Executive Officer/Executive Director)  
**Mr. Nicolas Chen Seong Lee**  
 (Deputy Chief Executive Officer (Administration))  
**Mr. Lam Hoi Khong**  
 (Group Chief Financial Officer)  
**En. Madzlan Bin Zam**  
 (Executive Director & Senior General Manager,  
 Rahman Hydraulic Tin Sdn. Bhd.)

## COMPANY SECRETARY

**Ms. Wong Youn Kim**  
 SSM PC No. 201908000410  
 (MAICSA 7018778)

## REGISTERED & CORPORATE OFFICE

Lot 6, 8 & 9, Jalan Perigi Nanas 6/1  
 Pulau Indah Industrial Park  
 West Port, Port Klang  
 42920 Pulau Indah  
 Selangor  
 Malaysia  
 Tel : (603) 3102 3083  
 Fax : (603) 3102 3080  
 Website : www.msmelt.com  
 Email : msc@msmelt.com

## SALES & TRADING OFFICE

Unit 18-13A, Level 18  
 East Wing, Q Sentral  
 2A, Jalan Stesen Sentral 2  
 Kuala Lumpur Sentral  
 50470 Kuala Lumpur  
 Malaysia  
 Tel : (603) 2276 0254

## BUTTERWORTH SMELTER

27 Jalan Pantai  
 12000 Butterworth  
 Penang  
 Malaysia  
 Tel : (604) 333 3500  
 Fax : (604) 331 7405 / 332 6499

## AUDITORS

Ernst & Young PLT  
 Level 23A Menara Milenium  
 Jalan Damansara  
 Pusat Bandar Damansara  
 50490 Kuala Lumpur  
 Malaysia  
 Tel : (603) 7495 8000  
 Fax : (603) 2095 5332

## SHARE REGISTRARS

● **MALAYSIA**  
 Boardroom Share Registrars Sdn. Bhd.  
 11th Floor, Menara Symphony  
 No. 5, Jalan Prof. Khoo Kay Kim  
 Seksyen 13  
 46200 Petaling Jaya  
 Selangor  
 Malaysia  
 Tel No. : (603) 7890 4700  
 Fax No. : (603) 7890 4670  
 Email : bsr.helpdesk@boardroomlimited.com

● **SINGAPORE**  
 Tricor Barbinder Share Registration Services  
 9 Raffles Place #26-01  
 Republic Plaza Tower I  
 Singapore 048619  
 Tel : (65) 6236 3567  
 Email : sg.is.enquiry@sg.tricorglobal.com

## PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad  
 Hong Leong Bank Berhad  
 Malayan Banking Berhad  
 HSBC Bank Malaysia Berhad  
 Standard Chartered Bank Malaysia Berhad  
 United Overseas Bank (Malaysia) Berhad

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
 Mainboard of Singapore Exchange Securities Trading Limited

## Key Financial Highlights

		Year ended 31 December				
		2024	2023	2022	2021	2020
Revenue	(RM Mil)	<b>1,691.8</b>	1,435.7	1,503.6	1,076.6	813.4
Profit before tax	(RM Mil)	<b>132.0</b>	128.6	143.6	158.4	24.2
Income tax expense	(RM Mil)	<b>(38.5)</b>	(31.4)	(42.2)	(39.9)	(9.5)
Profit attributable to the owners of the Company	(RM Mil)	<b>79.4</b>	85.1	98.3	118.1	15.2
Total assets	(RM Mil)	<b>1,363.8</b>	1,391.6	1,305.9	1,314.9	994.5
Net current assets	(RM Mil)	<b>391.7</b>	456.0	437.0	345.3	191.8
Equity attributable to the owners of the Company	(RM Mil)	<b>709.1</b>	754.1	719.2	580.4	393.5
Earnings per share	(sen)	<b>18.9</b>	20.3	23.4	28.3	3.6 <sup>(1)</sup>
Dividend per share	(sen)	<b>31<sup>(2)</sup></b>	14	7	7	1 <sup>(1)</sup>
Net assets per share attributable to the owners of the Company	(sen)	<b>169</b>	180	171	138	94 <sup>(1)</sup>
Pre-tax profit on average equity attributable to the owners of the Company	%	<b>18</b>	17	22	33	6

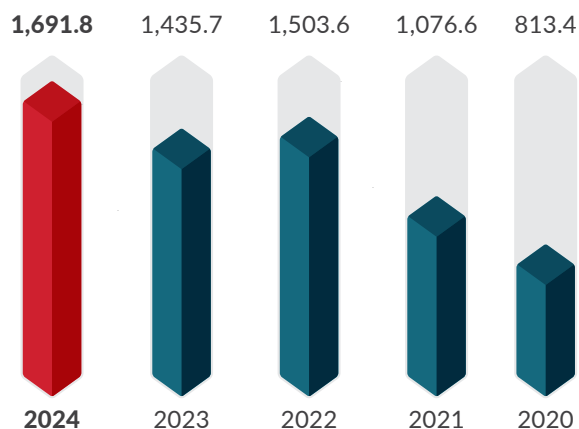
<sup>(1)</sup> The figures have been adjusted to reflect the private placement exercise completed on 2 August 2021 for comparative purposes.

<sup>(2)</sup> Final single-tier dividend of RM0.07 per share is subject to the approval of the members at the forthcoming Annual General Meeting.

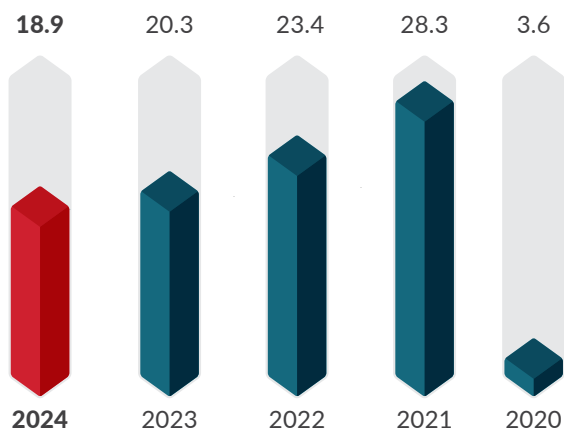


## Key Financial Highlights

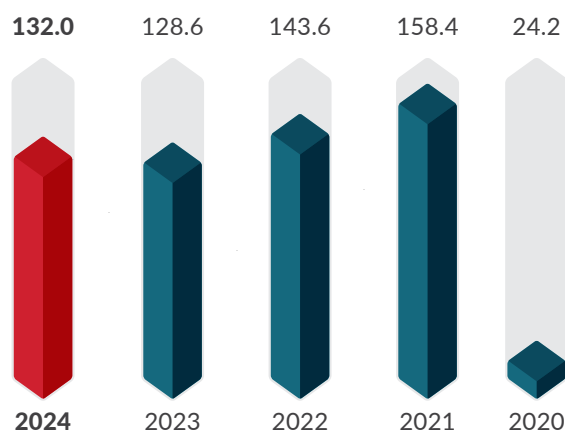
## REVENUE (RM MIL)



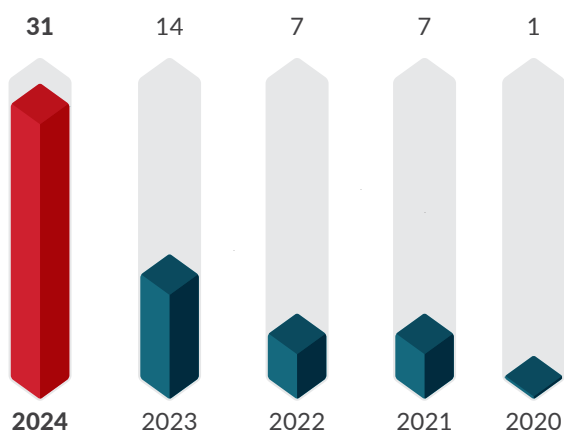
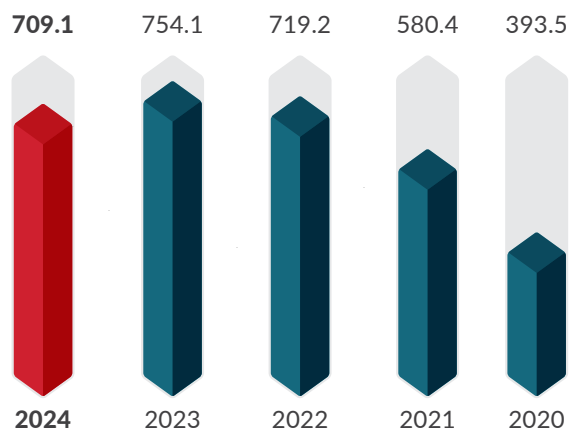
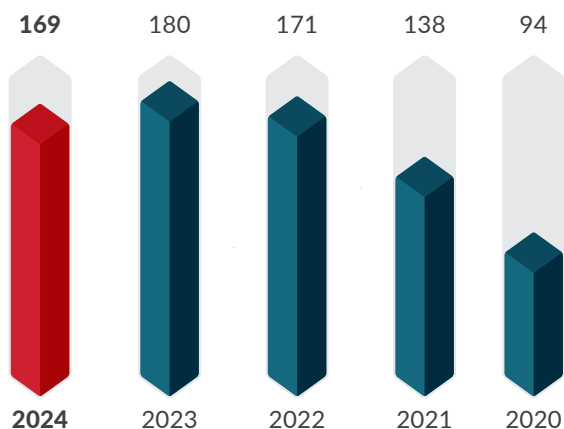
## EARNINGS PER SHARE (SEN)



## PROFIT BEFORE TAX (RM MIL)



## DIVIDEND PER SHARE (SEN)

EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY  
(RM MIL)NET ASSETS PER SHARE ATTRIBUTABLE TO THE OWNERS OF  
THE COMPANY (SEN)

## Profile of Directors

### MS. CHEW GEK KHIM PJG

Non-Independent  
Non-Executive Chairman



- LL.B (Hons), National University of Singapore
- Hon D. Litt, Nanyang Technological University

Ms. Chew Gek Khim PJG was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 18 March 2016. She assumed the role as Chairman of the Company with effect from 11 May 2016. She is also the Chairman of the Executive Committee of the Company since 24 March 2021.

Ms Chew is the Executive Chairman of the Tecity Group and The Straits Trading Company Limited. She is also the Non-Executive Chairman of ESR Trust Management (Suntec) Limited.

Ms Chew also serves as the Deputy Chairman of the Tan Chin Tuan Foundation and a Member of the Board of Governors of S. Rajaratnam School of International Studies, National University of Singapore Board of Trustees, Wealth Management Institute Board of Trustees and Ex-Officio Member of the Governing Board of the Lee Kuan Yew School of Public Policy.

She was awarded the Chevalier de l'Ordre National du Mérite in 2010, the Singapore Businessman of the Year 2014 and the Meritorious Service Medal in 2016. Ms Chew was conferred an Honorary Degree of Doctor of Letters (honoris causa) by the Nanyang Technology University in 2021.

Ms. Chew does not hold any other directorship in other public companies and listed issuers in Malaysia.

### MR. YAP SENG CHONG

Independent Non-Executive  
Director



- Bachelor Degree in Accounting from University of Malaya
- Member of Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants

Mr. Yap Seng Chong was appointed as an Independent Non-Executive Director of the Company on 31 December 2021. He was also appointed as the Chairman of the Audit & Risk Management Committee of the Company on the same date. On 25 August 2023, he was appointed as a member of the Nominating & Remuneration Committee of the Company.

Mr. Yap had his entire career with Ernst & Young Malaysia ("EY") which spanned over 35 years, two of which were with EY London office, providing various types of assurance and business advisory services. He had previously held positions in EY as Head of Assurance Practice, Professional Practice Director and ASEAN Regional and Country Independence Leader before his retirement.

Mr. Yap was also a member of the Interpretation Committee of the Malaysian Accounting Standards Board. He had previously served as Malaysian Institute of Accountants ("MIA") Council member, Chairman of the Disciplinary Committee of MIA, Member of the Accounting and Auditing Standards Board of MIA, Chairman of the Audit and Risk Committee of MIA and Member of the Public Practice Committee of MIA.

Mr. Yap is also an Independent Non-Executive Director of United Plantations Berhad, Hartalega Holdings Berhad, Apex Healthcare Berhad and Malayan Cement Berhad. In addition, Mr. Yap also serves as a member of Board of Trustees of both Yayasan Hartalega and Yayasan Nanyang Press.



## Profile of Directors

### DATUK KAMARUDDIN BIN TAIB

Independent Non-Executive  
Director



- Bachelor of Science in Mathematics, University of Salford, United Kingdom

Datuk Kamaruddin Bin Taib was appointed as an Independent Non-Executive Director of the Company on 16 November 2018. He was appointed as a member of the Audit & Risk Management Committee of the Company on 14 February 2022 and on 12 September 2023, he was appointed as a member of the Environmental, Social & Governance Committee of the Company.

Datuk Kamaruddin has significant experience in investment banking, corporate finance, mergers and acquisitions. His career started in 1980 with a leading merchant bank in Malaysia. Subsequently, he served as a director of several private companies, companies listed on Bursa Malaysia Securities Berhad and companies listed on the Stock Exchange of India as well as listed on Nasdaq (U.S.A.).

Datuk Kamaruddin is currently the Independent and Non-Executive Chairman of HSBC Bank Malaysia Berhad, Malaysian Life Reinsurance Group Berhad, RAM Holdings Berhad and RAM Ratings Services Berhad. He is also the Chairman of FIDE FORUM (Financial Institutions Directors Education FORUM).

Datuk Kamaruddin also serves as an Independent Non-Executive Director of Fraser & Neave Holdings Berhad and a Non-Executive Member of Asia School of Business – President's Advisory Council.

### DATO' ROSLINA BINTI ZAINAL

Independent Non-Executive  
Director



- Master of Business Administration, University of New England, New South Wales, Australia
- Bachelor of Electrical Engineering, Lakehead University, Canada

Dato' Roslina Binti Zainal was appointed as an Independent Non-Executive Director of the Company on 2 August 2021. She was appointed as a member of the Nominating & Remuneration Committee and Chairman of the Environmental, Social & Governance Committee of the Company on 14 February 2022.

Dato' Roslina started her career in Tenaga Nasional Berhad ("TNB"), the national utility of Malaysia, in 1985 as an engineer and has worked in the Distribution, Transmission and Generation Planning divisions and brings a wealth of experience in the energy sector with 33 years' experience. As one of the top management of TNB, Dato' Roslina has represented TNB at International Investor conferences and attended one-on-one dialogues with investors on regulations affecting the power sector. She has presented papers at international conferences and sat on panel discussions as a leading expert on energy and regulation.

She has played leading roles in the areas of Utility Economics, Regulation, Energy Procurement, Planning and Strategy. She was the lead negotiator for TNB for the Power Purchase Agreements with the Independent Power Producers (IPPs), negotiating with the Government on tariffs under the Incentive Based Regulations (IBR), negotiating gas framework and gas supply agreements. At the national level, Dato Roslina sat on many committees chaired by various Ministers on Energy, Gas and Tariff. She was a member of the National Gas Committee chaired by Dato' Seri Idris Jala to address issues pertaining to gas constraint for the power sector in 2012. She was also a member of the National Committee on Planning, Development and Electricity Tariffs which consists of The Energy Commission, PETRONAS and the Economic Planning Unit, chaired by the Minister responsible for Energy.

Recognising her contributions to the industry, Dato' Roslina was awarded ASEAN Excellence in Energy Management (Individual) during the 38th ASEAN Ministers on Energy (AMEM) on 28 October 2018 in Singapore. She was appointed as Senior Fellow of Khazanah Research & Investment Strategy (KRIS), Khazanah Nasional from 2018-2019.

Dato' Roslina was previously appointed on the Boards of TNB, Malaysia Industry-Government Group for High Technology (MIGHT), Sapura Energy Berhad, Universiti Teknikal Malaysia Melaka (UTeM), Universiti Tenaga Nasional ("UNITEN"), TNB Fuel Services Sdn. Bhd. and Prai Power Sdn. Bhd.

Dato' Roslina currently sits on the board of Cyberjaya Education Group Berhad which is a public listed company engaged in the provision of educational services. She sits on the Advisory Panel of Tan Sri Leo Moggie, Distinguished Chair in Energy Informatics, UNITEN in 2020. In September 2024, Dato' Roslina was appointed as a Senior Advisor at The Lantau Group, an international boutique strategy and economic advisory group specialising in Energy.

## Profile of Directors

### DATUK LIM HONG TAT

Independent Non-Executive Director



- Bachelor of Economics in Business Administration (Honours), University of Malaya
- Diploma in Marketing & Selling Bank Services, Management Centre Kuala Lumpur
- Management Programme on Banking & Strategy, INSEAD, France
- Associate Member, International Academy of Retail Banking
- Advanced Management Program, Harvard Business School

Datuk Lim Hong Tat was appointed as an Independent Non-Executive Director of the Company on 28 January 2022. On 14 February 2022, he was appointed as a member of the Audit & Risk Management Committee of the Company. He is also a member of the Executive Committee of the Company, appointed on 26 May 2023. Recently on 22 March 2025, Datuk Lim has been appointed as Chairman of Nominating & Remuneration Committee and member of Environmental, Social & Governance Committee.

Datuk Lim joined Malayan Banking Berhad upon graduation from University of Malaya in 1981. Datuk Lim has more than 35 years of experience covering all aspects of banking, having managed branches, regional banking, credit card and international banking operations including holding senior management positions as Director/President and Chief Executive Officer ("CEO") of Maybank Philippines Incorporated, Head of International Banking, Head of Consumer Banking and Head of Community Financial Services, Malaysia.

Prior to serving on boards, Datuk Lim was the Group Head, Community Financial Services (CFS) and CEO of Malayan Banking Berhad, Singapore from 1 January 2014 until middle of 2018 and was responsible for driving and implementing the Banks community banking strategy across all geographies.

Datuk Lim was also a Member of the Visa Client Council for Asia Pacific, Member of the Board of the European Financial Management Association, Associate Member of International Academy of Retail Banking, Council Member of Association of Banks in Singapore and a Director of Maybank Philippines Inc., Maybank Kim Eng Holdings Ltd., Maybank Kim Eng Securities Pte. Ltd., Etiqa Insurance Pte. Ltd. and Mutiara Mortgage & Credit Sdn. Bhd., a wholly owned subsidiary of Ministry of Housing Sarawak.

Currently, he is serving on the Board of Commissioners of PT Bank Maybank Indonesia and also a Senior Advisor for Areca Capital Sdn. Bhd. (Asset Management). He is also an Independent Director and Chairman of the Risk Management Committee of Maybank Cambodia.

Datuk Lim does not hold any other directorship in other public companies and listed issuers in Malaysia.

#### Notes:

1. Save for the following, none of the Directors have any family relationship with other Directors and/or major shareholders of the Company:

*Ms. Chew Gek Khim is the Executive Chairman of The Straits Trading Company Limited ("STC"), the major shareholder of the Company which owns 51.96% of the equity of the Company. Her mother is Dr. Tan Kheng Lian, a substantial shareholder of STC;*

### DATO' DR. (IR.) PATRICK YONG MIAN THONG

Non-Independent Executive Director/  
Group Chief Executive Officer



- PhD (Electrical Engineering), United States of America
- Bachelor of Science (Honours) Degree in Electrical and Electronics Engineering, CNAA, United Kingdom
- Registered Professional Engineer Malaysia
- Member of the Institution of Engineers Malaysia

Dato' Dr. (Ir.) Patrick Yong Mian Thong was appointed as Chief Executive Officer ("CEO") of the Company on 7 October 2016. Subsequently, he was appointed to the Board of the Company as a Non-Independent Executive Director on 1 June 2018 and redesignated as Group CEO on 1 January 2019. He is also the member of the Executive Committee of the Company since 24 March 2021. He leads strategic development, policies and business operations of MSC Group.

Dato' Dr. (Ir.) Patrick Yong started his career as an engineer with the National Electricity Board of Malaysia ("LLN") in 1976, fulfilling his scholarship contractual obligations. In 1989, he left LLN to pursue his career as a consultant in the field of electrical engineering.

Dato' Dr. (Ir.) Patrick Yong founded Sulfarid Technologies in 2004 and was its Managing Director. The company was later acquired by the Hup Soon Global Corporation Group in November 2007 and renamed Borid Technologies. He joined Tai Kwang Yokohama Industries Bhd. as CEO from 2007 – 2010 and was appointed as Group CEO of Yokohama Industries involving SLI battery manufacturing and secondary lead smelting from 2010 to 2015.

Throughout his line of work, Dato' Dr. (Ir.) Patrick Yong established his proficiency in electrical engineering and pursued research specialising in the field of efficiency in energy conversion and storage leading to a PhD in Electrical Engineering.

Dato' Dr. (Ir.) Patrick Yong does not hold any other directorship in other public companies and listed issuers in Malaysia.

2. None of the Directors have any conflict of interest with the Company; and
3. None of the Directors had been convicted of any offence (other than traffic offences, if any) within the past five (5) years or been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 2024.



## Profile of Key Management

### MR. NICOLAS CHEN SEONG LEE

Deputy Chief Executive Officer  
(Administration)



- LL.B (Hons), University of London

Mr. Nicolas Chen Seong Lee started his career in the tax division of Arthur Andersen & Co., Kuala Lumpur, in 1997. In 2000, he joined the Structured Finance, Corporate Banking division of Affin Merchant Bank. He returned to tax practice in 2002 until 2010 with KPMG Tax Services Sdn. Bhd.

In KPMG, he was primarily undertaking tax advisory and tax planning assignments covering a broad range of Malaysian and overseas tax, corporate and legal issues. From 2010 to 2017, he managed an agro-based company involved in farming and exporting a Malaysian produced fruit and downstream products.

Mr. Nicolas Chen joined MSC on 1 November 2017 as General Manager (Special Projects) of CEO's Office before being redesignated as Deputy Chief Executive Officer (Administration). His primary responsibility is to assist the Group Chief Executive Officer on matters covering legal, corporate, human resources, security, information technology, procurement and administration for the MSC Group.

### MR. LAM HOI KHONG

Group Chief Financial Officer



- Bachelor of Business Degree (Accounting), University of Southern Queensland, Australia
- Chartered Accountant (CA), Malaysian Institute of Accountants
- Member of the CPA Australia

Mr. Lam Hoi Khong was appointed as the Group Chief Financial Officer of the Company on 7 January 2019. He is responsible for the overall management and financial reporting, business support, financial planning and analysis, treasury, investor relations, and tax functions. He also leads and drives the commercial and supply chain functions at MSC.

Mr. Lam has close to 30 years of working experience in the areas of finance, accounting, corporate finance, auditing and taxation. He spent his early formative years at PricewaterhouseCoopers before assuming managerial and Financial Controller roles with a local automotive group and an international group based in Africa respectively, from 1997 to 2003.

Following that, Mr. Lam assumed the role of General Manager (Finance and Administration) at Petaling Tin Berhad, a property development company listed on the Main Market of Bursa Malaysia Securities Berhad, and was subsequently promoted to Chief Financial Officer in 2007, a position he held until January 2017.

Prior to joining MSC, Mr. Lam was the Group Chief Financial Officer of Tien Wah Press Holdings Berhad ("TWPH") from February 2017 until November 2018. He was responsible to spearhead the Finance, Corporate and Risk Management functions, and providing strategic directions on commercial aspects of the businesses of TWPH.

## Profile of Key Management

### EN. MADZLAN BIN ZAM

Executive Director & Senior  
General Manager, Rahman  
Hydraulic Tin Sdn. Bhd.



- Bachelor of Science (Honours) Degree in Geology, Universiti Kebangsaan Malaysia
- Registered Professional Geologist, Board of Geologists Malaysia
- Member of the Institute of Geology Malaysia
- Member of the Geological Society of Malaysia
- Member of the Malaysian Chamber of Mines
- Member of Ikatan Ahli Geologi, Indonesia (IAGI)
- Member of the Australasian Institute of Mining and Metallurgy

En. Madzlan Bin Zam joined MSC in 2002 and was assigned as Manager Geology at PT Koba Tin in Indonesia between 2002 and 2011, and later held the President Director's post for PT MSC Indonesia and PT SRM Indonesia. During his tenure at PT Koba Tin, he passed the examination as the Pengawas Operasional Utama at the mine, which qualifies him to be the Mine Manager in Indonesia.

He was subsequently appointed as Head of Geology & Exploration of MSC in 2011 and was promoted to Head of Resources & Investments of the Company in May 2015. In 2017, he assumed his current position as the Senior General Manager of Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), an 80% owned subsidiary of MSC and responsible to oversee the complete operation of RHT and its tin mine at Klian Intan, Perak. At present, he sits on the board of RHT and all RHT's subsidiaries i.e. SL Tin Sdn. Bhd., Asas Baiduri Sdn. Bhd. and Alaf Tenggara Sdn. Bhd.

Prior to that, he had worked with Malaysia Mining Corporation Berhad between 1981 and 2002 as a Mining Geologist responsible in monitoring tin production from the dredges. He was incharged in tin and gold exploration and mining development projects in Malaysia as well as overseas i.e. Indonesia, Australia, New Zealand, Lao People Democratic Republic, Thailand, Myanmar, Kyrgyz Republic, Europe and Democratic Republic of Congo.

En. Madzlan has vast experiences and knowledge in both primary and alluvial tin, gold, base metals and coal; and was also in charge of managing a tin mine in Indonesia. He has experiences working with consultants recognised by the World Bank for the Bankable Feasibility Study of the Taldy-Bulak Gold Project, Kyrgyz Republic.

#### Notes:

1. None of the Key Management hold any directorship in public listed companies and listed issuers;
2. None of the Key Management have any family relationship with other Directors and/or major shareholders of the Company;
3. None of the Key Management have any conflict of interest with the Company; and
4. None of the Key Management had been convicted of any offence (other than traffic offences, if any) within the past five (5) years or been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 2024.





## SECTION 2

# BUSINESS OVERVIEW

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## Statement by the Chairman



On behalf of the Board of Directors (the “Board”) of Malaysia Smelting Corporation Berhad (“MSC” or collectively known as the “Group”), I am pleased to present the Annual Report and Audited Financial Statements of MSC for the financial year ended 31 December 2024 (“FY2024”).



**MS. CHEW GEK KHIM** PJG  
Non-Independent Non-Executive Chairman



REVENUE FOR FY2024

**RM1.7**  
BILLION



DIVIDEND PER SHARE  
FOR 2024

**31** SEN



NET PROFIT FOR FY2024

**RM79.4**  
MILLION



## Statement by the Chairman

### STAYING RESILIENT AMID A CHALLENGING YEAR

In 2024, MSC navigated and thrived in a dynamic operating landscape shaped by evolving geopolitical and economic factors. High interest rates and a cautious macroeconomic outlook fuelled market volatility and pressured commodity prices, including tin. Policy shifts under the new U.S. administration ushered in heightened trade protectionism, while ongoing conflicts in Europe and the Middle East added further uncertainty. These dynamics, alongside regulatory and supply challenges across key tin-producing nations, created a year of both opportunity and adjustment for the global tin industry.

Tin prices initially surged to a peak of approximately USD35,000 per metric tonne ("MT") in April 2024, driven by robust demand, particularly from the electronics sector, a key consumer of the metal, and a recovering Chinese manufacturing base. Tin ore availability was however constrained due to ongoing pressures in major tin supply countries. Regulatory hurdles in Indonesia, prolonged mine closures in Myanmar, and logistical disruptions alongside policy uncertainties in the Democratic Republic of Congo ("DRC") continued to disrupt supply, sustaining tin prices.

In the latter half of 2024, supply conditions showed signs of stability as Indonesia's tin exports started to normalise, though global supply remained relatively tight. At the same time, easing demand from China and a slowdown in the electronics industry contributed to a moderation of tin prices to just below USD30,000/MT by end-2024.

Reflecting these market dynamics, the average tin price in 2024 rose to RM138,488/MT (USD30,254/MT), up from RM118,143/MT (USD25,908/MT) in 2023. Meanwhile, global refined tin production amounted to approximately 371,200 tonnes in 2024, of which 16,291 tonnes were produced by MSC during the year.

At MSC, the Group delivered a solid financial performance and achieved RM1.7 billion revenue in FY2024, with a profit attributable to owners of the company ("net profit") of RM79.4 million.

During the year, MSC hosted the International Tin Conference ("ITC") 2024 with the theme "Securing Sustainable Tin Supply". The conference served as a platform for industry leaders, policymakers, and experts to exchange insights. Featuring keynote addresses, panel discussions, and networking opportunities, the event covered critical topics, including future tin supply, sustainability, and emerging technologies. A highlight was the site visit to our smelter in Pulau Indah, Klang, where delegates gained first-hand insights into our state-of-the-art smelting operations.

**For FY2024, the Board has declared a total interim dividend of 24 sen per share, and proposed a final dividend of 7 sen per share, subject to approval of shareholders at the upcoming annual general meeting.**



MSC remains dedicated to delivering value to its shareholders. For FY2024, the Board has declared a total interim dividend of 24 sen per share, and proposed a final dividend of 7 sen per share, subject to approval of shareholders at the upcoming annual general meeting. This brings the total dividend per share for the financial year under review to 31 sen.

This translates to a dividend payout ratio of 164% of MSC's FY2024 net profit, exceeding the Group's dividend policy of delivering 30% of our net profit.

### FORGING FUTURE GROWTH

As industries evolve, tin's strategic importance continues to grow. MSC remains at the forefront of this transformation, capitalising on emerging opportunities in next-generation technologies, clean energy, and electrification.

## Statement by the Chairman

Technological advancements, including the rise of artificial intelligence (AI), high-performance computing, and next-generation telecommunications networks, are accelerating demand for tin. The rapid expansion of the Internet of Things (IoT) further reinforces tin's significance in automation and digital infrastructure.

At the same time, global sustainability efforts are unlocking new prospects for tin. The rapid adoption of electric vehicles ("EVs"), which require higher semiconductor content, advanced soldering materials, and lithium-ion batteries, is driving additional demand.

Beyond EVs, tin's applications in clean energy solutions are growing, particularly in solar power systems, energy storage technologies, and smart power grids, among others. As global investments in renewable energy (RE) rise, tin usage in solar photovoltaic ("PV") systems and other energy conversion technologies is also expected to strengthen.

With tin's expanding role in technology and sustainability, its long-term growth prospects remain strong. Recognising its growing significance, MSC is well-positioned to seize emerging opportunities while strengthening operational capabilities and advancing our sustainability commitments.

A key priority is enhancing smelting efficiency and cost optimisation. A major step in this direction is the planned decommissioning of the Butterworth smelter by the end of 2025, a move expected to lower operating expenses by 30% and enable the Group to redirect resources toward high-value initiatives. Additionally, the Group aims to increase the utilisation of its Top Submerged Lance ("TSL") furnace, leveraging its advanced capabilities to improve smelting performance and boost production.

MSC is also actively working to modernise extraction processes and improve cost-effectiveness within its mining operations. A new mining technique is currently undergoing the "proof-of-concept" phase, which, if successfully implemented, could enhance output while lowering production costs. Meanwhile, at Sungai Lembing, the Group is in the process of appointing a new contractor to oversee the next phase of site development.

Through these targeted measures, MSC is strengthening its position to capitalise on industry growth while reinforcing operational resilience and competitiveness in a shifting market landscape.

### RESPONSIBLE GROWTH, SUSTAINABLE FUTURE

As MSC continues to strengthen its market position, sustainability remains a core focus across its operations. The Group is committed to responsible mining and smelting practices, integrating environmental, social, and governance (ESG) principles to drive long-term value.

In line with its sustainability commitments, MSC has invested approximately RM10.0 million in environmental initiatives in FY2024. This builds upon previous milestones, including the installation of a 1.26-megawatt peak ("MWp") solar PV system at the Pulau Indah smelting facility. Expanding on this effort, the Group is in the early stages of installing a 2.5 MWp solar PV system at the RHT Tin Mine in Klian Intan that will further enhance energy efficiency.

Additionally, MSC is enhancing its mine processing as well as waste management infrastructure by expanding our tailing pools and dumpsite facilities on the adjacent land, ensuring the mine's long-term sustainability.

Meanwhile, we have resumed mine rehabilitation efforts following the approval of our revised Mine Rehabilitation Plan (MRP) by relevant authorities in 2024, as we planted new seedlings of the various high-value timber in inactive post-mining areas.

Through these initiatives, MSC continues to advance its sustainability agenda, ensuring responsible growth while contributing to a greener and more ethical industry.

More information on the Group's sustainability efforts can be found in the Sustainability Statement of this Annual Report.

### ACKNOWLEDGMENTS

On behalf of the Board, we wish to express our sincere gratitude to the entire MSC team for their dedication, perseverance, and commitment to excellence throughout FY2024.

We would like to extend our appreciation to Mr. John Mathew A/L Mathai who has relinquished his role as Independent Non-Executive Director, for his contribution and invaluable advice throughout his years of service.

We also thank our stakeholders—shareholders, customers, suppliers, bankers, investors, and regulatory authorities—for their invaluable support and trust in MSC.

Furthermore, I commend my fellow Board members, and the management team for their leadership, and strategic guidance during the year. Their efforts have enabled us to navigate industry challenges effectively and position the Group for future opportunities. Looking ahead, we remain committed to building on this momentum and, barring unforeseen circumstances, look forward to delivering a stronger performance in the coming year.

**CHEW GEK KHIM** Hon D. Litt (NTU), PJG  
Non-Independent Non-Executive Chairman

15 April 2025




# Management Discussion & Analysis

## GROUP BUSINESS OVERVIEW

With a legacy dating back to 1887, Malaysia Smelting Corporation Berhad ("MSC" or "the Group") has established itself as one of the major players in the global tin industry, operating across the entire tin value chain. As an integrated producer, the Group is engaged in both upstream and downstream segments, refining tin ore into quality metal and tin-based products. The Group is also the world's largest custom toll smelter, providing external toll smelting services to third-party customers.

To support its smelting requirements, MSC's upstream operations are spearheaded by its subsidiary, Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), which operates Malaysia's largest hard rock open-pit tin mine in Klian Intan, Perak. Through a systematic mining process, tin ore is extracted from the deposit, refined into tin-in-concentrates, and supplied as a raw material for the Group's smelting activities. In 2024, RHT's tin concentrates accounted for approximately 16% of MSC's total smelting intake, with the balance sourced from artisanal miners, international tin ore traders, and third-party mines beyond Malaysia's borders. As part of its efforts to strengthen its upstream presence, MSC plans to recommence mining activities in Sungai Lembing through RHT's subsidiary, SL Tin Sdn. Bhd.

For its downstream operations, MSC's tin smelting activities are underpinned by two facilities: one in Pulau Indah, Port Klang, and another in Butterworth, Penang. As part of its operational transition, the Butterworth plant is undergoing decommissioning, with completion targeted by the end of 2025. Tin-bearing ores are processed at these facilities to produce high-purity tin ingots, which are then supplied to end-user markets and the London Metal Exchange ("LME").



**DATO' DR. (IR.) PATRICK YONG MIAN THONG**  
Group Chief Executive Officer

Management Discussion & Analysis

OPERATIONAL HIGHLIGHTS

The global tin industry in FY2024 navigated a complex and uncertain landscape, shaped by regulatory and supply constraints across key tin-producing regions. The suspension of mining activities in Myanmar, along with the regulatory hurdles in Indonesia, led to restricted ore availability, while logistical disruptions in the Democratic Republic of Congo (“DRC”) further strained the global tin supply chain. A recovering Chinese manufacturing sector also added pressure to ore supply, contributing to an increasingly constrained tin market.

Amid these challenges, Indonesia’s tin exports began to stabilise in mid-2024, albeit at historically low levels which kept supply conditions tight. At the same time, easing demand from China and a slowdown in the electronics sector contributed to lower tin prices. Despite these industry-wide headwinds, MSC persevered through this challenging operating environment, reinforcing its market position and maintaining its role as a key player in the global tin supply chain.

TIN MINING SEGMENT OVERVIEW

During the period under review, RHT continued to ensure a stable supply of tin ore to MSC, maintaining an average daily mining output of approximately 10.6 tonnes. This resulted in a total-in-concentrates production of 2,516 tonnes in 2024, compared to 2,598 tonnes in 2023.

To support long-term growth and strengthen upstream capabilities, the Group is exploring new technologies and mining methods aimed at improving productivity and reducing operational costs. A novel mining approach is currently in the proof-of-concept stage and is expected to deliver efficiency gains upon its successful implementation.

At the same time, exploration activities at the Western Slope are ongoing, with the area forming a strategic component of MSC’s long-term resource development plan. A drilling programme is expected to commence in 2026 to further evaluate its potential.

Resource Class	Ore Volume (m³)	Grade (KgSn/m³)	Contained Tin (Sn) (tonnes)
Measured	1,928,785	3.297	6,359
Indicated	3,272,151	3.855	12,613
Inferred	11,794,118	1.936	22,834
Total	16,995,054	2.460	41,805

These upstream initiatives are complemented by investments in processing enhancements. At the RHT Tin Mine, MSC has completed and commissioned a new ball mill and plant upgrade to increase grinding capacity and tin recovery. With the upgraded facility now in operation, tin concentrates outputs is at 11.0 tonnes per day (“tpd”), underscoring the Group’s focus on operational efficiency and recovery optimisation.

Further strengthening its processing capabilities, the Group has commenced construction of a new tailing pond and *amang* processing facility at the RHT Tin Mine which will extract tin from sandy tailings and *amang* materials. With an anticipated daily processing capacity of 3,000 tpd, the plant is designed to extract tin from sandy tailings and *amang* materials, contributing to optimised tin yield and improved environmental outcomes. Completion is targeted for 2025.

In support of its sustainability agenda, the Group is also in the early-stages of planning to develop a solar photovoltaic (“PV”) system at the RHT Tin Mine. This initiative will replace the aging hydropower station and ensure a stable and environmentally responsible power supply for its operations.



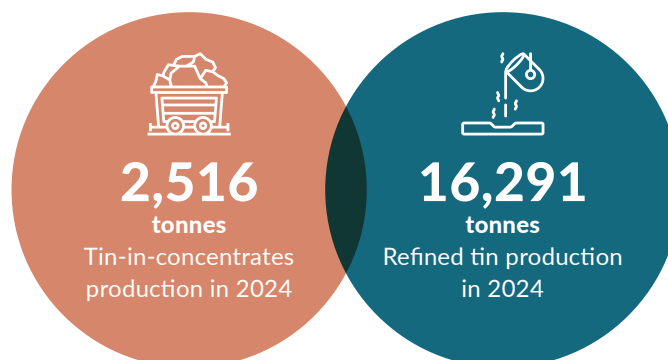
## Management Discussion & Analysis

### GLOBAL TIN SMELTING DIVISION

During the year under review, Malaysia's international tin smelting segment's Pulau Indah Facility operated at a utilisation rate of approximately 60% - 70%, consistent with the previous year. Refined tin output totalled 16,291 MT in FY2024, from 20,722 MT in FY2023. Production was temporarily impacted by the scheduled annual maintenance, which took place over a two-month period from mid-May to mid-July. In addition, the Group also faced lower feedstock availability following China's accumulating and stockpiling of tin ore, which limited ore inflows from third-party suppliers.

MSC also continued to utilise the Butterworth facility to process tin intermediates, a work-in-progress of earlier multi-stage smelting activities. These intermediates contain residual tin that can be further recovered, presenting opportunities to unlock additional value and enhance profit margins.

With the Butterworth smelter scheduled for decommissioning by end-2025, the remaining refinery intermediates will be redirected to the Pulau Indah smelter.



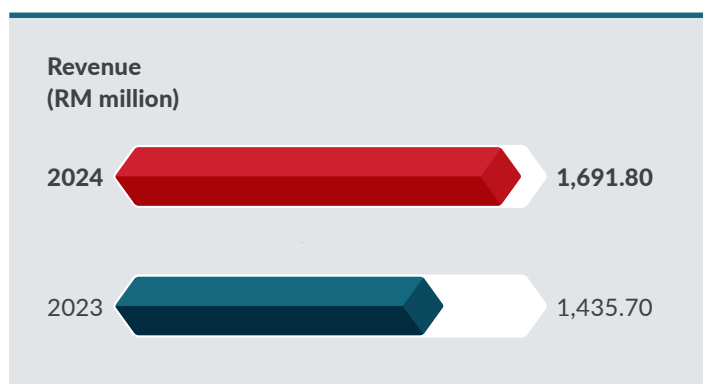
### FINANCIAL PERFORMANCE REVIEW

Operating Overview	FY2024	FY2023
Group's revenue (RM million)	1,691.8	1,435.7
Group's profit before tax (RM million)	132.0	128.6
Group's net profit (RM million)	79.4	85.1
<b>International Tin Smelter</b>		
Production of refined tin	16,291 tonnes	20,722 tonnes
Profit/(Loss) before tax (RM million)	32.3	45.6
Profit/(Loss) after tax (RM million)	23.4	36.0
<b>Tin Mine</b>		
Production of tin-in concentrates	2,516 tonnes	2,598 tonnes
Profit before tax (RM million)	110.4	87.2
Profit after tax (RM million)	78.5	64.4
<b>Tin Price</b>		
Average tin market price ('000)		
- RM per tonne	138.5	118.1
- USD per tonne	30.3	25.9
USD:MYR exchange rate	4.6	4.6



## Management Discussion & Analysis

In FY2024, the Group delivered a record-high revenue of RM1,691.8 million, driven by stronger average tin prices and higher sales volume of refined tin. The average tin price for the year stood at RM138,500/MT in FY2024, an increase from RM118,100/MT in FY2023.



In FY2024, the mining segment benefitted from the favourable tin price environment, achieving a higher Profit After Tax ("PAT") of RM78.5 million in FY2024, up from RM64.4 million in FY2023, albeit a slight decline in tin production to 2,516 tonnes in FY2024, against 2,598 tonnes in the prior year.

Meanwhile, the smelting division recorded a PAT of RM23.4 million in FY2024 (FY2023: RM36.0 million), moderated primarily due to the lower incoming feed as China ramped up tin purchases to build inventory, coupled with trading and foreign exchange losses from the Ringgit's appreciation against the US dollar in August and September 2024, as well as reduced sales of refined tin derived from the processed tin intermediates.

At the Group level, profitability was also impacted by higher tax expenses, which amounted to RM38.5 million in FY2024 (FY2023: RM31.4 million). This was primarily due to certain non-tax-deductible expenses, the absence of tax relief, and additional tax liabilities from RHT incurred during the year.

As a result, net profit attributable to owners of the Company ("net profit") stood at RM79.4 million (FY2023: RM85.1 million). This figure also reflected a higher non-controlling interests of RM14.1 million in FY2024, compared to RM12.2 million in the previous year, following higher profit recorded by RHT.

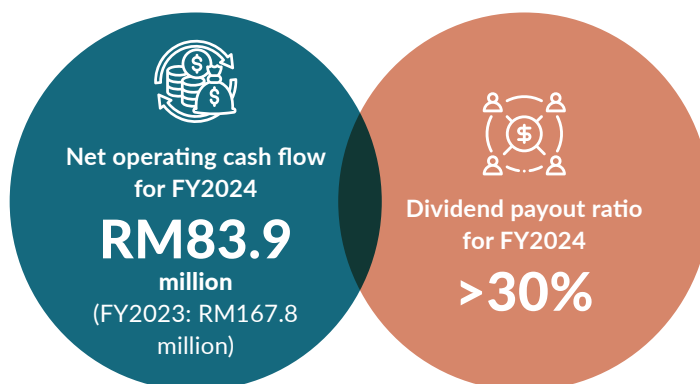
### Balance Sheet

As at 31 December 2024, MSC total assets decreased to RM1,363.8 million in FY2024, compared to RM1,391.6 million in the previous year. This is primarily due to lower cash and bank

balances, reflecting dividend payments, LME margin call deposits, and income tax instalments. Additionally, investment securities reduced following the partial disposal of shares in Alphamin Resources Corporation ("Alphamin Resources").

At the same time, the Group's inventories rose to RM615.8 million in FY2024, up from RM595.2 million in FY2023, reflecting higher prices during the year. Operationally, the Group continued to maintain a healthy liquidity position, with net operating cash flow amounting to RM83.9 million in FY2024 (FY2023: RM167.8 million), underscoring MSC's ongoing financial resilience.

Total borrowings stood at RM371.0 million in FY2024, compared to RM359.8 million in FY2023, due to the drawdown of short-term borrowings to support working capital requirements. However, the Group's net gearing ratio remained stable at 0.2 times (FY2023: 0.1 times).



### FY2024 DIVIDEND

In line with its commitment to delivering shareholder value, MSC declared a final single-tier dividend of 7 sen per share for FY2024. This follows the first interim dividend of 7 sen per share declared on 25 September 2024 and a second interim single-tier special dividend of 17 sen per share declared on 15 November 2024. This brought the total dividend for FY2024 to 31 sen per share, amounting to a total payout of RM130.2 million. The distribution is in line with the Group's dividend policy, which targets a dividend payout ratio of 30% of the FY2024 net profit.

### CORPORATE MATTERS

#### Proposed Bonus Issue of New Ordinary Shares in MSC

On 4 March 2025, the Board announced the proposal of a bonus issue of 420,000,000 new ordinary shares in MSC on the basis of one (1) Bonus Share for every one (1) existing share held by shareholders. Upon completion, this exercise will increase the Group's total number of issued shares to 840,000,000 shares.

## Management Discussion & Analysis

This corporate exercise is intended to reward shareholders for their continued support and confidence in the Group's long-term growth.

### 2025 OUTLOOK

Global economic growth is anticipated to soften in 2025, largely due to the introduction of extensive US tariff measures announced on 2 April 2025. This outlook is further weighed down by escalating geopolitical tensions in Europe and the Middle East, as well as uncertainties surround the timing and direction of trade and monetary policy decisions across advanced economies. Against this backdrop, MSC remains focused on building operational resilience and driving long-term value by aligning its strategy with structural growth trends in the tin industry, while navigating near-term global uncertainties with prudence and agility.

Amid this shifting economic landscape, the global tin industry outlook remains cautiously optimistic, underpinned by structural demand growth from the technology and green sectors. Tin continues to play an essential role in electronics and electric vehicles (EVs), with over half of global tin consumption used in soldering applications are utilised for semiconductors and circuit boards.

The anticipated rebound in global semiconductor production in 2025 is expected to drive higher tin usage, while the rapid buildout of artificial intelligence (AI) computing infrastructure and machine learning centres will further support consumption, given the need for high-reliability electronic components. In parallel, tin's role in the energy transition is expanding. The metal is increasingly used in the production of solar PV panels, energy storage systems, and smart grid infrastructure—sectors that are seeing accelerated global investment.

In line with these long-term demand drivers, MSC is advancing its ambition to produce green tin—tin that is responsibly sourced and processed with lower environmental impact. This strategy aligns with increasing expectations from environment, social, and governance (ESG) focused investors, regulators, and global manufacturer seeking sustainable supply chains. By embedding cleaner technologies and energy efficient processes across its operations, MSC is strengthening its competitive positioning while gaining access to premium markets, green financing opportunities, and high-valued global supply networks.

However, while demand remains strong, the supply environment is expected to remain constrained. While Myanmar has indicated the potential resumption of operations at its Man Maw Mine, the timeline and scale of its return remain uncertain. Meanwhile, regulatory developments in other key producing regions, particularly Indonesia – could further influence global tin availability.

Further compounding supply challenges, ongoing instability in the DRC – notably the M23 insurgent militant group – has led Alphamin Resources to temporarily suspend operations at its Bisie Mine, the world's third-largest tin producer. As a result, supply-side pressures are likely to persist, contributing to price volatility and reinforcing the importance of stable, high-quality supply sources.

In response to these dynamics, MSC is advancing a series of strategic initiatives aimed at improving operational resilience, enhancing efficiency, and supporting long-term value creation. Within the tin smelting segment, MSC is transitioning to a more centralised and cost-efficient model. The planned decommissioning of the Butterworth smelter by end-2025 is expected to result in cost savings of up to 30%, with all smelting activities consolidated at the Pulau Indah facility. The Pulau Indah facility is equipped with a TSL furnace, which utilises a single-stage smelting process designed to maximise tin recovery and yield while streamlining operations for greater efficiency.

To further increase capacity and improve operational flexibility, MSC is the midst of installing a new rotary furnace at Pulau Indah, scheduled for commissioning in 2025. Once operational, the furnace will enable higher tin production while reducing disruptions to smelting operations during planned maintenance shutdowns.



## Management Discussion & Analysis

**MSC's strategic focus on efficiency, sustainability, and responsible growth positions the Group to navigate evolving market conditions, respond to the global shift toward a low-carbon economy, and create long-term value for its stakeholders.**

In terms of MSC's mining segment, the Group is actively exploring new mining methods to improve ore recovery and operational performance. A novel mining approach, currently in the proof-of-concept stage is expected to deliver productivity gains and cost optimisation once successfully implemented. Additionally, the Group is also planning to develop a solar PV system at the RHT Tin Mine, supporting its goal of reducing reliance on conventional energy sources.

Throughout its operations, MSC remains committed to upholding responsible practices, placing a strong emphasis on the well-being of its employees, local communities, and the environment. These priorities form the foundation of MSC's broader sustainability agenda, which is further detailed in the Group's Sustainability Statement (pages 23 - 60).

Looking ahead, MSC's strategic focus on efficiency, sustainability, and responsible growth positions the Group to navigate evolving market conditions, respond to the global shift toward a low-carbon economy, and create long-term value for its stakeholders.

### ANTICIPATED RISKS

#### Political, economic and regulatory risk

MSC operates in a globally connected tin industry and is inherently exposed to external risks arising from geopolitical tensions, economic fluctuations, and shifting regulatory landscapes. In 2024, escalating conflicts in Europe and the Middle East, regulatory constraints on tin exports in Indonesia, and logistical disruptions from unrest in the DRC posed challenges to the global tin supply. These developments illustrate the Group's risk to external disruptions that could affect our financial performance and operating conditions.

In response to these risks, MSC closely monitors changes in government policies, regulations, and trade practices across its key markets. Risks assessments are conducted prior to any major investment to ensure informed and prudent decision-making.

This proactive approach enables MSC to remain agile, maintain regulatory compliance, and safeguard operations in the face of evolving global uncertainties.

#### Volatility in tin prices

As a player in the global tin industry, MSC is vulnerable to movements in tin prices, which may influence its financial performance and cash flow. Price fluctuations are shaped by a range of external factors, including market supply-demand conditions, shifts in trade policies, and broader macroeconomic trends. To manage this exposure, we keep a close watch on industry developments and, where appropriate, employ hedging strategies such as forward commodity contracts. These proactive measures help provide greater visibility on future selling prices and contribute to more stable financial planning.

#### Foreign rates fluctuations

Given that a significant portion of MSC's trading and financing activities is denominated in US Dollars, movements in foreign exchange rates may influence the Group's financial performance. While MSC benefits from a natural hedge – where both revenue and costs are largely transacted in the same currency – fluctuations in the Ringgit, notably during its appreciation between August and September 2024, had a moderating effect on profitability.

To manage this exposure, the Group continuously monitors currency trends and employs forward currency contracts where appropriate. These efforts aim to maintain exchange rate risks within an acceptable threshold while supporting financial stability.

### ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to the Chairman of the Board and all Board members for their continued guidance, strategic insights, and unwavering support throughout the year. I also extend my gratitude to all the employees of MSC, whose dedication, professionalism, and commitment have been instrumental in driving the Group's resilience.

Also, on behalf of MSC, I am equally grateful to our shareholders, customers, business partners, financial institutions, legal advisors, and suppliers for their continued trust and collaboration. Your confidence in MSC has been vital to our growth, and we remain committed to building long-term value for all stakeholders.

**DATO' DR. (IR.) PATRICK YONG MIAN THONG**

Group Chief Executive Officer

15 April 2025