

MEDIA RELEASE

MSC's net profit grew 34% to RM72.5 million in 9MFY22

- *3QFY22 performance impacted by declining tin prices, unplanned furnace outage and higher operating costs*

Kuala Lumpur and Singapore, 21 November 2022 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad ("MSC" or "the Group") has today announced its financial results for its third quarter ("3QFY22") and nine months financial period ended 30 September 2022 ("9MFY22").

For 9MFY22, MSC's revenue increased by 35.4% year-on-year ("YoY") to RM1,112.4 million, against RM821.5 million in the previous year's corresponding period ("9MFY21"). Net profit also grew by 34.2% YoY to RM72.5 million from RM54.0 million a year earlier. The improved performance was mainly attributable to higher average tin prices and refined tin production in the first nine months of 2022. During this time, tin prices climbed 22% to RM148,800 from RM121,500 per metric tonne ("MT") in 9MFY21.

Meanwhile, in 3QFY22, average tin prices fell by 26% to RM104,700 from RM141,900 per MT in the prior year's corresponding quarter ("3QFY21"). The decline can be attributed to a myriad of factors including concerns of a global recession which led to lower tin demand, compounded by the intermittent lockdowns in China following its zero-Covid policy. At the same time, fears of tin supply scarcity eased with the resumption of operations by smelters.

The sharp drop in tin prices have impacted the financial performance of both MSC's smelting and mining businesses during the quarter. The Group's smelting arm posted a net loss of RM46.0 million in 3QFY22 (3QFY21: net profit of RM4.9 million). Meanwhile, net profit for the mining operations fell

by 72.6% to RM8.0 million on the back of lower tin prices and a one-off provision for legal case settlement of RM4.7 million.

As a result, MSC recorded a net loss of RM31.3 million in 3QFY22, exacerbated by longer-than-expected furnace outage due to logistic delay to secure specialized fire rated bricks and higher operating costs in relation to energy, fuel, reductant and furnace re-bricking costs during the quarter. Group revenue stood at RM344.1 million in 3QFY22.

Commenting on the Group's performance, **Dato' Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, "The decline in tin prices and higher-than-expected inflation have impacted MSC's performance in 3QFY22. Our operational costs have risen as we recorded higher energy and freight prices due to the prolonged Russia-Ukraine war. In this volatile macroeconomic environment, MSC continues to remain vigilant while focusing on our efforts to strengthen the Group's operational efficiencies."

"At the Pulau Indah smelting facility, we look forward to higher production yield and efficiency using the more efficient Top Submerged Lance ("TSL") furnace technology. We expect to generate cost savings of approximately 30% with lower manpower and carbon emissions."

"As for our tin mining arm, we are continuously exploring ways to enhance our mining productivity at the Rahman Hydraulic Tin mine in Klian Intan. Additionally, the recent acquisition of Asas Baiduri allows us to further expand RHT's mining pit eastwards, contributing to higher mining output."

"In conclusion, we are strengthening MSC's foundation to allow us to better address the challenges and withstand external headwinds. Nonetheless, tin's long-term prospects remain positive as tin has been identified as a key component in emerging technologies, including for lithium-ion batteries for electric vehicles."

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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