



MEDIA RELEASE

MSC's reports net profit of RM75.7 million for 9MFY23

Kuala Lumpur and Singapore, 17 November 2023 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad ("MSC" or "the Group") has today announced the financial results for its third quarter ("3QFY23") and the nine-month period ended 30 September 2023 ("9MFY23").

For 3QFY23, revenue grew by 5.8% year-on-year ("YoY") to RM364.0 million from RM344.1 million in the preceding year's corresponding quarter ("3QFY22"). Meanwhile, the Group's net profit attributable to owners of the company ("net profit") amounted to RM11.8 million, as compared to a net loss of RM31.3 million in 3QFY22. The earnings turnaround was driven by increased sales quantity of refined tin, as well as higher average tin prices, which rose by 15.4% to RM123,800 per metric tonne ("MT"), as compared to RM104,700 per MT in 3QFY22.

In line with the favourable tin price movements, net profit for the tin mining arm more than doubled to RM17.9 million during the quarter, as compared to RM8.0 million a year ago, which included a one-off provision for legal case settlement of RM4.7 million.

The tin smelting segment's performance was affected by the annual shutdown and maintenance of the Top Submerged Lance ("TSL") furnace at MSC's plant in Pulau Indah since June 2023, with smelting activities resuming only in August 2023. As a result of improvements in cost-control initiatives and optimisation of production processes, the tin smelting business' net loss narrowed to RM2.7 million in 3QFY23, significantly improving from a net loss of RM46.0 million in 3QFY22. In 3QFY22, there was a sharp decline in tin

prices and longer-than-expected furnace outage at Pulau Indah plant due to logistic delays in securing specialized fire rated furnace bricks.

For 9MFY23, MSC's revenue amounted to RM1,031.1 million, against RM1,112.4 million in the previous year's corresponding period ("9MFY22") mainly due to lower average tin prices of RM118,800 per MT (9MFY22: RM148,800 per MT), despite higher sales quantity of refined tin during the period. The Group's net profit rose by 4.4% to RM75.7 million, a steady gain from RM72.5 million in 9MFY22.

During the period under review, the tin smelting business achieved a net profit of RM38.2 million in 9MFY23, against a net loss of RM24.7 million in 9MFY22. This turnaround was mainly driven by increased sales of refined tin from processed tin intermediates, and higher sales from by-products and smelting revenue. Meanwhile, the Group's tin mining operations recorded a net profit of RM52.6 million in 9MFY23 (9MFY22: RM86.0 million), primarily attributable to lower average tin prices during the period.

Commenting on the Group's performance, **Dato' Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, "Entering the third quarter of FY2023, MSC maintains strong resilience amid a challenging operating backdrop mired with ongoing geopolitical tensions, high inflation, and supply chain disruptions, among others. Against these external headwinds, we remain committed to pursuing our strategic plans to improve operational efficiencies, as we position the Group for continued success."

"At our smelting plant in Pulau Indah, we look forward to enhanced yields with reduced manpower and energy costs, along with a smaller carbon footprint, using the more efficient TSL furnace. Our plan to de-commission the smelting facility at Butterworth in stages, commencing 2024 is on track and with this, we anticipate cost savings of up to 30%."

“For our tin mining segment, the Group remains committed to enhancing and boosting our daily mining output and overall efficiency at the Rahman Hydraulic Tin (“RHT”) mine at Klian Intan. These efforts involve expanding tin mining activities via the exploration of new tin mine resources.”

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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