



MEDIA RELEASE

MSC's revenue increased 40% to RM1.5 billion in FY22

- *Proposed dividend of 7 sen per share*

Kuala Lumpur and Singapore, 17 February 2023 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad ("MSC" or "the Group") has today announced its financial results for its fourth quarter ("4QFY22") and full year ended 31 December 2022 ("FY22").

For FY22, MSC's revenue increased by 39.7% year-on-year ("YoY") to RM1.5 billion from RM1.1 billion in the prior year ("FY21"), mainly due to higher average tin prices and comparatively higher sales of refined tin. During the year, tin prices grew by 5% to RM136,700 per metric tonne ("MT") from RM130,600 per MT in FY21.

For the tin smelting segment, net loss stood at RM5.5 million in FY22, against net profit of RM12.1 million a year ago. The softer performance was primarily attributable to the longer-than-expected furnace outage at Pulau Indah smelter in 3QFY22, as well as higher operating costs in relation to labour, energy, fuel, reductant and furnace re-bricking costs in FY22.

Meanwhile, the tin mining operations posted a net profit of RM95.1 million in FY22, as compared to RM109.4 million in FY21. Despite higher tin prices, FY22 earnings was impacted by a one-off legal case settlement of RM4.7 million and higher operating cost in FY22. Nonetheless, the Group's mining division achieved marginally higher tin production output during the year.

MSC recorded a net profit of RM98.4 million in FY22, as compared to RM118.1 million in FY21.

In comparison with the previous quarter, 4QFY22 net profit amounted to RM25.9 million, against a net loss of RM31.3 million in 3QFY22, on the back of stronger performance from both the tin mining and smelting divisions. The tin smelting division reported a net profit of RM19.2 million (3QFY22: net loss of RM46.0 million) underpinned by increased refined tin sales from the processed tin intermediates and sales of by-products as the furnace at Pulau Indah resumed operations in October 2022, following the completion of re-bricking exercise. As for the tin mining segment, net profit rose by 14.8% to RM9.1 million from RM8.0 million earlier, with the absence of one-off legal case settlement of RM4.7 million recorded in 3QFY22.

Commenting on the Group's performance, **Dato' Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, "We ended a challenging 2022 with a resilient set of results, navigating external headwinds of economic uncertainties, high inflation and prolonged geopolitical tensions. Against this backdrop, tin prices were volatile during the year, falling from its pandemic peak of approximately USD40,000 per MT in early 2022 to around USD20,000 per MT towards the second half of the year. However, tin prices have rallied entering 2023 on better prospects as China relaxes its COVID-19 measures."

"At MSC, we remain committed on executing our strategic plans to future-proof the Group. With the move to the Pulau Indah smelter, we look forward to improved extractive yields with cost savings of approximately 30% as it requires less manpower to manage the smelting process. We also expect to reduce our carbon footprint at Pulau Indah as we have installed a 1.26MWp solar panels on the premises' rooftops."

"As for our mining operations, we anticipate higher mining productivity in 2023 as we explore more efficient mining methodologies at our Rahman Hydraulic Tin mine in Klian Intan. At the same time, our recent acquisition of an adjacent mining landbank enables the Group to expand RHT's mining pit further, which will boost mining output."

“Looking ahead, we believe that long-term tin prospects remain intact with progress made on several technological fronts for tin, including the use in lithium-ion batteries for electric vehicles. For us at MSC, we remain steadfast on our efforts to enhance the Group’s competitive position. This will put us on a firm footing to capture arising opportunities as we pursue greater growth.”

MSC has proposed a first and final single-tier dividend of 7 sen per share, translating to a dividend payout of 30% of FY22 net profit. This dividend is subject to shareholders’ approval at the Group’s forthcoming Annual General Meeting.

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.

For media enquiries, kindly contact:

Name: Keow Mei-Lynn
Email: meilynn@capitalfront.biz
Tel: 012-250 5575