



MEDIA RELEASE

MSC posts record-high earnings in 1HFY22 on high tin prices

Net profit spiked 4x YoY to RM103.8 million in 1HFY22

Kuala Lumpur and Singapore, 4 August 2022 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) today reported yet another robust set of financial results for its second quarter (“2QFY22”) and first half for the financial period ended 30 June 2022 (“1HFY22”).

For 1HFY22, MSC’s revenue grew by 27.4% year-on-year (“YoY”) to RM768.3 million, as compared to RM603.0 million in the previous year’s corresponding period (“1HFY21”). Meanwhile, net profit jumped more than 4-fold to a historic high of RM103.8 million from RM25.1 million a year earlier. The strong performance was mainly driven by high tin prices as well as increased tin production with the absence of operational disruptions due to the Full Movement Control Order (“FMCO”) from 1 June 2021 onwards. For the first six months of 2022, tin prices rose 52% to RM169,700 from RM111,500 per metric tonne (“MT”) in 1HFY21.

The Group’s tin smelting arm turned a net profit of RM21.3 million, against a net loss of RM2.8 million a year ago. The growth was primarily attributable to improved margins from the sale of refined tin derived from the processed tin intermediates, as well as positive tin price movements.

The tin mining division also benefitted from the elevated tin prices, as net profit more than doubled to RM78.0 million in 1HFY22 from RM36.2 million in 1HFY21. During this time, the Group’s tin ore production volume also expanded, contributing to higher earnings.

For the quarter under review, MSC's revenue grew 25.0% YoY to RM408.8 million, while net profit spiked 13.5 times to RM39.5 million from RM2.9 million in 2QFY21.

Commenting on the Group's performance, **Dato' Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, "We are delighted to have recorded strong growth in 1HFY22, despite the easing of tin prices in 2QFY22. Tin, like other base metals, had been affected by geo-political tensions, as well as China's zero-Covid policy, which contributed to softer demand. Nonetheless, market sentiment is anticipated to improve as China re-opens its economic sectors with the lifting of the lockdown. With that in mind, we foresee tin prices to hold up higher than pre-pandemic levels in the near to mid-term."

"With the new Pulau Indah smelter which uses the more efficient Top Submerged Lance ("TSL") furnace technology expected to reach full capacity in 4QFY22, we look forward to improved production yield and efficiencies. In addition, the savings generated as a result of reduced manpower and lower carbon footprint will enhance our overall competitiveness as a smelter."

"For our tin mining operations, we remain focused on enhancing our overall mining output. With the recent completion of the acquisition of Asas Baiduri Sdn Bhd ("Asas Baiduri") on 4 July 2022, our immediate focus will be to further expand Rahman Hydraulic Tin's ("RHT") existing mining pit eastward which will enable us to expand our daily mining output."

"Meanwhile, we 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 deposits and further extend MSC's mining operations."

"All in all, MSC's outlook remains bright supported by tin's positive prospects and our strategic initiatives to enhance efficiencies across the Group. Based on these factors, we expect to sustain our growth trajectory for FY2022."

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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