



MEDIA RELEASE

MSC posts RM22.1 million net profit in 1QFY21

- *1QFY21 earnings for tin mining arm grew three-fold to RM19.6 mil as tin prices soar*
 - *New Pulau Indah smelter operational at 30% capacity*

Kuala Lumpur and Singapore, 7 May 2021 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) has today announced its financial results for the first quarter ended 31 March 2021 (“1QFY21”).

For the quarter under review, MSC achieved a net profit of RM22.1 million, against a net loss of RM13.2 million in the previous year’s corresponding quarter (“1QFY20”). The earnings turnaround was mainly due to higher contribution from both tin mining and smelting divisions.

The Group’s tin mining arm posted a net profit of RM19.6 million in 1QFY21, representing a three-fold jump from RM4.5 million in 1QFY20. The improved performance was primarily driven by higher tin prices and increased tin production during the quarter. According to the Kuala Lumpur Tin Market (“KLTM”), average tin prices for 1QFY21 climbed 49% higher to USD24,737/tonne, as compared to USD16,656/tonne in 1QFY20.

Meanwhile, the tin smelting division reported a net profit of RM10.4 million, from a net loss of RM19.3 million in 1QFY20, lifted by the reversal of inventories written down amounting to RM24.0 million.

Group revenue grew by 34% to RM275.9 million from RM205.3 million previously on the back of higher refined tin sales and more favourable average tin prices during the quarter.

Commenting on the Group's performance, **Dato' Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, "Going into 2021, MSC continues to show strong resilience despite the prevailing uncertainties the Covid-19 pandemic presents. The Group's performance was further boosted by higher tin prices with LME tin prices rising to 10-year high of USD30,995/tonne in March 2021. The spike in tin prices is fuelled by greater demand for tin solder in consumer electronics as well as depleting supply of tin worldwide."

"At MSC, we remain focused on strengthening the Group's competitiveness to position the Group for continued growth. At the moment, we are working on enhancing the cost-effectiveness and extractive yields of our smelting operations with the move to the new Pulau Indah smelting plant. Right now, the Pulau Indah smelter is running at 30% capacity with the more efficient Top Submerged Lance ("TSL") furnace and will gradually increase production to 100% by end-2021 or early-2022. As the TSL furnace follows a single-stage smelting process, we look forward to increased efficiencies with lower carbon discharge."

"Currently, we are still operating the smelting facility in Butterworth in parallel and continue to incur duplication of expenses with the running of both plants. Hence, our financial performance will be impacted until the Pulau Indah smelter reaches a steady state as we redirect our smelting activities from the Butterworth smelter, expected in a year's time."

"For our tin mining operations, our efforts are directed towards enhancing overall mining productivity, while exploring new tin deposits at the Group's Rahman Hydraulic Tin mine in Klian Intan. At the same time, we are exploring potential joint venture arrangements to further expand mining activities."

"Moving forward, tin consumption is expected to continue its strong run post-pandemic. In the long run, the outlook of tin looks promising with prospects in the electronics and energy technologies as more tin applications are being

discovered. With the Group's ongoing initiatives, we are poised to capture arising opportunities in this growing market."

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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