

## **MEDIA RELEASE**

### **MSC posts net profit of RM15.5 million in 4Q2020**

- *Pulau Indah full operations to commence by late-2021 or early-2022*
- *Positive on outlook on the back of rationalisation and growing tin demand*
  - *Proposed dividend of RM0.01 per share*

**Kuala Lumpur and Singapore, 19 February 2021** – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) has today announced its fourth quarter (“4QFY20”) and full year financial results today for the financial period ended 31 December 2020 (“FY20”).

For the quarter under review, MSC reported a net profit of RM15.5 million, as compared to a net loss of RM16.0 million in the previous year’s corresponding quarter (“4QFY19”). The earnings turnaround was buoyed by higher average tin prices and improved sales of refined tin during the quarter. According to the KLTM, average tin prices increased 11% year-on-year to RM76,870/tonne in 4QFY20. Group revenue grew 27% YoY to RM232.6 million from RM182.7 million in 4QFY19.

For the year under review, Group revenue stood at RM813.4 million in FY20, against RM983.6 million in the previous year (“FY19”), mainly dragged by weaker average tin prices and lower sales quantity of refined tin due to the Covid-19 pandemic and its resultant containment measures. Tin prices averaged 8% lower to RM71,559/tonne in 2020 from RM77,024 in 2019, according to the Kuala Lumpur Tin Market (“KLTM”).

Amid a challenging backdrop, MSC’s tin smelting division returned to the black in FY20 as it posted a net profit of RM3.4 million from a net loss of RM30.8 million in FY19, lifted by the reversal of inventories written down amounting to RM7.1 million.

Meanwhile, the tin mining operations recorded a net profit of RM21.2 million in FY20, against RM66.7 million in FY19, primarily attributable to lower average tin prices and the absence of a reversal of provision for tribute no longer required of RM48.4 million that was recorded in FY19.

MSC's net profit amounted to RM15.7 million in FY20, as compared to RM30.7 million in the previous year.

MSC has proposed a first and final single-tier dividend of 1 sen per share, representing a dividend payout of 26% of FY20 net profit. This dividend is subject to shareholders' approval at the Group's forthcoming Annual General Meeting.

Commenting on the Group's performance, **Dato' Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, "2020 was a year of unprecedented challenges as businesses endeavored to adapt to evolving market conditions, following the outbreak of Covid-19 pandemic and the temporary disruptions to operations. Despite these external headwinds, MSC's underlying core operations remain resilient as we continue to execute our ongoing rationalization initiatives to enhance efficiencies across the Group."

"Our plan to fully commission the new smelting facility in Pulau Indah is on track for late-2021 or early-2022. The new smelter is anticipated to significantly increase our production capacity by 50% to 60,000 tonnes per year using the cutting-edge Top Submerged Lance ("TSL") furnace, with lower operational costs and carbon footprint. At the moment, testing and commissioning works are being carried out to ensure smooth operations before taking over entirely the smelting activities from the old Butterworth plant."

"For our tin mining division, we remain focused on enhancing our overall mining productivity. At our Rahman Hydraulic Tin mine in Klian Intan, we are exploring new tin deposits in addition to introducing new technologies to

increase our daily mining output. Over in Sungai Lembing, mining activities have commenced during the year with minimal average production. To further expand our mining activities, we are also exploring potential joint venture arrangements.”

“Looking ahead, we are positive on the outlook of the MSC Group driven by our rationalization efforts and the interest in the tin industry. For 2021, we are already seeing tin consumption recover with LME 3-month tin price soaring to seven-year highs of USD23,443/tonne in February 2021 as supply strives to meet demand. Various factors, such as increasing sales of electronic devices due to work-from-home arrangements as well as growth of electric vehicles, have boosted demand for tin. This bodes well for MSC with high tin prices benefiting our tin mining and smelting divisions. The commissioning of the Pulau Indah smelter is timely as we are well positioned to capitalize on the rising tin demand.”

#### **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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