



MEDIA RELEASE

MSC wraps up FY2021 with all-time high net profit of RM118.1 million boosted by record high tin prices

- *New Pulau Indah smelter operating at 75% production capacity*
- *Proposed dividend of 7 sen per share*

Kuala Lumpur and Singapore, 18 February 2022 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) reported a sterling set of financial results for its fourth quarter (“4QFY21”) and full year ended 31 December 2021 (“FY21”).

In FY21, MSC’s net profit soared almost 8-fold to an all-time high of RM118.1 million from RM15.2 million in the prior year (“FY20”). The higher earnings were lifted by favourable average tin prices, which grew 82% to RM130,575 per metric tonne (“MT”) in FY21 from RM71,559 per MT in FY20. Group revenue increased 32% to RM1,076.6 million in FY21 from RM813.4 million in the prior year.

The Group’s tin mining division was the main earnings driver as net profit jumped more than 5 times to RM109.4 million in FY21, as compared to RM20.6 million in FY20. The growth was on the back of high tin prices, as well as increased tin production during the year.

Meanwhile, the tin smelting division reported lower production of refined tin in FY21 due to the operational disruption following the Full Movement Control Order (“FMCO”) 3.0 enforced from 1 June 2021 and the subsequent force majeure that commenced from 7 June 2021 until 20 December 2021. This was offset by a reversal of inventories written down amounting to RM24.0 million in 1QFY21 and higher margins from the sales of refined tin derived from its tin intermediates. As a result, the tin smelting division reported a FY21 net profit of RM12.1 million, from RM3.2 million a year ago.

For 4QFY21, MSC recorded a net profit of RM64.1 million on the back of revenue of RM255.1 million.

During the quarter, the tin mining segment posted a net profit of RM44.1 million, representing almost 7-fold increase from RM6.7 million in the previous year's corresponding quarter ("4QFY20"), mainly attributed to the high tin prices. For MSC's tin smelting division, net profit stood at RM10.0 million, against net profit of RM15.4 million in 4QFY20, primarily due to an absence of a reversal of inventories written down of RM21.1 million which was recorded in 4QFY20. The tin smelting division also benefited from higher profit margins from the sales of refined tin derived from its tin intermediates.

Commenting on the Group's performance, **Dato' Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, "Although 2021 was a year of continued challenges globally, MSC stayed resilient and delivered a stellar financial performance for the year. The tin supply deficit is forecasted to continue, which will sustain tin prices in the short to medium term. At the same time, tin demand remains robust in line with the global growth of electric vehicles, photovoltaic installations and consumer electronics, among others. This bodes well for the Group."

"Against this backdrop, we remain steadfast on our efforts to enhance the Group's operational efficiencies while managing escalating logistics and operating costs."

"With the lifting of the force majeure, we are accepting tin ores from customers to be smelted. At the moment, we are smelting the backlog of tin ore accumulated from the pandemic. We are delighted to update that the Pulau Indah smelting facility has reached 75% capacity and expect full production in 2022. The full commissioning of the Pulau Indah plant is

expected to improve extractive yields, lower manpower costs as well as our carbon footprint.”

“Concurrently, we are also running the Butterworth smelter in parallel. We plan to de-commission this plant in the next 2 to 3 years when we achieve smooth operations at Pulau Indah. We anticipate our financial performance to improve as we phase out production at the Butterworth plant.”

“Meanwhile, our tin mining business has delivered a strong performance in FY21, being a direct beneficiary of high tin prices. Despite the FMCO, we have successfully increased the daily mining output at the Rahman Hydraulic Tin mine in Klian Intan, thanks to our efforts to mechanise operations and introduce new technologies at the mine. We look forward to an even higher mining productivity in 2022, barring any unforeseen circumstances.”

“As we enter the new year, we remain cognizant of the challenges and vigilant of COVID-19 developments. Nonetheless, our focus remains on ensuring smooth and safe operations and improving efficiencies across the Group, as we strive to deliver enhanced value to our shareholders.”

MSC has proposed a first and final single-tier dividend of 7 sen per share, translating to a dividend payout of 25% of FY21 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.

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