



MEDIA RELEASE

MSC posts record high net profit of RM54.0 million in 9MFY21 in line with record high tin prices

- *Tin prices hit all-time high of RM121,458 per MT in 9MFY21*

Kuala Lumpur and Singapore, 12 November 2021 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad ("MSC" or "the Group") has today announced its financial results for the third quarter ("3QFY21") and nine months financial period ended 30 September 2021 ("9MFY21").

For 9MFY21, record high tin prices drove MSC's net profit to RM54.0 million as compared to RM0.2 million in the corresponding period last year ("9MFY20"). The strong performance was primarily on the back of higher average tin prices, which were at an all-time high of RM121,458 per metric tonne ("MT") in 9MFY21, 74% higher than RM69,717 per MT recorded in 9MFY20.

The Group's tin mining operations recorded a more than 4-fold jump in net profit to RM65.2 million during the period under review, as compared to RM13.9 million in 9MFY20, on the back of higher average tin prices and increased tin production quantity. Meanwhile, the tin smelting division reported a net profit of RM2.1 million in 9MFY21, from a net loss of RM12.3 million in the same period last year. The tin smelting division's financial performance was lifted by a reversal of inventories written down amounting to RM24.0 million in 1QFY21.

In tandem with the high tin prices, Group revenue grew 41% year-on-year ("YoY") to RM821.5 million in 9MFY21, against RM580.8 million in 9MFY20.

In 3QFY21, the Group had resumed operations in stages in line with Phase 2 of the National Recovery Plan ("NRP"). Following that, MSC posted a net profit

of RM28.9 million on the back of revenue of RM218.5 million during the quarter.

During the quarter, net profit for the tin mining segment rose almost 4-fold to RM29.0 million from RM7.4 million in 3QFY20, mainly attributed to high tin prices. Meanwhile, the Group's tin smelting operations recorded a net profit of RM4.9 million in 3QFY21 (3QFY20: RM7.7 million), mainly due to lower smelting capacity as the Group gradually restarted its operations in phases following the implementation of Phase 2 of the NRP. Additionally, the ageing furnaces at the Butterworth smelter were undergoing restoration, which led to lower furnace days and lower tin yields.

Commenting on the Group's performance, **Dato' Dr. Patrick Yong, Group Chief Executive Officer of MSC** said, "The Group delivered a strong performance, despite the constraints arising from the FMCO. Tin has been the best-performing base metal in 2021 as prices hit a record high, following the tin supply deficit and robust consumption. MSC is a direct beneficiary of favourable tin prices and this trend is expected to persist in the near term in line with rising tin demand in various sectors including consumer electronics, photovoltaic as well as for electric vehicles."

"With the safety of our employees as a top priority, we have gradually resumed operations back to full workforce capacity in the mining and smelting segments."

"At the Pulau Indah smelting plant, we have completed the Top Submerged Lance ("TSL") furnace refurbishment in October 2021 and are currently operating at 30% utilisation rate. Even with the operational interruptions, we are still on track to achieve full production by end-2021/early-2022 and look forward to improved extractive yields and operational efficiencies, with lower manpower and carbon footprint."

“At the Butterworth smelter, we are currently smelting the backlog of tin ore that has been accumulated during the pandemic. Apart from that, we have also commenced the smelting of tin intermediates, which is expected to add further value to MSC. We plan to de-commission the Butterworth plant in the next 2 to 3 years when the Pulau Indah plant is in a steady state.”

“As for our tin mining arm, our daily mining output has normalised with the resumption of 100% workforce capacity. At the same time, we are continuously exploring ways to increase our overall mining productivity at the Rahman Hydraulic Tin mine in Klian Intan. We are also open to potential joint venture arrangements to enhance our mining activities.”

“In conclusion, we continue to strengthen our fundamentals and capabilities to remain competitive as a global tin metal producer. As we move ahead, we will focus on increasing production output and improving efficiencies across the Group, while staying vigilant of the Covid-19 developments to maintain business continuity with strict adherence to standard operating procedures.”

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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