



21 FEB, 2022

MSC's net profit increases 8-fold, declares dividend of 7 sen

The Malaysian Reserve, Malaysia

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MALAYSIA Smelting Corp Bhd's (MSC) net profit soared almost eight-fold to a record high of RM118.06 million in the financial year ended Dec 31, 2021 (FY21), from RM15.16 million in FY20 due to higher average tin prices.

Revenue rose 32% to RM1.08 billion from RM813.36 million previously.

In a Bursa Malaysia filing last Friday, the tin miner and metal producer said earnings were lifted by favourable tin prices averaging RM130,575 per metric tonne (MT) last year compared to RM71,559 per MT in 2020.

The tin mining division was the main earnings driver with net profit jumping more than five times to RM109.4 million in FY21 from RM20.6 million in FY20.

"The growth was on the back of high tin prices and increased tin production during the year," MSC said.

Meanwhile, the tin smelting division reported lower production of refined tin in FY21 due to operational disruptions following the Full Movement Control Order (FMCO) 3.0 enforced from June 1, 2021, and the subsequent force majeure that commenced from June 7, 2021, until Dec 20, 2021.

"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," said MSC CEO Datuk Dr Patrick Yong.

He added that against this backdrop, the group remains steadfast on our efforts to enhance the Group's operational efficiencies while managing escalating logistics and operating costs.

He further said that the lifting of the force majeure enabled them to accept 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's smelting facility has reached 75% capacity and expect full production in 2022. The full commissioning of the Pulau Indah's plant is expected to improve extractive yields, lower manpower costs as well as our carbon footprint," Yong said.

MSC is also concurrently running the Butterworth's smelter in parallel.

The group plan to decommission this plant in the next two to three years following the smooth operations at Pulau Indah.

"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, Perak," Yong said.

MSC has proposed a first and final single-tier dividend of seven 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 AGM. — TMR



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SUMMARIES

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