



## **MEDIA RELEASE**

### **Malaysia Smelting Corporation Achieves Turnaround in FY2016**

*Delivers full year net profit of RM37.5 million on RM1.5 billion revenue,  
declares 8 sen dividend*

Kuala Lumpur, 27 February 2017 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) has reported a strong financial performance for the Group’s fourth quarter ended 31 December 2016 (“4Q2016”).

In 4Q2016, MSC achieved a profit before tax of RM6.4 million from a loss before tax of RM4.4 million in the previous year’s corresponding period. Revenue declined marginally by 1% to RM350.1 million from RM354.6 million in the previous year.

For the full year ended 31 December 2016 (“FY2016”), profit before tax increased to RM53.0 million, a significant rise from RM3.2 million in the previous year. Revenue remained relatively unchanged at RM1.5 billion for the full year.

The improvement in profitability is largely attributed to the higher tin prices and gains from the strengthening of US Dollar (USD) against the Malaysian Ringgit (RM) as most of the Group’s cost is in RM whilst sales are quoted in USD.

On the back of these favourable conditions, FY2016 operating profit margins improved year-on-year (Y-o-Y) to 4.2% as compared to 0.7%. Profit from operations grew 6 times to RM61.5 million from RM10.5 million in the previous year.

FY2016 net profit stood at RM37.5 million equivalent to earnings per share of 37.5 sen. Net assets per share strengthened to RM2.82.

Dato’ Dr. Patrick Yong, Chief Executive Officer of MSC said, “Looking ahead, we are optimistic about the Group’s prospects and will continue to make the necessary strategic decisions and adapt to the ever-changing marketplace. The volatility of tin prices remain one of the biggest challenges that the industry faces, and we will take significant steps to stay ahead of the pack and mitigate the impact of fluctuating prices.”

“I am delighted with what we have achieved as a Group in 2016. The Group will continue to strive as we lay the foundation for a better tomorrow and we expect the fruits of our labour moving forward to bear better returns for our shareholders”, added Dato’ Dr. Patrick Yong.

MSC’s financial position remains healthy as the Group generated a net cash flow from operating activities of RM54.5 million for FY2016. As the Group reduced its total borrowings, its net gearing ratio declined to 1.2x from 1.6x a year ago.

In line with the Group’s stronger financial performance, MSC has proposed a final single-tier dividend of 8 sen per share. This represents a dividend payout of 21.4% of FY2016 net profit.

#### **ABOUT MALAYSIA SMELTING CORPORATION**

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. In 2015, the Group produced 30,209 tonnes of tin metal maintaining its position as the second largest supplier of tin metal in the world. MSC is listed both on the Main Market of Bursa Malaysia since 15 December 1994 and the Main Board of Singapore Exchange (SGXST) since 27 January 2011, and is a 54.8% subsidiary of The Straits Trading Company Limited of Singapore.

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Released on behalf of Malaysia Smelting Corporation Berhad by Capital Front Investor Relations.

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