



MEDIA RELEASE

Malaysia Smelting Corporation 1Q2017 Group PBT at RM24.0 million

PBT from Rahman Hydraulic Tin grew 137% in 1Q2017 to RM14.7 million

Kuala Lumpur, 9 May 2017 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) has today announced its financial results for the first quarter ended 31 March 2017 (“1Q2017”).

The Group recorded a lower 1Q2017 profit before tax (“PBT”) of RM24.0 million year-on-year, mainly due to an absence of a favorable valuation adjustment of RM10.1 million of the Group’s tin inventory and a net foreign exchange gain of RM8.7 million in 1Q2016.

However, on an adjusted basis, after eliminating the inventory valuation adjustments and foreign exchange translation impact, the Group’s PBT almost doubled from the previous year’s corresponding period.

According to the Kuala Lumpur Tin Market, the average tin prices in 1Q2017 rose by 31% to USD20,037/tonne from USD15,305/tonne in 1Q2016.

MSC’s tin mining operations at the Rahman Hydraulic Tin (“RHT”) mine, the largest open pit tin mine in Malaysia, was the main contributor to the Group’s PBT. It grew 137% to RM14.7 million in 1Q2017, from RM6.2 million in 1Q2016, driven by higher tin prices in 1Q2017.

Dato' Dr. Patrick Yong, Chief Executive Officer of MSC said, "Our performance in 1Q2017 was supported by favourable tin prices. We hope that this will continue. Nonetheless, we will continue to take the necessary steps to mitigate the risks of volatile tin prices."

"We continue to look for new and innovative ways to remain competitive, such as upgrading our smelting technology to the modern Top Submerged Lance ("TSL") furnace which should improve our operational and cost efficiencies and benefit the Group's business in the long run."

In 1Q2017, MSC generated a strong net operating cash flow of RM40.3 million, compared with a negative net operating cash flow of RM10.1 million in 1Q2016. MSC's total borrowings reduced by RM54.9 million to RM284.6 million as at end March 2017, from RM339.5 million as at end December 2016. Gearing ratio improved to 1.0 times as at end March 2017 from 1.2 times as at end December 2016.

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 2016, the Group produced 26,802 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 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.

For media enquiries, kindly contact:

Name: Keow Mei-Lynn

Email: meilynn@capitalfront.biz

Tel: 012-250 5575