



MEDIA RELEASE

MSC announces 1QFY18 results

-
- *Performance affected by short-term duplication of costs in preparation of strategic move to new smelter in Pulau Indah, Port Klang*

Kuala Lumpur, 8 May 2018 – 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 2018 (“1QFY18”).

During the quarter under review, MSC reported a Group revenue of RM357.0 million, a 12% decrease from the previous year’s corresponding quarter (“1QFY17”). Group profit before tax (“PBT”) stood at RM7.1 million as compared to RM17.7 million in 1QFY17.

Although the Group’s production and sales volumes have increased and tin prices have risen in USD over the previous period, these were more than offset by the significant appreciation of the RM against the USD.

MSC’s tin mining division contributed a profit before tax of RM9.9 million whilst the tin smelting division recorded a loss before tax of RM2.2 million for 1QFY18.

Commenting on the financial performance, Dato’ Dr. Patrick Yong, Chief Executive Officer of MSC said, “The performance of the Group’s tin smelting division continues to be affected by the inefficiencies of aged equipment at the Butterworth smelting facility. This has resulted in higher operating expenses and production costs due to lower recovery yields.”

“Furthermore, operating costs have increased as the Group has commenced small scale refinery work as part of our testing and commissioning process at the Group’s new plant in Pulau Indah, Port Klang. As we are in the early stages, we will be operating both smelters concurrently until the new smelter reaches a stable state.”

“We are confident that the Group’s performance will improve when we commence production at the Pulau Indah, Port Klang plant and phase out production at the Butterworth plant. Once the new smelter is fully operational, we expect recovery yields, production and cost efficiencies to be enhanced significantly.”

As at 31 March 2018, MSC’s total borrowings reduced by 6.3% to RM424.5 million due to lower utilization of short term trade financing facilities. Gearing improved to 1.4 times from 1.6 times as at 31 December 2017.

On the corporate front, the Group has proposed a 2-for-1 share split and 1-for-1 bonus issue. The corporate initiatives are aimed at rewarding MSC’s shareholders while enhancing the marketability and liquidity of its shares to potential shareholders. The completion of the proposals are subject to the approval of shareholders at the forthcoming Extraordinary General Meeting of the Group as well as Bursa Securities, which was obtained on 7 May 2018.

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. 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.

-end-

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