



## MEDIA RELEASE

### MALAYSIA SMELTING CORPORATION FIRST QUARTER 2016 EARNINGS IMPROVED ON HIGHER SALES VOLUME AND IMPROVED TIN PRICES

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Higher sales quantity and improved tin prices helped to lift earnings at Malaysia Smelting Corporation Berhad (“MSC”) in the first quarter of 2016. The integrated tin metal producer today announced its quarterly financial results for the period ended 31 March 2016 (1Q 2016). The Group registered a profit before tax of RM32.8 million, a significant improvement from a loss before tax of RM1.9 million in the corresponding quarter in 2015.

Besides improving market condition in the first quarter and higher sales quantity of refined tin, a favourable valuation adjustment on tin inventory arising from higher closing tin price at end of 1Q 2016 and a positive impact of foreign currency translations were the other major reasons for earnings improvement. All the Group’s core business units continue to remain profitable.

Group revenue were also higher at RM408 million in 1Q 2016 from RM381 million in prior corresponding period, contributed by higher sales quantity this year. Net of tax, profit in 1Q 2016 was RM24.9 million, compared with a loss net of tax of RM2.9 million in the corresponding period of the previous year.

Although base metal prices, including tin, have recovered from its lows in 2015 the outlook for the global commodity and resource sector is still unstable amid continuing concerns on global macroeconomic issues and Chinese consumption appetite for base metals. But despite these challenges and concerns, the underlying core operations of the Group comprising Butterworth International Smelter and the Rahman Hydraulic Tin mine are expected to perform satisfactorily for the current financial year. The Board, however, remains cautious that the Group’s financial results will continue to be affected by volatility in tin price and currency.

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