

Malaysia Smelting Corporation Berhad Expands Smelting Capacity

The Board of Directors of Malaysia Smelting Corporation Berhad ("MSC" or "the Company") wishes to advise MSC unveiled its 6th fuel fired reverberatory furnace today in a simple ceremony.

MSC's smelter has been operating at its present site in Butterworth the past 112 years. The original plant was destroyed during the Second World War and the existing plant was rebuilt and operation recommenced in 1955. The plant has been operating on 5 furnaces since the early 1960s and the introduction of a 6th furnace after nearly 50 years is a significant milestone for the Company.

The new furnace was built at a cost of about RM3.5 million and is expected to contribute an additional 15% to the Company's overall smelting capacity. The additional capacity will enable the smelter to have a more effective flow-sheet providing opportunities for smelting of additional feedstock, reduction of intermediate stocks and enhancing its by-product stream.

MSC's current annual refined tin production is about 35,000 tonnes representing about 10% of the world production of refined tin.

The expansion is in line with the Company's strategy to consolidate its position as the largest and most cost effective custom tin smelter in the world. It also demonstrates the Company's continued confidence in the tin industry going forward. MSC Group has a strong reputation in the global tin industry and its Butterworth smelter remains a reliable smelting outlet for producers of primary and secondary tin bearing materials.

The MSC Butterworth plant is the first tin smelter in the world to be accredited to ISO 9001 and, more recently, has also been certified by the governing international body as a Conflict Free Smelter.

The enlarged smelting capacity is expected to contribute positively to future earnings of the Company.

This announcement is dated 16 December 2014.

By Order of the Board,
Sharifah Faridah Abdul Rasheed
Company Secretary