

MEDIA RELEASE

MALAYSIA SMELTING CORPORATION BOTTOMLINE IMPROVES
IN THIRD QUARTER 2015

Kuala Lumpur
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Tin miner and metal producer Malaysia Smelting Corporation Berhad (“MSC”) today reported group profit before tax of RM28.8 million in the third quarter of 2015 (3Q 2015), compared with a profit before tax of RM9.3 million in the same period of 2014.

The improved profit is aided by a favourable valuation adjustment on tin inventory arising from a higher closing tin price at the end of 3Q 2015, although this was partially off-set by a negative impact of foreign currency translation and a lower operating profit of Rahman Hydraulic Tin mining operations.

For the first nine months of 2015, the group recorded a lower profit before tax of RM7.6 million compared with a profit before tax of RM39.3 million in 9M 2014 mainly due to a negative impact of foreign currency translation caused by a depreciation in Ringgit, as well as to a lesser extent, a lower operating profit of Rahman Hydraulic Tin mining operations.

The international commodity markets, including tin, and local currency have exhibited significant price and exchange rate volatilities in 2015. While this has impacted MSC’s bottom-line in recent quarters in terms of non-cash adjustments of inventory valuation and currency translation, the Group core operations have continued to deliver credible performance consistently.

MSC’s financial position continues to be healthy, as evidenced by its cash, bank balances and deposits and a progressively reduced borrowings level. Net assets value per share has improved in tandem from RM2.34 as at 31 December 2014 to RM2.38 as of 3Q 2015.

Despite the continuing uncertain global economic outlook and challenging market conditions, the Group believes that its core operations comprising Butterworth International Smelter and the Rahman Hydraulic Tin mine are expected to continue to perform satisfactorily for the current year. The Board remains cautious that the Group’s financial results will continue to be impacted by tin price and foreign exchange fluctuations.

For media inquiries:

Chan Yaw Phang
Corporate & Investor Relations Manager
Malaysia Smelting Corporation Berhad
Tel : +603-2162 0868
Mobile: +6012 9388 078
Email: chan.yip@msmelt.com