

MEDIA RELEASE

MSC reports full-year results for FY2017, looking forward to the move to Pulau Indah

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- *Tin mining segment net profit improved, supported by rising tin prices*
 - *Inefficiencies in our smelting operations due to aged equipment will be addressed by the move to a new plant*
 - *Declares 4 sen dividend*

Kuala Lumpur, 22 February 2018 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) today announced its financial results for the full year ended 31 December 2017 (“FY17”).

During the year, average tin prices grew by 12% to USD20,036/tonne from USD17,867/tonne in 2016 (Source : Kuala Lumpur Tin Market). This led to the Group’s tin mining segment to report a 20% rise in net profit to RM34.9 million for FY17.

Lower recovery of tin from our aged smelting equipment contributed to higher production costs and higher operating expenses. This caused the tin smelting segment to register a net loss of RM20.0 million in FY17 as compared to a profit of RM14.3m in FY16. Also contributing to this difference was a favourable inventory valuation adjustment of RM17.4 million in FY16.

As a result, MSC delivered a FY17 Group net profit and revenue of RM15.9 million and RM1.4 billion respectively. MSC has also proposed a single tier final dividend of 4 sen per share, representing a dividend payout of 25% of

FY17 net profit. This dividend is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

Dato' Dr. Patrick Yong, Chief Executive Officer of MSC said, "In spite of the challenging operating environment, we remained resilient and managed to deliver a satisfactory financial performance for FY17."

Moving forward, MSC remains committed in its efforts to improve cost rationalisation and operational efficiencies as the Group moves closer to the completion of the technology upgrade of its smelting furnace in its new location in Pulau Indah, Port Klang.

Once completed, the new furnace technology platform will enhance the Group's competitive position in the market place as it will improve cost competitiveness, simplify the smelting process flow, increase production capacity, and significantly reduce carbon footprint.

On the Group's future outlook, Dato Dr. Patrick Yong commented, "We are optimistic on the Group's future growth prospects as more discoveries are made for new tin applications. One key area of growth is the use of tin in lithium-ion batteries in electric vehicles. As more countries and major automotive manufacturers prioritize electric vehicles, this will create a robust demand for tin."

"Our strategy moving forward will remain on executing the rationalisation exercises as well as seizing new opportunities to drive growth for us in the coming years."

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.

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Released on behalf of Malaysia Smelting Corporation Berhad by Capital Front Investor Relations.

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