



MEDIA RELEASE

MSC 1QFY19 net profit rose 88% YoY to RM8.6million

- *Improved mining output and favourable tin prices lifted earnings*

Kuala Lumpur and Singapore, 3 May 2019 – 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 2019 (“1QFY19”).

For the quarter under review, the Group’s net profit almost doubled to RM8.6 million from RM4.6 million in the previous year’s corresponding quarter (“1QFY18”) as both the Group’s tin smelting and mining divisions reported stronger performance during the quarter.

According to the Kuala Lumpur Tin Market (“KLTM”), average tin prices in 1QFY19 remained relatively unchanged at USD21,001/tonne as compared to USD21,007/tonne in 1QFY18. However, the appreciation of the US Dollar (“USD”) against the RM during the quarter led to higher average tin prices in RM terms.

The Group’s tin mining division continued to be the main contributor to the Group’s earnings. Mining operations at Malaysia’s largest tin mine, Rahman Hydraulic Tin, recorded higher daily output of tin-in concentrates since mid-July 2018.

The improved production output, coupled with a rise in average tin prices in RM terms, led the tin mining division to record a 31% year-on-year increase in net profit to RM9.4 million for 1QFY19, from RM7.2 million previously.

Meanwhile, the tin smelting division achieved a net profit of RM1.4 million for the quarter, as compared to a net loss of RM2.1 million in 1QFY18. The growth was on the back of higher sales of by-products as well as lower provision of tin loss.

Group revenue stood at RM307.4 million due to lower sales volume of refined tin.

Commenting on the Group's results, Dato' Dr. Patrick Yong (杨满堂), Group Chief Executive Officer of MSC said, "We are delighted to have started the year on a solid footing with both our segments posting strong growth. Nonetheless, we are cognizant of the challenging business landscape as we endeavour to enhance the Group's operational and cost efficiencies in order to remain competitive."

"We continue to make progress on the upgrading of our smelting plant at Pulau Indah, Port Klang, as part of our internal rationalization efforts. At the moment, initial testing and commissioning works are being carried out at the Pulau Indah smelter. The facility is expected to be fully-operational by 2020 with the ISASMELT technology, where we expect to significantly improve our recovery yields with lower manpower costs. Until then, there will be duplication of expenses as we operate two plants concurrently with only the Butterworth smelting plant generating revenue."

"As for the Group's tin mining operations, our focus will be on increasing our mining productivity, while exploring new tin deposits to support the smelting operations. In Sungai Lembing, earthworks and construction of mine facilities are currently underway, as we expect to commence commercial production this year."

As at 31 March 2019, total bank borrowings were further reduced to RM284.7 million, from RM293.0 million as at 31 December 2018, due to repayment of short-term borrowings. The Group's gearing ratio remained unchanged at 0.8 times.

ABOUT MALAYSIA SMELTING CORPORATION BERHAD

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 which is a subsidiary of The Straits Trading Company Limited of Singapore is listed both on the Main Market of Bursa Malaysia and the Main Board of Singapore Exchange.

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

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