



MEDIA RELEASE

MSC 3Q2017 revenue grew by 25% to RM403.2 million

Kuala Lumpur, 9 November 2017 – Tin miner and metal producer, Malaysia Smelting Corporation Berhad (“MSC” or “the Group”) today announced its financial results for the third quarter ended 30 September 2017 (“3Q2017”).

For the quarter under review, MSC recorded a revenue of RM403.2 million, representing an increase of 25% as compared to the Group’s revenue of RM323.1 million in 3Q2016. The growth is on the back of higher sales volume of refined tin from the tin smelting division and higher tin prices in 3Q2017.

9M2017 Group revenue stood at RM1.1 billion, unchanged from 9M2016. MSC reported a 9M2017 Group PBT of RM41.3 million as compared to RM46.6 million in 9M2016. The decrease was mainly attributable to the absence of a favourable tin inventory adjustment and foreign exchange differences, offset by higher net share of loss of associate and joint ventures in 9M2016. Excluding those non-operational items, the Group’s adjusted PBT in 9M2017 increased by 3% from 9M2016.

The Group’s tin mining segment continues to be the main profit driver, contributing more than 90% to the Group’s PBT for the cumulative nine month period ended 30 September 2017 (“9M2017”). The tin mining segment recorded a PBT increase of 67% year-on-year to RM36.8 million, driven by favourable tin prices.

Commenting on the Group's financial performance, Dato' Dr. Patrick Yong, Chief Executive Officer of MSC said "Our financials in 9M2017 as compared to 9M2016 was driven by higher tin prices. Consequentially, the PBT margin from our tin mining segment improved from 18% in 9M2016 to 26% in 9M 2017. We remain committed to improve our operational efficiencies to achieve our goal of becoming one of the leading low cost tin smelters in the world. The progress of upgrading our smelting furnace technology remains on track."

According to the Kuala Lumpur Tin Market, tin prices in 9M2017 averaged USD20,128/tonne, 19% higher from USD16,932/tonne in 9M2016.

He added, "Whilst the industry outlook is expected to remain challenging due to volatile foreign exchange rates and metal prices, the Group remains positive on the long-term opportunities presented by the tin industry. Demand for tin is expected to be driven by the growing number of applications of tin in new technologies, especially in Lithium-ion batteries using tin alloys and tin compounds."

The Group also saw a decrease in the net share of loss of associates and joint ventures of RM0.1 million in 9M2017 in comparison with a net share loss of RM29.8 million in 9M2016. The share of loss in 9M2016 was mainly due to the provision of additional prior years tax liabilities from the Group's investment in a joint venture, KM Resources, Inc.

As at 30 September 2017, the Group's gearing ratio improved to 1.1 times from 1.2 times as at 31 December 2016.

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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