

**ANNOUNCEMENT TO BURSA MALAYSIA BERHAD:
DEVELOPMENTS AT THE COMPANY'S 75% OWNED SUBSIDIARY,
PT Koba TIN IN INDONESIA**

The Board of Directors of Malaysia Smelting Corporation Berhad wishes to advise that the legal counsel for the Company's 75% owned subsidiary, PT Koba Tin, has informed that the three directors of PT Koba Tin who had been charged with the collection of tin ore from small scale miners operating outside its Contract of Work (CoW) area have been fully acquitted of all charges today by the District Court of Sungailiat in the Province of Bangka Belitung with the following judgment details:

Effective immediately:

1. the three executive directors are fully acquitted of all criminal charges as charged by the prosecutor;
2. the three executive directors are legally proven to be free of all charges;
3. the rights, privileges status, dignity and integrity of the three executive directors are respectively restored;
4. the good names of the three executive directors are respectively reinstated;
5. the State to bear all costs and charges related to the charge; and
6. all evidence related to charge shall be returned to PT Koba Tin.

The Board is pleased with the judgment of the District Court of Sungailiat in the Province of Bangka Belitung and would like to reiterate that PT Koba Tin is a responsible corporate citizen, operating within the legal parameters of Indonesian laws including paying of taxes and royalty for the export of tin from its leases and undertaking the necessary environmental and rehabilitation works.

The Company acquired 75% stake in PT Koba Tin in 2002. PT Koba Tin operates under a CoW issued by the Indonesian Central Government and covering a total mining acreage of about 41,000 ha. The CoW has enough reserves to last until its expiry date at the end of 2013.

This announcement is dated 1 August, 2007.

By order of the Board,
Abdul Rahim Hussain
Sharifah Faridah Abd. Rasheed
Company Secretaries