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## MSC's net profit jumps 61 pct to RM30.55 mln in Q3

Last update: 11/11/2019

KUALA LUMPUR, Nov 11 -- Tin miner and metal producer Malaysia Smelting Corporation Bhd's (MSC) net profit surged 61.8 per cent to RM30.55 million in third quarter ended Sept 30, 2019 from RM11.66 million a year earlier.

The group said higher net profit for the quarter was mainly attributed to a one-off provision writeback for tribute payments no longer required, amounting to RM48.4 million.

Revenue, however, declined to RM204.31 million from RM309.43 million year-on-year due to lower sales volume of refined tin during the quarter.

MSC group chief executive officer Datuk Dr Patrick Yong said the group remained cognisant of the challenging operating landscape and would continue to build its core competencies to navigate through uncertain times.

"With the prolonged trade tensions between the US and China, the industry outlook is expected to remain challenging for the rest of the year. We see softer demand for tin solder, resulting in a build-up in tin inventories which could lead to a decline in tin prices," he said in a statement today.

On the group's Pulau Indah smelting facility in Port Klang, Yong said initial testing and commissioning works are underway and it is expected to commence full operations in 2020 using an energy-efficient smelting furnace or ISASMELT.

"With this technology upgrade, we look forward to higher recovery yields with lower operational and manpower costs. Until then, our financial performance will continue to be impacted by the running of two smelting plants in parallel, with only the Butterworth smelter generating revenue," he added.

For its tin mining segment, Yong said MSC's focus is to improve its overall mining productivity, including efforts to increase the daily mining output at its Rahman Hydraulic Tin mine in Klian Intan, Perak, and exploring new tin deposits.

"Meanwhile, we expect the tin mining activities in Sungai Lembing, Pahang to start contributing in the near term. At the same time, we are also exploring potential joint-venture mining arrangements to expand our tin mining activities," he added.

As at Sept 30, 2019, total bank borrowings increased to RM297.9 million from RM293.0 million as at Dec 31, 2018 due to drawdown of short-term borrowings for working capital purposes. The group's gearing ratio remained at 0.8 times as at Sept 30, 2019.

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