

## Malaysia Smelting Corp's profit soars almost eight-fold in FY2021



18/02/2022 08:36 PM

KUALA LUMPUR, Feb 18 – Malaysia Smelting Corporation Bhd's (MSC) net profit soared almost eight-fold to a record high of RM118.06 million in the financial year ended Dec 31, 2021 (FY2021) from RM15.16 million in FY2020 due to higher average tin prices.

Revenue rose 32 per cent to RM1.08 billion from RM813.36 million previously.

In a Bursa Malaysia filing, the tin miner and metal producer said earnings were lifted by favourable tin prices averaging RM130,575 per metric tonne (MT) last year compared with RM71,559 per MT in 2020.

The tin mining division was the main earnings driver with net profit jumping more than five times to RM109.4 million in FY2021 from RM20.6 million in the preceding year.

“The growth was on the back of high tin prices, as well as increased tin production during the year,” MSC said.

Meanwhile, the tin smelting division reported lower production of refined tin in FY2021 due to operational disruptions following the Full Movement Control Order 3.0 enforced from June 1, 2021, and the subsequent force majeure that commenced from June 7, 2021, until Dec 20, 2021.

(The French legal term “force majeure” refers to uncontrollable and unforeseeable event/s which prevented the fulfilment of a contract.)

“This was offset by a reversal of inventories written down amounting to RM24.0 million in the first quarter (Q1) of FY2021 and higher margins from the sales of refined tin derived from its tin intermediates.

“As a result, the tin smelting division reported a FY2021 net profit of RM12.1 million from RM3.2 million in the previous year,” MSC said in a media statement.

Its board of directors has recommended a first and final dividend of seven sen per share for FY2021, up from one sen per share in FY2020.

On its outlook, group chief executive officer Datuk Dr Patrick Yong said the tin supply deficit was forecast to continue, which would sustain tin prices in the short to medium term.

“At the same time, tin demand remains robust in line with the global growth of electric vehicles, photovoltaic installations and consumer electronics, among others,” he said.

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