

# Masteel

**MALAYSIA STEEL WORKS (KL) BHD**

PRESS RELEASE

## Stellar performance for Masteel 2Q21 net profit

- *Fourth consecutive quarter of profit growth on higher sales volume and selling prices*
- *Positive outlook for second half of 2021 (2H21) as construction sector demand increases*

Petaling Jaya, Malaysia, 28 September 2021 - Integrated steel manufacturer Malaysia Steel Works (KL) Bhd (Masteel; the Group; 马来西亚钢厂（吉隆坡）有限公司; Bloomberg: MSW MK; Reuters: MSWK.KL) continued its stellar performance in the second quarter ended 30 June 2021 (2Q21) with a net profit of RM 9.4 million, supported by higher sales volume and selling prices of steel bars.

The better 2Q21 performance represents a turnaround from net loss of RM 22.5 million in the same quarter a year ago, as well as the Group's fourth consecutive quarter of net profit growth.

Despite the strict workforce regulation on all sectors from June 2021, group revenue rose 80.5% to RM 353.1 million in 2Q21, from a low revenue base of RM 195.6 million last year resulting from the total lockdown just as the Covid-19 pandemic started.

“We could have reported an even stronger 2Q21, if not for the implementation of Full Movement Control Order (FMCO) in June 2021.

The improved performance was supported by the efficiency of our operations in adapting to the Covid-19 pandemic situation in Malaysia. Additionally, our strategic location in the Klang Valley near to key construction activities, along with our large capacity and reliable delivery, places us favourably in capturing the uptake in steel bar demand.

We are heartened that FMCO restrictions have eased since September 2021 under the National Recovery Plan, allowing us to resume optimal production rate and support the construction industry's return to full activity.”

***Dato' Sri Tai Hean Leng (“拿督斯里戴贤龙”),  
Managing Director and CEO of Malaysia Steel Works (KL) Bhd***

Group revenue for the first half ended 30 June 2021 (1H21) rose 33.6% to RM 792.9 million, while earnings saw a turnaround to a net profit of RM 17.8 million compared to net loss of RM 26.7 million in the corresponding period a year ago.

Commenting on prospects, Dato' Sri Tai said: “The steel and construction industries faced a challenging time amid the FMCO period. We were only permitted to undertake warm idling activity for maintenance of our plant and machinery, while the activities of many of our customers were also halted.”

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“With the FMCO lifted, we are now seeing steel bar orders from the construction sector resume strength. We expect steel bar demand to pose a gradual recovery to pre-FMCO levels from 2H21, supported by fulfilment of ongoing construction jobs, as well as major infrastructure projects to be rolled out.”

“We will also continue to export our steel products to the regional markets where demand remains firm. Against this backdrop, we are confident of delivering resilient 2H21 performance.”

### **About Masteel**

Malaysia Steel Works (KL) Bhd, listed on the Main Market of Bursa Malaysia Securities Berhad, is one of the top five integrated steel companies in Malaysia. It is involved in the manufacturing of high-tensile deformed steel bars, mild steel round bars and steel billets.

It has 68 domestic dealers and exports its steel products to Australia, New Zealand, Papua New Guinea, Indonesia, Singapore, Vietnam, Philippines and China.

Issued for and on behalf of MALAYSIA STEEL WORKS (KL) BHD by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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