

Masteel profit before tax surges 34.0% to RM17.4 million in 1Q22

- ***Net profit increases by 57.4% to RM13.2 million, buoyed by higher selling prices of steel and recovery of Malaysia economy***
- ***Favourable prospects in line with the resumption of construction activities***

Petaling Jaya, Malaysia, 26 May 2022 - 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: MSWMK; Reuters: MSWK.KL)** saw its profit before tax surge by 34.0% to RM17.4 million for the first quarter ended 31 March 2022 (1Q22) from RM13.0 million in tandem with the recovery of average selling price and higher margin.

Net profit increased by 57.4% to RM13.2 million from RM8.4 million for the previous year corresponding quarter, supported by higher selling prices of the Group's steel products and the recovering Malaysia's economy. The better profit performance was achieved on 4.0% higher revenue of RM457.4 million, versus RM439.7 million previously.

“Our 1Q22 operations continued to benefit from the accelerated construction activities, since the recommencement of projects in late last year after stop-work orders to curb COVID-19 were lifted. Coupled with the increased utilization of our production facilities, the higher selling prices have also contributed to our improved profitability during the quarter, and bode well for the upcoming quarters as well.

With the positive start, we are looking forward to a favourable year ahead as Malaysia transitions to an endemic phase alongside a normalised economic situation for the nation.”

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

As the construction sector for the nation picks up and with the gradual normalisation of the international supply chain, demand for building materials is expected to be on an improving trend which would support the prices of steel in the near term.

Commenting on prospects, Dato' Sri Tai said: “With an improved value of construction works in Malaysia, there will be a continued demand for steel bars as they are essential materials used for construction works. Indeed, we play a vital enabling role as a producer of steel products just as the economy is on path of recovery.”

“Our two Klang Valley manufacturing facilities are poised to support the requirements of high impact projects which are capable of improving our economy post-COVID; the case in point being the recently-announced Mass Rapid Transit 3 (MRT 3).

“While optimistic of delivering a resilient FY2022 performance, we remain cautious of the trickling effects from high interest rate and inflationary pressure which could impact the global economic recovery.”

Masteel

MALAYSIA STEEL WORKS (KL) BHD

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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