

Masteel profit surges in 3Q17

- *Net profit leaps 31 times to RM38.7 million in 3Q17, on revenue growth of 45.7% to RM401.4 million*
- *Benefitting from higher sales volume and selling prices on the back of improving market conditions*
- *On track for outperformance in FY2017; seeing robust steel bar demand from domestic construction industry*

Petaling Jaya, Malaysia, 23 November 2017 - Integrated steel manufacturer Malaysia Steel Works (KL) Bhd (**Masteel**, 马来西亚钢厂（吉隆坡）有限公司, Bloomberg: MSW MK; Reuters: MSWK.KL) is on track for outperformance as net profit surged 31 times to RM38.7 million in the third quarter ended 30 September 2017 (3Q17) from RM1.2 million a year ago.

Revenue rose 45.7% to RM401.4 million from RM275.5 million previously.

The stellar top and bottom line growth was attributed to higher selling prices of steel bar and increased sales volume, on the back of improving market conditions and robust demand from the domestic construction industry.

Meanwhile, the Group's new steel rolling mill, commenced since the second half of 2016, also contributed towards the additional sales volume and profit margin improvement. The new mill, being the Group's third facility, manufactures premium-grade steel bars and has an annual capacity of 250,000 metric tonnes.

"We are benefitting from improved market conditions, led by stabilising international steel bar prices and reduction in capacity by various steel mills in China. This has contributed to better selling prices and stronger sales.

Meanwhile, we are also leveraging on our new rolling mill in Bukit Raja, Klang, to produce premium-grade steel bars that fetch better margins.

Overall, we would continue to benefit from strong demand for steel bars on the back of a vibrant construction industry, driven by numerous public infrastructure and transport projects. We are operating at optimal capacity utilisation and are set for strong performance for the rest of the year.

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

For the nine-month period ended 30 September 2017 (9M17), group revenue rose 20.8% to RM1.04 billion from RM861.8 million a year ago; while net profit leaped 272.7% to RM63.3 million from RM17.0 million previously.

Masteel

MALAYSIA STEEL WORKS (KL) BHD

Financial Summary (Unaudited Consolidated Results)						
RM'000	3Q17 to 30.09.17	3Q16 to 30.09.16	Change	9M17 to 30.09.17	9M16 to 30.09.16	Change
Revenue	401,445	275,451	45.7%	1,040,932	861,811	20.8%
Pre-tax Profit	23,995	2,529	848.8%	54,180	21,045	157.4%
Net Profit to Shareholders	38,670	1,243	3011.0%	63,342	16,996	272.7%
Basic EPS (sen)	12.88	0.51	2425.5%	21.10	7.02	200.6%

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 several international trading houses as partners in Australia, New Zealand, Indonesia, Singapore, Thailand, Vietnam and the Philippines.

Masteel has vast experience in the operations & maintenance of the latest process technologies and automation systems with over 40 years of track record of managing European-made steel mills and industrial plants.

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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