
Kinsteel posts lower Q3 pre tax profit

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Bernama reported that Kinsteel Bhd has recorded a lower pre tax profit of MYR 16.938 million for its third quarter ended September 30th 2009 as compared to MYR 102.744 million in the same quarter last year. Its revenue fell to MYR 457.684 million from MYR 844.914 million previously following lower steel prices in the quarter.

Nevertheless, Kinsteel said that its performance was better than the preceding quarter where it recorded a pre tax loss of MYR 74 million. The improvement was mainly due to improved prices for steel products.

For the 9 month period, Kinsteel posted a pre tax loss of MYR 150.388 million, a reversal from its pre tax profit of MYR 385.640 million in the same period last year. Its revenue during the period fell to MYR 1.537 billion from MYR 2.08 billion previously.

The group is optimistic for the current financial year despite uncertainties in the economic climate as implementation of the government's spending under the stimulus package commenced. Improvement in steel demand will depend on, among others, the effects of the government's stimulus packages, continuous stabilisation of the financial system and return of consumer's confidence.

It added that "While the operating climate is likely to remain challenging for the fourth quarter, there are signs of improvement in the market recently which augurs well for the group."

(Sourced from www.bernama.com)

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