

KUALA LUMPUR (May 28): Construction firm Kerjaya Prospek Group Bhd (KL:KERJAYA) expects raw material prices to remain largely stable in 2025, despite concerns over commodity price fluctuations stemming from tariffs imposed by the US.

“At the moment, there is no impact on steel bar and concrete prices,” said Kerjaya Prospek non-independent non-executive chairman Datuk Seri Tee Eng Ho at a financial results briefing on Wednesday.

Overall, Tee expects material prices to hover around current levels, with fluctuations of not more than 5%. He added that the group may benefit in the short term from supply reallocation triggered by the tariffs, as some steel shipments originally intended for other markets have been re-directed to Malaysia, resulting in cheaper input costs.

However, he cautioned that in the longer term, supply chain disruptions due to factory closures and a potential surge in demand could tighten supply and lead to a spike in raw material prices.

“We are monitoring the trend closely,”

Kerjaya Prospek sees stable raw material prices despite US tariffs

BY JUSTIN LIM
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KERJAYA PROSPEK
GROUP BHD.

Tee said. Currently, Kerjaya Prospek is sourcing steel rebar at about RM2,300 per tonne and concrete grade G35 at about RM250 per cubic metre.

The US imposed a 25% tariff on all steel and aluminium imports effective March 12.

With raw material prices expected to remain stable, Kerjaya Prospek anticipates a steady improvement in margins.

“We are confident margins will soon return to the double-digit range,” Tee said.

The group’s net profit margin rose to 9.8% in the first quarter ended March 31, 2025 (1QFY2025), from 7.3% in the immediate preceding quarter, driven by prudent cost management and operational efficiency. It was slightly lower than the 10% margin achieved in 1QFY2024.



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KUALA LUMPUR (May 28): Property developer Yong Tai Bhd (KL:YONGTAI) is seeking to overturn the RM75.46 million adjudication ruling in favour of Kerjaya Prospek Group Bhd's (KL:KERJAYA) unit, as it claims that the case falls outside the scope of the Construction Act.

In a bourse filing on Wednesday, Yong Tai said its wholly owned subsidiary, Apple 99 Development Sdn Bhd, has filed a notice to stay and set aside the adjudication decision to the Shah Alam High Court.

Kerjaya Prospek's wholly owned unit Kerjaya Prospek (M) Sdn Bhd (KPM) in November last year filed the adjudication against Apple 99 for an alleged unpaid contract for a mixed development project in Melaka, known as "The Apple". The contract worth RM213.75 million was awarded to KPM in 2016.

Yong Tai to challenge adjudication decision to pay RM75 mil to Kerjaya Prospek

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On May 9, the adjudicator ordered Apple 99 to pay RM75.46 million to KPM, lower than the original claim of RM105.14 million.

In the latest announcement, Yong Tai said the adjudicator "has no jurisdiction to deal with the payment claim" as the contract under the Construction Industry Payment and Adjudication Act 2012

has been subsumed by the settlement and supplementary agreement.

"The adjudicator had failed to appreciate the different reliefs sought by KPM encompassing specific performance, which would result in potential unjust enrichment," it said.

"There are clear and unequivocal errors on the face of the adjudication decision," it stressed.

Yong Tai said it will make further announcements when there are material developments on this matter.

Shares in Yong Tai settled down half a sen or 2.78% to 17.5 sen on Wednesday, valuing the company at RM75.03 million.



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