


**MALAYSIA STEEL WORKS (KL) BHD**

(7878-V)

(Incorporated in Malaysia under the Companies Act, 1965)

OFFER FOR SALE OF 17,100,000 ORDINARY SHARES OF RM0.50 EACH AT AN OFFER PRICE OF RM1.30 PER ORDINARY SHARE, PAYABLE IN FULL ON APPLICATION, COMPRISING:

- (I) 11,829,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
- (II) 5,271,000 ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INVESTORS

AND

PUBLIC ISSUE OF 23,297,000 NEW ORDINARY SHARES OF RM0.50 EACH AT AN ISSUE PRICE OF RM1.30 PER ORDINARY SHARE, PAYABLE IN FULL ON APPLICATION, COMPRISING:

- (I) 6,650,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (II) 6,650,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY ELIGIBLE DIRECTORS AND EMPLOYEES, CUSTOMERS AND SUPPLIERS OF MALAYSIA STEEL WORKS (KL) BHD; AND
- (III) 9,997,000 NEW ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INVESTORS

IN CONJUNCTION WITH THE LISTING OF MALAYSIA STEEL WORKS (KL) BHD ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD

THE SUBSCRIPTION FOR THE ORDINARY SHARES TO BE OFFERED/ISSUED PURSUANT HERETO INVOLVES A CERTAIN DEGREE OF RISK. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGE 24 HEREIN.

*Adviser, Underwriter and Placement Agent*

**CIMB**

Commerce International Merchant Bankers Berhad

*Company Number 18417-M*

**This Prospectus is dated 17 January 2005**

P R O S P E C T U S

M A L A Y S I A S T E E L W O R K S ( K L ) B H D


**MALAYSIA STEEL WORKS (KL) BHD**

(7878-V)

**Head Office:**

29C, Off Jalan Tandang, Section 51,  
46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: 603 - 7781 1611 Fax: 603 - 7781 5811, 603 - 7781 3679

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE OFFER FOR SALE AND PUBLIC ISSUE AND THE APPROVAL OF THE SC SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFER FOR SALE AND PUBLIC ISSUE AND/OR THE FLOTATION OF MALAYSIA STEEL WORKS (KL) BHD ("MSW" OR THE "COMPANY") ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES"). THE SC SHALL NOT BE LIABLE FOR ANY MATERIAL NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN MSW. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE MAIN BOARD OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF MSW OR OF ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF MSW AND THE OFFERORS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT ESTIMATE AND FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT ESTIMATE AND FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD, BEING THE ADVISER, UNDERWRITER AND PLACEMENT AGENT ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE OFFER FOR SALE AND PUBLIC ISSUE AND IS SATISFIED THAT THE PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF MSW ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS OF MSW AFTER DUE AND CAREFUL ENQUIRY AND HAS BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

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**INDICATIVE TIMETABLE**

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The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of MSW on the Main Board of Bursa Securities is set out below:

<b>Event</b>	<b>Date</b>
Opening of Applications	17 January 2005
Closing of Applications	25 January 2005
Tentative Balloting Date	27 January 2005
Tentative Date of Dispatch of Notices of Allotment to successful applicants	4 February 2005
Tentative Listing Date of MSW's entire enlarged issued and paid-up share capital on the Main Board of Bursa Securities	7 February 2005

**Note:**

*Applications will be accepted from 10.00 a.m. on 17 January 2005 and will close at 5.00 p.m. on 25 January 2005 or for such further period or periods as the Directors of the Company and the Underwriter in their absolute discretion may decide. Should the closing date of the applications be extended, the notice of extension of the closing date will be published in a widely circulated newspaper in Malaysia. Late applications will not be accepted.*

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**DEFINITIONS**


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In this Prospectus, unless the context otherwise requires, the following abbreviations shall apply throughout:

“Act”	:	Companies Act, 1965
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“AFTA”	:	Association of South-East Asian Nations Free Trade Area
“Application”	:	The application for the Issue Shares by way of Application Forms or by way of Electronic Share Application
“Application Form(s)”	:	The printed application form(s) for the application for the Issue Shares
“ATM”	:	Automated Teller Machine
“Bursa Depository” or “Depository”	:	Bursa Malaysia Depository Sdn Bhd ( <i>formerly known as Malaysian Central Depository Sdn Bhd</i> ) ( <i>Company No.: 165570-W</i> )
“Bursa Securities”	:	Bursa Malaysia Securities Berhad ( <i>formerly known as Malaysia Securities Exchange Berhad</i> ) ( <i>Company No.: 635998-W</i> )
“CAV”	:	Commerce Asset Ventures Sdn Bhd ( <i>Company No.: 330858-U</i> )
“CDS”	:	Central Depository System
“CIMB”	:	Commerce International Merchant Bankers Berhad ( <i>Company No.: 18417-M</i> )
“CTV”	:	Commerce Technology Ventures Sdn Bhd ( <i>Company No.: 512485-M</i> )
“Electronic Share Application”	:	The application for the Offer/Issue Shares through a Participating Financial Institution’s ATM
“EPS”	:	Earnings per share
“FIC”	:	Foreign Investment Committee
“ISO”	:	International Standard Organisation
“Issue Share(s)”	:	23,297,000 new MSW Shares to be issued pursuant to the Public Issue at an issue price of RM1.30 per new MSW Share
“KRSB”	:	Kemajuan Rekacekap Sdn Bhd ( <i>Company No.: 161023-V</i> )
“Listing”	:	The admission to the Official List and the listing of and quotation for 133,000,000 MSW Shares representing the entire enlarged issued and paid-up share capital of MSW on the Main Board of Bursa Securities
“MIDA”	:	Malaysian International Development Authority
“MIH”	:	Malaysian Issuing House Sdn Bhd ( <i>Company No.: 258345-X</i> )
“MITI”	:	Ministry of International Trade and Industry
“MISIF”	:	Malaysian Iron and Steel Industry Federation

**DEFINITIONS (CONT'D)**

“MISIF Report 2003”	:	The 6th Report of Status and Outlook of the Malaysia Iron and Steel Industry 2003																																										
“MSW” or “the Company”	:	Malaysia Steel Works (KL) Bhd ( <i>Company No.: 7878-V</i> )																																										
“MSW Share(s)”	:	Ordinary share(s) of RM0.50 each in MSW																																										
“mt”	:	Metric tonne																																										
“NTA”	:	Net tangible assets																																										
“Offer for Sale”	:	Offer for sale by the Offerors of 17,100,000 MSW Shares at an offer price of RM1.30 per MSW Share comprising: <ul style="list-style-type: none"> <li>(i) 11,829,000 MSW Shares to the Bumiputera investors approved by the MITI; and</li> <li>(ii) 5,271,000 MSW Shares by way of private placement to identified investors, subject to the terms and conditions of this Prospectus</li> </ul>																																										
“Offerors”	:	The existing shareholders of MSW who are offering for sale the Offer Shares are as follows:																																										
		<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: right;">No. of Offer Shares</th> <th style="text-align: right;">Percentage of the enlarged share capital %</th> </tr> </thead> <tbody> <tr> <td>Advent Asia/Pacific Fund Limited Partnership</td> <td style="text-align: right;">562,388</td> <td style="text-align: right;">0.42</td> </tr> <tr> <td>Advent International Investor II Limited Partnership</td> <td style="text-align: right;">16,786</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td>Asia/Pacific Special Situation Fund Limited Partnership</td> <td style="text-align: right;">3,805,924</td> <td style="text-align: right;">2.86</td> </tr> <tr> <td>Malaysian Ventures (Two) Sdn Bhd (In Members' Voluntary Liquidation)</td> <td style="text-align: right;">478,830</td> <td style="text-align: right;">0.36</td> </tr> <tr> <td>SEAVI III Fund (A) Ltd</td> <td style="text-align: right;">974,264</td> <td style="text-align: right;">0.73</td> </tr> <tr> <td>SEAVI III Fund (B) Ltd</td> <td style="text-align: right;">599,498</td> <td style="text-align: right;">0.45</td> </tr> <tr> <td>SEAVI III Fund (D) Ltd</td> <td style="text-align: right;">593,752</td> <td style="text-align: right;">0.45</td> </tr> <tr> <td>Ssangyong Cement (Singapore) Ltd</td> <td style="text-align: right;">1,513,112</td> <td style="text-align: right;">1.14</td> </tr> <tr> <td>East Asia Fund Limited</td> <td style="text-align: right;">3,132,270</td> <td style="text-align: right;">2.36</td> </tr> <tr> <td>East Asia Fund II Limited</td> <td style="text-align: right;">155,964</td> <td style="text-align: right;">0.12</td> </tr> <tr> <td>CAV</td> <td style="text-align: right;">4,214,580</td> <td style="text-align: right;">3.17</td> </tr> <tr> <td>CTV</td> <td style="text-align: right;">1,052,632</td> <td style="text-align: right;">0.79</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">17,100,000</td> <td style="text-align: right; border-top: 1px solid black;">12.86</td> </tr> </tbody> </table>	Name	No. of Offer Shares	Percentage of the enlarged share capital %	Advent Asia/Pacific Fund Limited Partnership	562,388	0.42	Advent International Investor II Limited Partnership	16,786	0.01	Asia/Pacific Special Situation Fund Limited Partnership	3,805,924	2.86	Malaysian Ventures (Two) Sdn Bhd (In Members' Voluntary Liquidation)	478,830	0.36	SEAVI III Fund (A) Ltd	974,264	0.73	SEAVI III Fund (B) Ltd	599,498	0.45	SEAVI III Fund (D) Ltd	593,752	0.45	Ssangyong Cement (Singapore) Ltd	1,513,112	1.14	East Asia Fund Limited	3,132,270	2.36	East Asia Fund II Limited	155,964	0.12	CAV	4,214,580	3.17	CTV	1,052,632	0.79		17,100,000	12.86
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“Participating Financial Institution(s)”	:	The participating financial institution(s) for Electronic Share Application as listed in Section XIII(5)(ii)(o) of this Prospectus																																										

**DEFINITIONS (CONT'D)**

“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“PE Multiple”	:	Price earnings multiple
“Prescribed Security”	:	Ordinary shares of a company prescribed by Bursa Securities to be deposited into the CDS
“Public Issue”	:	The public issue of 23,297,000 new MSW Shares at an issue price of RM1.30 per new MSW Share payable in full on application, comprising: <ul style="list-style-type: none"> <li>(i) 6,650,000 new MSW Shares available for application by the Malaysian public;</li> <li>(ii) 6,650,000 new MSW Shares available for application by eligible directors and employees, customers and suppliers of MSW; and</li> <li>(iii) 9,997,000 new MSW Shares by way of private placement to identified investors, subject to the terms and conditions of this Prospectus.</li> </ul>
“SC”	:	Securities Commission
“SC Guidelines”	:	Policies and Guidelines on Issuc/Offer of Securities issued by the SC
“SGD”	:	Singapore Dollar
“Share Split”	:	Sub-division of par value for every existing ordinary share in MSW from RM1.00 to RM0.50
“SIRIM”	:	Standards and Industrial Research Institute of Malaysia
“SSCSB”	:	Soon Seng Company Sdn Bhd ( <i>Company No.: 6479-X</i> )
“TNB”	:	Tenaga Nasional Berhad ( <i>Company No.: 200866-W</i> )
“UER”	:	United Eastern Resources Sdn Bhd ( <i>formerly known as Café Latte Sdn Bhd</i> ) ( <i>Company No.: 416181-T</i> )
“sq. ft.”	:	Square feet
“RM”	:	Malaysian Ringgit
“USD”	:	United States Dollar

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