

PRESS RELEASE

## Masteel sets record-high RM1.0 billion sales in FY2010

- *Integrated steel manufacturer posts impressive turnaround with RM28.2 million group net profits*
- *Anticipates manageable cost structure with scrap metal as its primary feed stock*

Petaling Jaya, Malaysia, 24 February 2011 - 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) achieved a record-high group revenues of RM1.0 billion for the financial year ended 31 December 2010 (“FY2011”), posting strong 46.2% growth from RM687.3 million in the previous year.

The strong year-on-year growth was mainly attributable to increased demand for the Group’s steel products as well as higher prices.

Masteel also posted strong turnaround in FY2010, with group profits before tax and net profits amounting to RM30.1 million and RM28.2 million respectively, compared to losses before tax and net losses of RM8.5 million and RM8.1 million respectively in the previous year.

“The achievement of the RM1.0 billion sales mark is not merely a milestone in the Group’s corporate history, but more so a reflection of our scale of operations since establishment 40 years ago.

Given that our electric arc furnace uses scrap metal as the primary feed stock, our steel manufacturing operations are shielded from the impact of rising iron ore and coking coal prices. Coupled with the anticipated higher demand for steel bars and billets resulting from the expected recovery in global markets, we are optimistic of sustaining our growth momentum moving forward.”

**Dato’ Sri Tai Hean Leng (“拿督斯里戴贤龙”),**  
**Managing Director / Chief Executive Officer, Malaysia Steel Works (KL) Bhd**

Group earnings per share amounted to 13.62 per share in FY2010, versus loss per share of 4.35 sen in the previous year.

Financial Summary (Unaudited Consolidated Results)						
RM'000	4Q10 to 31.12.10	4Q09 to 31.12.09	Change	FY10 to 31.12.10	FY09 to 31.12.09	Change
Revenue	291,977	191,686	52.3%	1,004,785	687,263	46.2%
Pre-tax Profit	9,686	10,608	(8.7%)	30,080	-8,542	n/m
Net Profit to Shareholders	8,990	10,586	(15.1%)	28,176	-8,092	n/m
Basic EPS (sen)	4.35	5.44	(20.0%)	13.62	-4.35	n/m

For the three-month period ended 31 December 2010 ("4Q10"), Masteel recorded 52.3% increase in group revenues to RM292.0 million from RM191.7 million previously. Group net profits stood at RM9.0 million compared with RM10.6 million previously, largely due to a one-off RM4.3 million provision for a legal suit.

### About Masteel

Malaysia Steel Works (KL) Bhd is listed on the Main Market of Bursa Malaysia Securities Berhad. It is involved in the manufacturing of high-tensile deformed steel bars, mild steel round bars and steel billets. It exports 30% to 40% of its products and 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.

Masteel is one of the top five integrated steel companies in Malaysia.

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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