

Masteel perseveres in tough environment

- *Posts positive topline and bottomline performance in 4Q12 and FY2012*
- *Ongoing capacity expansion timely to tap market opportunities*

Petaling Jaya, Malaysia, 28 February 2013 - Integrated steel manufacturer **Malaysia Steel Works (KL) Berhad (Masteel)**, 马来西亚钢厂（吉隆坡）有限公司, Bloomberg: MSW MK; Reuters: MSWK.KL) has bucked industry trends by posting profit net profit of RM2.73 million for its fourth quarter ended 31 December 2012 (4Q12), ending its financial year (FY2012) positively with net profit of RM23.9 million.

By comparison, Masteel recorded net loss of RM13.33 million in 4Q11 and FY2011 net profit of RM24.35 million. The positive performance was achieved on the back of improved operations efficiency, as well as lower costs.

4Q12 and FY2012 revenue stood at RM315.21 million and RM1.31 billion respectively. By comparison, it recorded 4Q11 and FY2011 revenue of RM336.66 million and RM1.25 billion respectively.

“We are pleased to have posted positive performance despite the tough, challenging environment in the local steel production industry throughout the year.

Our strategic location within the Klang Valley has allowed us to play a key supportive role in nation-building initiatives rolled out last year. We also continued to benefit from ongoing strategies to improve efficiencies at our two plants in Selangor.

With the accelerated implementation of more Economic Transformation Programme (ETP) projects in 2013, the steel products that Masteel produces are expected to remain in high demand. As such, we are confident of a strong showing this year, barring unforeseen circumstances.”

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

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MALAYSIA STEEL WORKS (KL) BHD

Financial Summary (Unaudited Consolidated Results)						
RM'000	4Q12 to 31.12.12	4Q11 to 31.12.11	Change	FY12 to 31.12.12	FY11 to 31.12.11	Change
Revenue	315,209	336,655	(6.4%)	1,312,190	1,253,365	4.7%
Pre-tax Profit	2,882	(14,544)	N/M	24,436	24,898	(1.9%)
Net Profit to Shareholders	2,730	(13,330)	N/M	23,880	24,351	(1.9%)
Basic EPS (sen)	1.29	(6.33)	N/M	11.29	11.56	(2.3%)

(N/M: No Meaning)

Masteel's results stood out amongst the peers, as the industry faced challenges from lower selling prices and overcapacity in 2012.

However, with industry analysts opining that the continuous awarding of major rail, civil works, buildings and power plant projects will underpin medium term demand for the local steel sector going forward, the sector is due for a turnaround.

In light of this, Dato' Sri Tai said Masteel's plans in place to grow capacity will allow the Group to leverage on the expected demand from the domestic market.

"We have already delivered our products to many public sector and private-public projects under the ETP initiative and established a strong track record thus far."

"As we speak, our steel billet plant is being upgraded to 600,000 MT per annum capacity. We are also building a new mill, which will increase our steel bar production capacity to 550,000 MT."

"Our increased capacity coming on-stream in 2013/14 will effectively enable Masteel to take advantage of the opportunities in the local market," he concluded.

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About Masteel

Malaysia Steel Works (KL) Berhad 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.
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