

Masteel net profit rebounds by 173% to RM3.55 million in 1Q13

- *Iskandar Malaysia Rail project receives green light from Ministry of Transport*
- *Proposes final single-tier dividend of 0.5 sen per share in respect of FY2012*

Petaling Jaya, Malaysia, 31 May 2013 - 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) said today that its proposed inter-city rail transit network project in Iskandar Malaysia was on track.

Masteel's 60% joint venture company Metropolitan Commuter Network Sdn Bhd had received a letter from Ministry of Transport (MOT) to confirm its agreement to the rail project in Iskandar Malaysia.

"The increasing demand on the existing transportation infrastructure in the rapidly-developing Iskandar Malaysia region makes this commuter network even more necessary and urgent to handle the passenger load in and around the area as a long-term solution.

We have concluded fruitful meetings with the various regulatory bodies thus far, and all parties remain committed to seeing this project through. We hope to finalize the funding by mid-2013, which will then pave the way for the next stage of development."

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

The steel manufacturer had, in 2011, entered into a joint venture with KUB Malaysia Berhad to jointly build and operate the 100 km inter-city rail system from Iskandar Malaysia to Singapore.

The proposed rail system will be the first in the state of Johor, and is expected to ease traffic congestion in Johor. The system will also be linked to the Mass Rapid Transit line in Singapore.

Masteel

MALAYSIA STEEL WORKS (KL) BHD

Meanwhile, Masteel recorded net profit of RM3.55 million in the first quarter ended 31 March 2013 (1Q13), an impressive rebound from RM4.88 million loss in the corresponding period just a year ago.

“While steel prices were dampened across the industry in 1Q13, we successfully recorded net profit due to lower production costs resulting from our efficient operations.

“Overall, the Group expects to record satisfactory performance in the current year, contributed mainly by domestic demand, and the extensive implementation of many economic transformation programs (ETP) by the Government. Given our track record in being a reliable supplier for such projects, Masteel is set to play a key role in facilitating this domestic growth,” concluded Dato’ Sri Tai.

Masteel had earlier recommended a final single-tier dividend of 0.5 sen per share in respect of its financial results ended 31 December 2012 (FY2012) for shareholders’ approval at the upcoming Annual General Meeting.

Financial Summary (Unaudited Consolidated Results)				
RM'000	1Q13 to 31.3.13	1Q12 to 31.3.12	Change	FY12 to 31.12.12
Revenue	330,040	339,920	(2.9%)	1,312,189
Pre-tax Profit	3,776	-4,881	n/m	24,902
Net Profit to Shareholders	3,550	-4,881	n/m	24,346
Basic EPS (sen)	1.63	-2.32	n/m	11.51

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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