

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold all your ordinary shares in **MALAYSIA STEEL WORKS (KL) BHD**, you should at once hand this Circular to the agent through whom the sale was effected for transmission to the purchaser.

In respect of Part B, Bursa Malaysia Securities Berhad has not perused the same as Part B falls within the category of Exempt Circulars as provided for in paragraph 2.1(f) of Practise Note 18/2005 which does not require the same to be submitted to Bursa Malaysia Securities Berhad.

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MALAYSIA STEEL WORKS (KL) BHD

(7878-V)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

In Relation To

PART A

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B

PROPOSED SHARE BUY-BACK OF UP TO 14,630,000 ORDINARY SHARES OF RM0.50 EACH UNDER SCENARIO A IN PARAGRAPH 6.1(a) OF THIS CIRCULAR, OR UP TO 13,300,000 ORDINARY SHARES OF RM0.50 EACH UNDER SCENARIO B IN PARAGRAPH 6.1(a) OF THIS CIRCULAR, REPRESENTING UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY UNDER SCENARIO A AND SCENARIO B RESPECTIVELY

The resolutions pertaining to the above proposals are set out in the Notice of the Company's Thirty-Fourth Annual General Meeting which is attached in the Annual Report 2005 of the Company for the financial year ended 31 December 2005 together with the Form of Proxy. The Thirty-Fourth Annual General Meeting of the Company will be held at Rebana 1 & 2, Level 1, Convention Centre, Grand BlueWave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan on Tuesday, 30 May 2006 at 3.00 p.m. Please complete and return the Form of Proxy in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company not later than 48 hours before the time set for holding the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 28 May 2006 before 3.00 p.m.

This Circular is dated 8 May 2006

B H LAWRENCE & CO
Advocates & Solicitors

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular.

AGM	:	Annual General Meeting
Bursa Securities	:	Bursa Malaysia Securities Berhad
Company	:	Malaysia Steel Works (KL) Bhd or “MASTEEL”
CA	:	Companies Act 1965
Director(s)	:	Shall have the meaning given in Section 4 of the CA and includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer (or any company which is a subsidiary or holding company)
Group	:	Malaysia Steel Works (KL) Bhd and its subsidiaries
Listing Requirements	:	Listing Requirements of Bursa Securities including any amendments thereto that maybe made from time to time.
Mandated Related Party	:	As in paragraph 3.3
Major Shareholder	:	A person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share or the aggregate of the nominal amounts of those shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares in the company including any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a major shareholder as defined above (or any other company which is its subsidiary or holding company). For the purpose of this definition, “interest in shares” shall have the meaning given in section 6A of the CA.
Proposed RRPT Mandate	:	Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions for the Company and its subsidiaries in its normal course of business, to enter into the transactions set out in paragraph 3.4 of this Circular with persons who are considered to be “related parties” as defined in Chapter 10 of the Listing Requirements.
Related Party	:	Director, major shareholder or persons connected with such Director or major shareholder.
Related Party Transaction	:	Transactions entered into by the Company and/or its subsidiaries which involves the interest, direct or indirect, of a Related Party.
RRPT	:	Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and its subsidiaries and are on normal commercial terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.
RRPT Mandate	:	Shareholders’ mandate for the Company and its subsidiaries to enter into Recurrent Related Party Transactions.

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PART A

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**

MALAYSIA STEEL WORKS (KL) BHD
(7878-V)
(Incorporated in Malaysia)

Registered Office:
Unit 1009, 10th Floor, Amcorp Tower
Amcorp Trade Centre
No. 18, Jalan Persiaran Barat
46050 Petaling Jaya
Selangor Darul Ehsan.

8 May 2006

Board of Directors:

YBHG. SENATOR DATO' IKHWAN SALIM BIN DATO' HAJI SUJAK
(Non-Independent Non-Executive Chairman)

TAI HEAN LENG @ TEK HEAN LENG
(Managing Director / Chief Executive Officer)

ROSLY BIN AZIZ
(Non-Independent Non-Executive Director)

LEE KEAN BINH
(Executive Director)

LIM KIM HAI
(Independent Non-Executive Director)

NG WAH LOK
(Independent Non-Executive Director)

To: **The Shareholders of Malaysia Steel Works (KL) Bhd**

Dear Sir/Madam,

PART A: PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

On 30 May 2005, the Company had obtained shareholders' approval for a general mandate for the Company and its subsidiaries to enter into RRPT in the ordinary course of business of a revenue or trading nature which are necessary for the day-to-day operations of the Company and its subsidiaries based on normal commercial terms not more favourable to the Related Party than those generally available to the public and which are not to the detriment of the minority shareholders of the Company.

The said existing mandate for RRPT shall lapse at the conclusion of the forthcoming AGM unless its renewal is obtained from the shareholders at the forthcoming AGM.

The Board proposes to seek the approval of Shareholders for the renewal of the RRPT Mandate for the Company and its subsidiaries in its normal course of business, to enter into transactions set out in paragraph 3.4 below with persons who are considered to be "related parties" as defined in Chapter 10 of the Listing Requirements.

The Company had on 26 April 2006 made the announcement to the Bursa Securities pertaining to the above-mentioned Proposed RRPT Mandate.

2. APPROVAL REQUIRED

The purpose of this Circular is to provide Shareholders with details pertaining to the Proposed RRPT Mandate and to seek shareholders' approval for the resolution to be tabled at the forthcoming AGM to be convened on Tuesday, 30 May 2006 at 3.00 p.m. at Rebana 1 & 2, Level 1, Convention Centre, Grand BlueWave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.

3. DETAILS OF THE PROPOSED RRPT MANDATE

3.1 Part E, Paragraph 10.09 and 10.08 of the Listing Requirements

The details of the RRPT pursuant to Part E, Paragraph 10.09, which should be read in conjunction with Paragraph 10.08 of the Listing Requirements to be dealt with at the forthcoming AGM are as follows:

Recurrent Related Party Transactions

Under Part E, Paragraph 10.09 of the Listing Requirements, where related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations such as supplies of materials within the group of Companies, the listed issuer or its subsidiary(ies) with a related party, the listed issuer may seek a shareholders' mandate in respect of such transactions subject to the following:

- (a) The transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
 - (ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,whichever is the lower.
- (c) Issuing of Circular to shareholders by the listed issuer; and
- (d) The interested directors, interested major shareholders or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Where the Company has procured shareholders' mandate pursuant to paragraph 10.09(1) of the Listing Requirements, the provisions of paragraph 10.08 of the Listing Requirements shall not apply.

Related Party Transactions

Under Part E, Paragraph 10.08 (1) – (4) of the Listing Requirements, where transactions entered into by the listed issuer or its subsidiary(ies) with a Related Party, the listed issuer must make an immediate announcement to Bursa Securities in respect of such transactions and compliance in accordance with the following categories of transactions:

- (a) For a related party transaction where any one of the percentage ratios is equal to or exceeds 5%, the following must be complied with by the listed issuer:
 - (i) Issuing of circular to shareholders;
 - (ii) Obtaining shareholders' approval in general meeting; and

- (iii) Appointment of independent adviser or expert who is independent of the management and board of directors of the listed issuer which appoints it and free from any business or other relationship which could interfere with the exercise of independent judgement by such adviser or expert.

The independent adviser referred to in (iii) above must be appointed by the listed issuer before terms of the transaction are agreed upon, and it shall be the duty and responsibility of the independent adviser to:

- (aa) confirm to Bursa Securities of its eligibility to act as an independent adviser within a period of 2 weeks after the announcement of the transaction;
 - (bb) comment as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders and, such opinion must set out the reasons for, the key assumptions made, and the factors taken into consideration in forming that opinion.; and
 - (cc) advise minority shareholders on whether they should vote in favour of the transaction.
- (b) For a related party transaction where any one of the percentage ratios in equal to or exceeds 25%, the following must be complied with by the listed issuer:
 - (i) A main adviser, which shall be a merchant bank or Participating Organization that may act as principal adviser under the Commission's Policies and Guidelines on Issue/Offer of Securities, must be appointed by the listed issuer before terms of transaction are agreed upon, and it shall be the duty and responsibility of the main adviser to:
 - (aa) ensure that such transaction is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the listed issuer;
 - (bb) ensure that such transaction complies with the relevant laws/regulations/guidelines, where applicable;
 - (cc) ensure full disclosure of all information required to be disclosed in the announcement and circular; and
 - (dd) confirm to the Bursa Securities and Commission, after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.
 - (ii) An independent adviser, which shall be a merchant bank or a Participating Organization that may act as a principal adviser under the Commission's Policies and Guidelines on Issue/Offer of Securities, must be appointed by the listed issuer before terms of the transaction are agreed upon, and it shall be the duty and responsibility of the independent adviser to:
 - (aa) confirm to the Bursa Securities of its eligibility to act as an independent adviser within a period of two (2) weeks after the announcement of the transaction;
 - (bb) comment as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders and such opinion must set out the reasons for, the key assumptions made and factors taken into consideration in forming that opinion; and
 - (cc) advise minority shareholder on whether they should vote in favour of the transaction.

3.2 Shareholders' RRPT Mandate

The principal activity of the Company is the manufacturing of steel bars and steel billets.

The Board are seeking approval from Shareholders' for the Proposed RRPT Mandate, which shall be valid until either of the events in (a)-(c) below occurs first, which will allow the Company and its subsidiaries, in its normal course of business, to enter into the categories of RRPT referred to in paragraph 3.4 below, with the class of Related Party set out in paragraph 3.3 below, provided that such transactions, if any, are made at arms' length, on the Company's and its subsidiaries on normal commercial terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The RRPT Mandate is subject to annual renewal and shall only continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM of the Company at which the Proposed RRPT Mandate will be tabled;
- (b) the expiration of the period within which the next AGM of the Company after that date it is required to be held pursuant to Section 143(1) of the CA (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the CA); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Thereafter, Shareholders' Approval for a renewal of the Proposed RRPT Mandate will be sought at each subsequent AGM of the Company

3.3 Class of Related Party

The Proposed RRPT Mandate will apply to the following class of Related Party:

	Mandated Related Party	<i>Place of Incorporation</i>	Principal Activity
i.	Soon Seng Co (Selangor) Sdn Bhd	Malaysia	Retailing of general hardware, building materials, transportation and petroleum products.

3.4 Nature of RRPT and Estimated Annual Value

The type of RRPT to be covered by the Proposed RRPT Mandate relates principally to the following and such transactions are necessary for the day-to-day operations and are in the ordinary course of business of the Company and its subsidiaries:

	Types of transactions	Related Party	Interested Director, Major Shareholder and Person Connected	Estimated value during the validity period of the RRPT Mandate from 30 May 2006 to the next AGM (RM) ('000)	
				<u>Charged by</u>	<u>Charged to</u>
i.	Purchase of scrap metal	Soon Seng Co (Selangor) Sdn Bhd	<ul style="list-style-type: none"> • Tai Hean Leng @ Tek Hean Leng • Soon Seng Company Sdn Bhd • Datin Ng Pik Lian • Tai May Chean • Mohammad Tahir Bin Md Yussof • Tai Ho Seng • Estate of Tai Chet Siang • United Eastern Resources Sdn Bhd 	20,000	

Note:

The estimated transaction values during the validity period of the RRPT Mandate are based on the information available at the point of estimation based on the projection of the business to be conducted in the coming year after taking into consideration the prevailing market rates. Due to the nature of the transactions, the actual value of the transactions may vary from the estimated value disclosed above. The frequency of the transactions cannot be detailed as the transactions are ongoing and numerous.

3.5 Nature and Extent of Interest

The nature and extent of the interest of the Interested Directors, Major Shareholders and Persons Connected as stated in the preceding table are as follows :-

- a. Datin Ng Pik Lian is the mother of Tai Hean Leng @ Tek Hean Leng and Tai May Chean.
- b. Datin Ng Pik Lian and Tai May Chean are the directors and substantial shareholders of United Eastern Resources Sdn Bhd and indirect substantial shareholders of Soon Seng Company Sdn Bhd.
- c. United Eastern Resources Sdn Bhd, Tai Ho Seng, the Estate of Tai Chet Siang and Mohammad Tahir Bin Md Yussof are substantial shareholders in Soon Seng Company Sdn Bhd.
- d. Soon Seng Company Sdn Bhd is a substantial shareholder holding 31.76% direct shareholding in MASTEEL.
- e. Tai Ho Seng is the uncle of Tai Hean Leng @ Tek Hean Leng and Tai May Chean and brother-in-law of Datin Ng Pik Lian.

3.6 Rationale for, and the benefit to, the Group for transacting with the Mandated Related Party*The Company relationship with the Mandated Related Party*

The Company has a long-standing business relationship of more than 6 years with the Mandated Related Party. The Mandated Related Party is a good customer of the Company as well as a reliable suppliers of raw materials, goods and services required by the Company for its businesses. The raw materials and goods provided by the Mandated Related Party is priced competitively and all transactions between the Company and the Mandated Related Party is carried out on arm's length basis and on normal commercial terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The raw materials, goods and services can also be obtained from the Mandated Related Party even when short notice is given to them, in order to meet the tight deadlines of the Company's business. Although the Company also sources similar raw materials and goods from third parties, the Company would like to seek Shareholders' approval for the Proposed RRPT Mandate as the close co-operation between the Company and the Mandated Related Party has reaped mutual benefits and has been and is expected to continue to be of benefit to the businesses of the Company. Further, the Company can enjoy the lowest cost through bulk purchase arrangement and obtain the materials at short notice while maintaining the same at prevailing market prices, in order to meet the Company tight deadlines.

The benefit of the RRPT Mandate

The obtaining of the RRPT Mandate and the renewal of the RRPT Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when the potential RRPT with a Mandated Related Party arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and/or adversely affecting the business opportunities available to the Company.

The RRPT Mandate is intended to facilitate transactions in the normal course of business of the Company which are transacted from time to time with the Mandated Related Party, provided that they are carried out at arm's length and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Disclosure will be made in the annual report of the Company of the breakdown of the aggregate value of RRPT conducted pursuant to the RRPT Mandate during the current financial year based on information such as the type of the RRPT made and the name of the related party involved in each type of the RRPT made and their relationship with the Company, and in the annual reports of the subsequent financial years during which a shareholders' mandate is in force.

3.7 Review Methods or Procedures for Related Party Transactions

There are procedures established by the Company to ensure that RRPT are undertaken on arm's length basis and on normal commercial terms not more favourable to the Related Party than those generally available to the public, consistent with the Company's usual business practices and to continue policies generally not more favourable to the Mandated Related Party than those extended to unrelated third parties and are not to the detriment of the minority shareholders of the Company.

The Company will implement the following procedures to supplement existing internal procedures for general transactions to ensure that the RRPT are undertaken on arm's length basis and on normal commercial terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

- (i) The name of the Mandated Related Party will be circulated to the Company's subsidiaries to notify them that all RRPT are required to be undertaken on arm's length basis and on normal commercial terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders;
- (ii) All RRPT will be reviewed by a management committee comprising of at least one (1) executive director and two (2) senior management staff;
- (iii) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the RRPT Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (iv) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with and the review shall be done annually together with the review of annual results;
- (v) The Board and the Audit Committee have reviewed the procedures and shall continue to review the procedures as and when required, with the authority to sub delegate to individuals or committees within the Company as they deem appropriate; and
- (vi) Quotations will be taken to gather information to compare the prices quoted by third parties and related party for the purpose of determining the competitive market price of materials and goods. It is our policy to purchase material or goods from related party when the prices are competitive with prices obtained from third parties. Other factors such as reliability of supply, delivery, services and quality of materials or goods will also be taken into consideration for evaluation purposes.

3.8 Audit Committee's Statements

The Audit Committee will review the relevant RRPT and also review the established guidelines and procedures to ascertain that they have been complied with. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that the RRPT will be done on normal commercial terms not more favourable to the related party than those generally available to the public and will be prejudicial to Shareholders, the Company will revert to Shareholders for a fresh mandate based on the new guidelines and procedures immediately, and in any case before the next transaction is entered into.

The Audit Committee has reviewed the terms of the Proposed Mandate, and is satisfied that the review procedures for RRPT, as well as the periodic reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the RRPT will be made with the Related Party in accordance with the normal commercial terms and not more favourable to the Related Party than those generally available to the public, and hence, not prejudicial to the Shareholders, nor disadvantageous to the Company and its subsidiaries and are not to the detriment of the minority shareholders of the Company.

4. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS

4.1 Interested Directors' Shareholdings as at 31 March 2006

	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tai Hean Leng @ Tek Hean Leng	2,061,500	1.55	-	-

4.2 Interested Major Shareholders as at 31 March 2006

	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Soon Seng Company Sdn Bhd ("SSCSB")	42,245,516	31.76	-	-
2.	Datin Ng Pik Lian ⁽³⁾	-	-	44,245,516	33.27
3.	Tai May Chean ⁽³⁾	-	-	44,245,516	33.27
4.	Mohammad Tahir Bin Md Yussof ⁽²⁾	-	-	44,245,516	33.27
5.	Tai Ho Seng ⁽¹⁾	1,000,000	0.75	42,245,516	31.76
6.	Estate of Tai Chet Siang ⁽¹⁾	-	-	42,245,516	31.76
7.	United Eastern Resources Sdn Bhd ("UER") ⁽²⁾	-	-	44,245,516	33.27

Notes:

- (1) Deemed interested by virtue of their interests in SSCSB pursuant to Section 6A of the CA.
- (2) Deemed interested by virtue of their respective interest in Kemajuan Rekacekap Sdn Bhd ("KRSB")⁽⁴⁾ and SSCSB pursuant to Section 6A of the CA.
- (3) Deemed interested by virtue of their interests in UER, which in turn is a substantial shareholder in SSCSB and KRSB, pursuant to Section 6A of the CA.
- (4) KRSB's two (2) shareholders are Tai May Chean and Mohammad Tahir bin Md Yussof who are deemed interested as stated above in Notes (2) and (3) respectively.

4.3 Statements in relation to Interested Parties

- (a) The following interested director (by virtue of his direct and indirect interest) has abstained and will abstain at all board meetings from all deliberations and voting on the Proposed RRPT Mandate.
 - i. TAI HEAN LENG @ TEK HEAN LENG

The aforesaid interested director shall accordingly also abstain from voting in respect of his direct and/or indirect shareholding on the ordinary resolution vis-à-vis the Proposed RRPT Mandate to be tabled at the forthcoming AGM.
- (b) The following interested major shareholders (by virtue of their direct and indirect shareholding) will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution vis-à-vis the Proposed Mandate to be tabled at the forthcoming AGM:
 - i. Soon Seng Company Sdn Bhd
 - ii. Datin Ng Pik Lian
 - iii. Tai May Chean
 - iv. Mohammad Tahir Bin Md Yussof
 - v. Tai Ho Seng
 - vi. Estate of Tai Chet Siang
 - vii. United Eastern Resources Sdn Bhd
- (c) Further, the aforesaid Interested Parties will undertake that persons connected with them will abstain from voting on the resolution pertaining to the Proposed RRPT Mandate at the forthcoming AGM.

5. DIRECTORS' RECOMMENDATION

The Board of Directors (save and except for TAI HEAN LENG @ TEK HEAN LENG) having considered all aspects of the Proposed RRPT Mandate, are of the opinion that the RRPT are in the best interest of the Company and accordingly, the Directors save and except for TAI HEAN LENG @ TEK HEAN LENG who is deemed interested in the Proposed RRPT Mandate recommend that you vote in favour of the resolution pertaining to the Proposed RRPT Mandate to be tabled at the forthcoming AGM.

6. ANNUAL GENERAL MEETING

The AGM, the notice of which is enclosed in the Annual Report 2005, will be held on Tuesday, 30 May 2006 at 3.00 p.m Rebana 1 & 2, Level 1, Convention Centre, Grand BlueWave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposed RRPT Mandate.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Proxy Form in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company not less than forty-eight (48) hours before the time set for the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

7. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendices contained in this Circular for further information.

Yours faithfully

For and on behalf of the Board of

MALAYSIA STEEL WORKS (KL) BHD

TAI HEAN LENG @ TEK HEAN LENG

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

PART B

**PROPOSED SHARE BUY-BACK OF UP TO 14,630,000
ORDINARY SHARES OF RM0.50 EACH UNDER
SCENARIO A IN PARAGRAPH 6.1(a) OF THIS CIRCULAR,
OR UP TO 13,300,000 ORDINARY SHARES OF RM0.50 EACH
UNDER SCENARIO B IN PARAGRAPH 6.1(a) OF THIS
CIRCULAR, REPRESENTING UP TO 10% OF THE ISSUED
AND PAID-UP SHARE CAPITAL OF THE COMPANY
UNDER SCENARIO A AND SCENARIO B RESPECTIVELY**

MALAYSIA STEEL WORKS (KL) BHD
(7878-V)
(Incorporated in Malaysia)

Registered Office:
Unit 1009, 10th Floor, Amcorp Tower
Amcorp Trade Centre
No. 18, Jalan Persiaran Barat
46050 Petaling Jaya
Selangor Darul Ehsan.

8 May 2006

Board of Directors:

YBHG. SENATOR DATO' IKHWAN SALIM BIN DATO' HAJI SUJAK
(Non-Independent Non-Executive Chairman)

TAI HEAN LENG @ TEK HEAN LENG
(Managing Director / Chief Executive Officer)

ROSLY BIN AZIZ
(Non-Independent Non-Executive Director)

LEE KEAN BINH
(Executive Director)

LIM KIM HAI
(Independent Non-Executive Director)

NG WAH LOK
(Independent Non-Executive Director)

To: **The Shareholders of Malaysia Steel Works (KL) Bhd**

Dear Sir/Madam,

PART B: PROPOSED SHARE BUY-BACK OF UP TO 14,630,000 ORDINARY SHARES OF RM0.50 EACH UNDER SCENARIO A IN PARAGRAPH 6.1(a) OF THIS CIRCULAR, OR UP TO 13,300,000 ORDINARY SHARES OF RM0.50 EACH UNDER SCENARIO B IN PARAGRAPH 6.1(a) OF THIS CIRCULAR, REPRESENTING UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY UNDER SCENARIO A AND SCENARIO B RESPECTIVELY

1. INTRODUCTION

The Board proposes to seek the approval and authority of Shareholders for the Company to purchase its own shares in accordance with Chapter 12 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and subject to Section 67A of the Companies Act 1965 and Part III of the Companies Regulations 1966.

The Proposed Share Buy-Back will allow the Board to exercise the power of the Company to purchase its own shares at any time within the time period granted using the funds of the Company which will be sourced from internally generated funds and/or external borrowings. The Proposed Share Buy-Back will not affect the Company's ability to fulfil its other financial obligations as and when they fall due.

2. SHAREHOLDERS AUTHORITY REQUIRED

The purpose of this Circular is to provide Shareholders with details pertaining to the Proposed Share Buy-Back, and to seek shareholders' approval for the resolution to be tabled at the forthcoming AGM to be convened on Tuesday, 30 May 2006 at 3.00 p.m. at Rebana 1 & 2, Level 1, Convention Centre, Grand BlueWave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.

The Company had on 26 April 2006 made the announcement to the Bursa Malaysia Securities Berhad ("Bursa Securities") pertaining to the above-mentioned Proposed Share Buy-Back.

3. DETAILS OF THE PROPOSED SHARE BUY-BACK

3.1 The Board proposes to seek the authority of the shareholders of the Company to purchase up to 14,630,000 ordinary shares of RM0.50 each under Scenario A in paragraph 6.1(a) of this circular, or up to 13,300,000 ordinary shares of RM0.50 each under Scenario B in paragraph 6.1(a) of this circular, each representing up to 10% of the issued and paid-up share capital of the Company respectively, through its appointed stockbroker. The Proposed Share Buy-Back will be effective immediately upon passing of the ordinary resolution and shall be effective until:-

- i. the conclusion of the next AGM of the Company (at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions); or
- ii. upon the expiration of the period within which the next AGM is required by law to be held; or
- iii. unless revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting.

3.2 Actual Share Buy-Back

The actual number of Shares to be purchased, the total amount of funds to be utilized and the timing of the proposed transactions for the Company to purchase its own shares will be dependent on the market conditions, sentiments of the Bursa Securities and the financial resources available to the Company.

3.3 Funding

The Listing Requirements stipulates that the purchase of its own shares by a listed company must be made wholly out of the share premium account and/or retained profits of the listed company. Accordingly, the Board proposes to allocate an amount not exceeding the retained profits and/or share premium account of the Company for the Proposed Share Buy-Back.

As at 31 December 2005, the audited balances of retained profits and share premium account of the Company stood at RM133,426,931 million and RM41,787,205 million respectively.

Any transaction to be carried out under the Proposed Share Buy-Back may be funded through internally generated funds, borrowings, retained profits, and/or share premiums of the Company.

3.4 Treatment of the Shares Purchased

In accordance with Section 67A of the Companies Act, 1965, the Company may deal with the Purchased Shares in the following manner:-

- i. Cancel the Shares so purchased; or
- ii. Retain the Shares so purchased as Treasury Shares which may be distributed as dividends to the shareholders and/or resell on Bursa Securities and/or subsequently cancel the Treasury Shares; or
- iii. Retain some of the Shares so purchased as Treasury Shares and cancel the remainder Shares.

Upon each transaction to purchase its own Shares or parts thereof, an immediate announcement will be made to Bursa Securities and whether to cancel the Shares, retain them as Treasury Shares or proceed in a combination of both. An immediate announcement will also be made to Bursa Securities of any resale or cancellation of the Purchased Shares.

The Board will be mindful of the interests of the Company and its shareholders in exercising the authority granted by the shareholders in deciding the final number of shares purchased and thereafter cancelled and/or retained as Treasury Shares.

3.5 Purchase Price

In compliance with the Listing Requirements, the Company may only purchase the Purchased Shares at a price which is not more than fifteen per centum (15%) above the weighted average market price of the Purchased Shares for the past five (5) market days immediately preceeding the date of the purchase.

3.6 Resale Price (if any)

In the case of resale of Treasury Shares (if any), the Company may only resell the same on Bursa Securities at a price which is not less than the weighted average market price for the past five (5) market days immediately preceeding the date of the resale.

4. RATIONALE OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented is expected to benefit the Company and its shareholders as follows:-

- i. to provide flexibility to the Company to utilize available financial resources to purchase its own shares;
- ii. to allow improvements to the earnings per share with the cancellation of the Purchased Shares from the exercise;
- iii. to allow the Company to realize potential capital gains if the Purchased Shares which are kept as treasury shares are subsequently resold at prices higher than their purchase prices;
- iv. to allow the distribution of treasury shares as share dividends to its shareholders which serves as a reward to its shareholders;
- v. to reduce volatility of the share prices.

5. POTENTIAL DISADVANTAGE OF THE PROPOSED SHARE BUY-BACK

The potential disadvantage of the Proposed Share Buy-Back to the Company and its shareholders is that the Proposed Share Buy-Back will require utilization of financial resources which may result in the Company foregoing other investment opportunities and/or foregoing income that may be derived from the deposit of such funds in interest bearing instruments and may also reduce cash dividend distributions to its shareholders.

However, only after the Board has given due consideration to the potential impact on the Group's earnings and financial position and only if they are of the opinion that it would be in the best interest of the Group's earnings and financial positions, would the Board exercise the authority granted by the shareholders for the Share Buy-Back.

6. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

In the event that the Proposed Share Buy-Back is carried out, the financial effect on the existing issued and paid-up share capital, NTA per share, working capital, earnings, dividends and shareholdings of existing Directors and substantial shareholders of the Company are as follows:-

6.1 Share Capital

(a) If Maximum number of shares cancelled/reduced

In the event the Proposed Share Buy-Back is carried out and the Shares so purchased are cancelled, the Proposed Share Buy-Back will result in the issued and paid-up share capital of the Company being reduced as follows:

Scenario A :	Assuming 13,300,000 shares are issued pursuant to Section 132D of the CA
Scenario B :	Assuming none of the shares are issued pursuant to Section 132D of the CA

	Scenario A : No of Masteel Shares	Scenario B : No of Masteel Shares
Issued and paid up share capital of RM0.50 each as at 31 March 2006	133,000,000	133,000,000
To be issued pursuant to Section 132D (10% of issued and paid up capital of the Company)	13,300,000	-
	<hr/> 146,300,000	<hr/> 133,000,000
Reduction in share capital resulting from the Proposed Share Buy-Back	(14,630,000)	(13,000,000)*
Enlarged share capital	<hr/> 131,670,000	<hr/> 120,000,000

* Restricted to maintain the issued and paid up share capital at RM60.0 million

(b) If held as Treasury Shares

The Proposed Share Buy-Back will have no effect on the issued and paid-up share capital of the Company if the Purchased Shares are held as treasury shares and are not cancelled.

If the Shares so purchased are treated as Treasury Shares, the rights attached to them as to voting, dividends and participation in other distribution are suspended and the Treasury Shares shall not be taken into account in calculating the number of percentage of shares or of a class of shares in the Company for any purpose including without limiting the generality of this provision, the provision of any law or requirements of the Articles or the Listing Requirements on substantial shareholding, takeovers, notices, requisitions of meetings, quorum for meetings and the result of votes on resolution at a meeting.

6.2 Working Capital

The Proposed Share Buy-Back if exercised, is likely to reduce the working capital of the Company to the extent of the amount of funds utilized for the Purchased Shares.

However, the Shares so purchased and maintained as Treasury Shares may increase the working capital of the Company, if the Treasury Shares are subsequently resold at a higher price than the initial purchase price (subject to the extent of the number of Treasury Shares resold and the prevalent selling price).

6.3 Earnings

The effect of the Proposed Share Buy-Back if carried out, may give rise to an increased earnings per share of the Company (subject to the purchase price, the actual number of shares bought back and the opportunity cost of the funds utilized for the Proposed Share Buy-Back).

6.4 NTA per Share

The Proposed Share Buy-Back will reduce the NTA per share if the purchase price exceeds the NTA per share and conversely, will increase the NTA per share if the purchase price is less than the NTA per share. Should the Company choose to retain any Purchased Shares as Treasury Shares and subsequently resell the Treasury Shares on the Bursa Securities and, depending on the price at which the said Treasury Shares are resold, the Proposed Share Buy-Back may have a positive effect on the NTA per share, if a gain is achieved on resale (but subject to the selling price and number of Treasury Shares resold).

6.5 Dividends

For the financial year ended 31 December 2005, the Company has proposed a final dividend of 1.5 sen per share less 28% income tax, subject to its shareholders' approval at the forthcoming AGM to be convened.

The Proposed Share Buy-Back may reduce the amount of retained profits available for payment of cash dividends to its shareholders. Nevertheless, if the Shares so purchased are retained as Treasury Shares, the said Treasury Shares may be distributed as dividends to its shareholders, if the Company so decides. Accordingly, the Directors will fully consider the interest of the Company and its shareholders in implementing the Proposed Share Buy-Back.

6.6 Shareholding

The shareholding of the Directors and Major Shareholders are as stated in Appendix 2.

7. CONDITION TO THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is subject to the approval of its Shareholders at the forthcoming AGM pertaining to the subject matter of this Circular.

8. DETAILS OF PURCHASE MADE IN THE PREVIOUS 12 MONTHS

The Company has not made any purchase of its own shares in the preceding 12 months.

9. DETAILS OF SHARES CURRENTLY HELD AS TREASURY SHARES

The Company does not hold any Treasury shares to date. Consequently, no resale of any Treasury Shares have been made in the preceding 12 months.

10. DETAILS OF SHARES CANCELLED IN THE PREVIOUS 12 MONTHS

The Company has not cancelled any shares in the preceding 12 months.

11. DETAILS OF SHARE PRICES IN THE PRECEDING 12 MONTHS

The details of the monthly highs and lows of the share prices in the preceding 12 months is as stated in Appendix 3.

12. PUBLIC SHAREHOLDING SPREAD

As at 31 March 2006, the public shareholding spread of the Company was 54.74%. Assuming that the Proposed Share Buy-Back is implemented, the public shareholding spread is expected to reduce to 54.27% under Scenario A or 49.83% under Scenario B respectively.

The Company shall not buy-back any Shares if it results in the Company being in breach of the minimum public shareholding spread requirement of the Listing Requirements.

13. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS INTERESTS

Save for the incidental increase in the percentage of shareholdings of the Directors and Substantial Shareholders and persons connected to them as a result of the effective decrease in the issued and paid-up share capital of the Company upon the Proposed Share Buy-Back, none of the Directors or Substantial Shareholders or persons connected to them has any interest in the Proposed Share Buy-Back or resale of the treasury shares.

14. MALAYSIA CODE ON TAKE-OVERS AND MERGERS

In the event that the Company purchases such numbers of its own shares which will result in any one or more of the Company's shareholders either separately, or if deemed acting in concert, triggers the mandatory general offer under the Code, an exemption will be sought from the Securities Commission before the said purchase is made.

15. DIRECTORS' RECOMMENDATION

The Board of Directors having considered all aspects of the Proposed Share Buy-Back, are of the opinion that the same is in the best interest of the Company and accordingly, the Directors recommend that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

16. ANNUAL GENERAL MEETING

The AGM, the notice of which is enclosed in the Annual Report of the Company, will be held at Rebana 1 & 2, Level 1, Convention Centre, Grand BlueWave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan on Tuesday, 30 May 2006 at 3.00 p.m. for the purpose of considering and, if thought fit, passing this resolution so as to give effect to the Proposed Share Buy-Back.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Proxy Form in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company not less than forty-eight (48) hours before the time set for the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

17. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendices contained in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
MALAYSIA STEEL WORKS (KL) BHD

TAI HEAN LENG @ TEK HEAN LENG
MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of the Company who individually and collectively accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION

Save as disclosed below, neither the Company nor its subsidiaries is engaged in any material litigation claims or arbitration, either as a plaintiff or defendant, and the Directors are not aware of any proceedings pending or threatened against the Company and its subsidiaries or any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company and its subsidiaries.

- (i) On 11 May 1999, Mukand Ltd (“Mukand”) instituted a claim against Masteel for a sum of USD323,139 plus further interests and costs for the balance of the purchase price for goods sold and delivered by Mukand to MASTEEL. MASTEEL had on 16 August 1999 filed a defence and counter claim of RM1,309,774 against Mukand for damages suffered as a result of defective goods supplied and for failure to complete the supply. The case was part heard on 12 November 2003, 13 November 2003, 13 May 2004 and 20 May 2004. The case fixed for hearing on 21 July 2004 was adjourned to 11 August 2004 on which date, the case was subsequently fixed for hearing on 23 and 24 February 2005, adjourned to 30 June 2005, and now fixed for hearing on 2 and 3 May 2006. The solicitors acting for MASTEEL in this matter, are of the opinion that MASTEEL has a fair chance to succeed in the counter claim.
- (ii) On 7 March 1993, Kamseng Machine Works Pte Ltd (“Kamseng”) issued a letter of demand against MASTEEL for a sum of SGD1.06 million in respect of alleged variation orders executed by Kamseng and suggested a reference to arbitration. Kamseng filed an Originating Summons on 9 April 1997 for appointment of an arbitrator which was contested by MASTEEL. Kamseng’s application was allowed by the High Court and MASTEEL appealed to the Court of Appeal but the appeal was dismissed on 26 February 2003. MASTEEL has since filed an application for leave to appeal against the Court of Appeals decision to the Federal Court on 14 March 2003 but the application for leave to appeal was dismissed on 13 July 2004. Arbitration has commenced and the parties have filed their respective claims and counter-claims. MASTEEL has a counter-claim in excess of Kamseng’s claim in respect of damages for breach of contract and the cost incurred in hiring replacement contractors to complete the works and remedy the defects. The solicitors of MASTEEL handling the legal suit are of the opinion that MASTEEL’s chance of success in the claim proper are good. MASTEEL has filed an application in court for security for cost and is fixed for 1 August 2006. MASTEEL has also requested that the arbitrator stay the arbitration proceedings pending the outcome of that application for security for cost.
- (iii) MASTEEL through its solicitors has issued a letter of demand dated 14 October 2003 to Royal & Sun Alliance Insurance (M) Bhd (“Royal & Sun”) claiming damages for the amount of approximately RM2.0 million to RM4.0 million and unliquidated damages caused to a transformer at the MASTEEL’s Bukit Raja plant as a result of fire. The transformer is insured against such damages under Royal & Sun insurance policy. However, Royal & Sun has rejected MASTEEL’s claim due to a technical interpretation of the term “explosion”. Writ of Summons was filed on 10 February 2004. Royal & Sun has entered appearance through their solicitors and filed a statement of defence on 5 April 2004. The matter is now fixed for case management on 4 July 2006. The solicitors of MASTEEL handling the matter, are of the opinion that chances of succeeding in this case are good.

- (iv) On 19 July 2004, Sergam Berhad (“Sergam”) has issued a notice of demand against MASTEEL claiming for a sum in the amount of RM7,560,2433.60 together with interest at 8% per annum calculated on a daily basis from the date of demand until full settlement for goods sold and delivered to MASTEEL. The solicitors acting for MASTEEL, are of the opinion that Sergam has a frivolous claim against MASTEEL in view of the fact that the accounts of MASTEEL shows that the outstanding sum has been paid in full, save and except for the final payment of RM149,261.08 which Sergam has returned to MASTEEL and has alleged that further sums are due to them. MASTEEL has alleged that the demand arises from an erroneous assumption that further sums are due to Sergam in the form of interest without an express agreement by MASTEEL. The solicitors acting for MASTEEL are of the opinion that such a claim by Sergam would fail in court since there appears to be no agreement whatsoever, nor any prior demand or claim made by Sergam regarding the interests and that so long as Sergam has accepted periodical payments by MASTEEL unequivocally, they cannot now insist that interest are due to them.

3. MATERIAL CONTRACTS

Save as disclosed below, the Company and its subsidiaries have not entered into any contract which is material during the two (2) years preceding the date of this Circular other than contracts entered into in the ordinary course of business.

The following contract was entered into by the Company and its major shareholder during the last two (2) years preceding the date of this Circular.

- (i) License Agreement date 5 August 2004 entered into between MASTEEL and SSCSB (“the Licensor”) whereupon the Licensor has granted to MASTEEL and its future subsidiary and associated companies a non-exclusive and non-transferable license to use the Trade mark No. 98-11148 in Class 6 in Malaysia at a fee of RM100.00 per annum upon the terms and conditions therein contained. The term of the agreement shall be for a period of 5 years commencing from 5 August 2004 and with an option to renew for a further term to be mutually agreed by the parties, unless terminated by either party by written notice. The agreement provides that, inter alia, MASTEEL shall indemnify the Licensor and its subsidiaries for any claims, losses, liabilities and damages, objection suite or allegation made by any person for infringement proceedings, cost and expenses upon the trademark rights owned or controlled by such person due to the use of the trademark.

4. CONSENT

Messrs B H Lawrence & Co, Advocates and Solicitors, have given their consent that their name be included in the Circular in the form and context in which it appears and which consent has not subsequently been withdrawn.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Unit 1009, 10th Floor, Amcorp Tower, Amcorp Trade Centre, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the AGM.

- i. The Memorandum and Articles of Association of the Company.
- ii. The Audited Accounts of the Company for two (2) financial years ended 31 December 2004 and 31 December 2005.
- iii. The cause papers in relation to the material litigation referred above.
- iv. The material contracts referred to above.
- v. Letter of consent from Messrs B H Lawrence & Co, Advocates and Solicitors.

Scenario A : Assuming 13,300,000 shares are issued pursuant to Section 132D of the CA

Scenario B : Assuming none of the shares are issued pursuant to Section 132D of the CA But after the Proposed Share Buy-Back

1. Directors' Shareholdings

Name of Director	<----- Current Shareholdings -----> as at 31 March 2006				< -----After Scenario A ----->				< -----After Scenario B ----->			
	<- Direct Interest->		<- Indirect Interest->		<- Direct Interest->		<- Indirect Interest->		<- Direct Interest ->		<- Indirect Interest->	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
Senator Dato' Ikhwan Salim	7,650,000	5.75	-	-	7,650,000	5.81	-	-	7,650,000	6.38	-	-
bin Dato' Haji Sujak												
Tai Hean Leng @ Tek Hean Leng	2,061,500	1.55	-	-	2,061,500	1.57	-	-	2,061,500	1.72	-	-
Rosly bin Aziz	7,500,000	5.64	-	-	7,500,000	5.70	-	-	7,500,000	6.25	-	-
Lee Kean Binh	650,000	0.49	-	-	650,000	0.49	-	-	650,000	0.54	-	-
Lim Kim Hai	100,000	0.08	-	-	100,000	0.08	-	-	100,000	0.08	-	-
Ng Wah Lok	-	-	-	-	-	-	-	-	-	-	-	-

2. Substantial Shareholders' Shareholdings

<-----Current Shareholdings as at 31 March 2006----->										<-----After Scenario A----->					<-----After Scenario B----->				
Name	Direct----->		Indirect----->		Direct----->		Indirect----->		Direct----->		Indirect----->		Direct----->		Indirect----->				
	No. of MASTEEL Shares	%	No. of MASTEEL Shares	%	No. of MASTEEL Shares	%	No. of MASTEEL Shares	%	No. of MASTEEL Shares	%	No. of MASTEEL Shares	%	No. of MASTEEL Shares	%	No. of MASTEEL Shares	%			
Soon Seng Company Sdn Bhd ("SSCSB")	⁽⁴⁾ 42,245,516	31.76	-	-	⁽⁴⁾ 42,245,516	32.08	-	-	⁽⁴⁾ 42,245,516	35.20	-	-	⁽⁴⁾ 42,245,516	35.20	-	-			
Senator Dato' Ikhwan Salim bin Dato' Haji Sujak	7,650,000	5.75	-	-	7,650,000	5.81	-	-	7,650,000	6.38	-	-	7,650,000	6.38	-	-			
Rosly bin Aziz	7,500,000	5.64	-	-	7,500,000	5.70	-	-	7,500,000	6.25	-	-	7,500,000	6.25	-	-			
Datin Ng Pik Lian	-	-	⁽³⁾ 44,245,516	33.27	-	-	⁽³⁾ 44,245,516	33.60	-	-	⁽³⁾ 44,245,516	36.87	-	-	⁽³⁾ 44,245,516	36.87			
Tai May Chean	-	-	⁽³⁾ 44,245,516	33.27	-	-	⁽³⁾ 44,245,516	33.60	-	-	⁽³⁾ 44,245,516	36.87	-	-	⁽³⁾ 44,245,516	36.87			
Mohammad Tahir bin Md Yussof	-	-	⁽²⁾ 44,245,516	33.27	-	-	⁽²⁾ 44,245,516	33.60	-	-	⁽²⁾ 44,245,516	36.87	-	-	⁽²⁾ 44,245,516	36.87			
Tai Ho Seng	1,000,000	0.75	⁽¹⁾ 42,245,516	31.76	1,000,000	0.76	⁽¹⁾ 42,245,516	32.08	1,000,000	0.83	⁽¹⁾ 42,245,516	35.20	1,000,000	0.83	⁽¹⁾ 42,245,516	35.20			
Estate of Tai Chet Siang	-	-	⁽¹⁾ 42,245,516	31.76	-	-	⁽¹⁾ 42,245,516	32.08	-	-	⁽¹⁾ 42,245,516	35.20	-	-	⁽¹⁾ 42,245,516	35.20			
United Eastern Resources Sdn Bhd ("UER")	-	-	⁽²⁾ 44,245,516	33.27	-	-	⁽²⁾ 44,245,516	33.60	-	-	⁽²⁾ 44,245,516	36.87	-	-	⁽²⁾ 44,245,516	36.87			

Notes:

- (1) Deemed interested by virtue of their interests in SSCSB pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of their respective interests in Kemajuan Rakacekap Sdn Bhd ("KRKB")⁽⁴⁾ and SSCSB pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of their interests in UER, which in turn is a substantial shareholder in SSCSB and KRKB, pursuant to Section 6A of the Act.
- (4) KRKB's two (2) shareholders are Tai May Chean and Mohammad Tahir bin Md Yussof who are deemed interested as stated above in Notes (2) and (3) respectively.

Summary of High and Lows of Masteel's Share Prices Per Share Based on a Calendar Month

YEAR 2005													YEAR 2006		
Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
High (RM)	1.05	1.02	0.87	0.85	0.75	0.72	0.71	0.68	0.63	0.67	0.70	0.82			
Low (RM)	0.97	0.83	0.77	0.70	0.60	0.58	0.60	0.60	0.57	0.56	0.60	0.62			