



MELEWAR INDUSTRIAL GROUP BERHAD

INVESTORS RELATION BRIEFING

31 December 2008



PRESENTATION CONTENT

- **Corporate Information**
- **Operational Brief**
 1. **Iron & Steel Division**
 2. **Engineering Division**
 3. **Energy Division**
- **Group Financial Highlights**
- **Business Outlook**
- **Share Valuation**
- **Summary**



MAIN SHAREHOLDERS

CORPORATE INFO

As at 31 Jan 2009

	No. of Shares (Million)	% of PUC
Melewar Equities Group	82.06	36.2%
Malaysian Assurance Alliance Bhd	5.73	2.5%
Melewar Group	87.79	38.7%
Other Bumi Institutions & shareholders	21.65	9.5%
Total Bumiputra / Government Holdings	109.44	48.3%
Free Float	117.31	51.7%
Total Paid Up Capital	226.75	100.0%



Melewar Industrial Group Bhd

IRON & STEEL DIVISION

Steel Division

- Steel Tubes
- Steel Cold Rolled Coil Sheets
- Steel Reinforcement Bars
- Steel Billets
- Mid-stream manufacturer
- Reasonable profits & cash flows
- Steady growth potentials (about 1.5x GDP growth)
- Partially dependent on construction industry

Iron Ore Division

- Magnetic Fines Concentrate
- Haematite Lump Ore
- Pellets

ENGINEERING DIVISION

Integrated Engineering

- Supports group engineering needs to ensure excellence in manufacturing facilities
- Manages third party engineering projects
- Bids for engineering projects for the group

Infrastructure Construction

- Builds power & telco transmission towers

ENERGY DIVISION

Oil & Gas

- Diversification strategy
- A sun-rise industry
- High margins
- Large discoveries of oil fields off Sabah & other Asian countries

Power

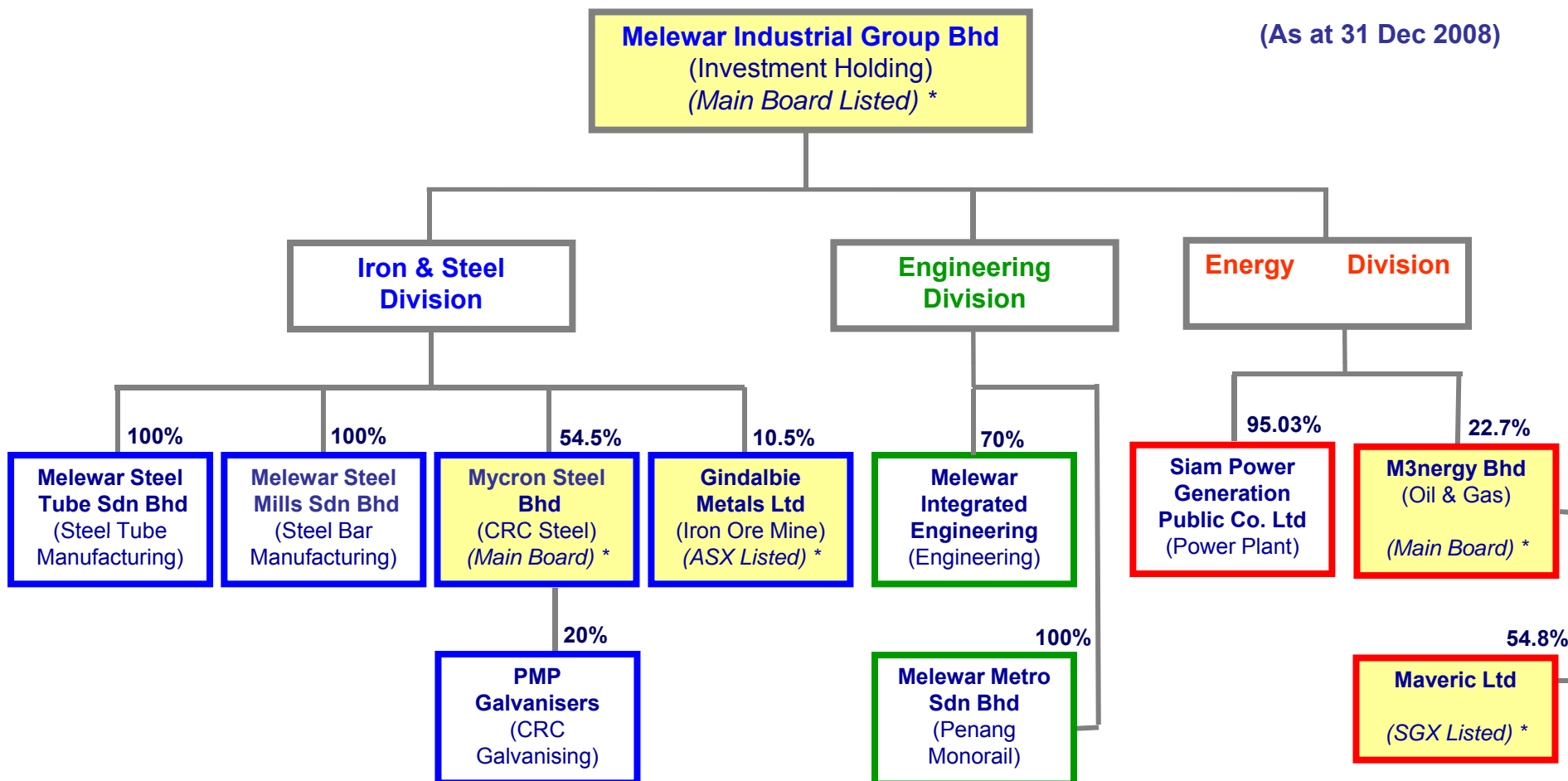
- Strong & stable IRR
- Seeking opportunities in S.E.A countries. Forecast power shortages in Thailand, India & Indonesia in future
- Construction and ownership of power plant in Rayong, Thailand.



GROUP STRUCTURE (Main Operating Companies)

CORPORATE INFO

(As at 31 Dec 2008)



* Listed Company



EMPLOYEES (as at 31 December 2008) CORPORATE INFO

LISTED COMPANY	NO. EMPLOYEES
Melewar Industrial Group Bhd	328
Mycron Steel Bhd	133
M3nergy Berhad	300
Maveric Ltd	1
Gindalbie Metals Ltd	30
TOTAL	792



BOARD OF DIRECTORS

CORPORATE INFO

- 1) Tunku Dato' Ya'acob ibni Almarhum Tunku Tan Sri Abdullah
(Executive Chairman)
- 2) Datuk Lim Kim Chuan
(Executive Director/Chief Executive Officer)
- 3) Tunku Yahaya ibni Almarhum Tunku Tan Sri Abdullah
(Non-Independent Non-Executive Director)
- 4) Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan
Salahuddin Abdul Aziz Shah
(Non-Independent Non-Executive Director)
- 5) Datin Ezurin Yusnita binti Addul Malik
(Non-Independent Non-Executive Director)
- 6) Dato' Jaffar Indot
(Independent Non-Executive Director)
- 7) En Azlan bin Abdullah
(Executive Director)
- 8) Onn Kien Hoe
(Independent Non-Executive Director)
- 9) Mr Lee Ching Kion
(Independent Non-Executive Director)





MIG KEY MANAGEMENT TEAM

CORPORATE INFO



**Tunku Dato'
Ya'acob ibni
Almarhum
Tunku Tan Sri
Abdullah**
Chairman,
MIG Bhd

- Fellow ICAEW with >25 years of experience in audit, insurance, financial planning services and manufacturing industry
- Sits on the board of various trade associations, several public listed companies and private limited companies
- >6 years in Steel & Iron Ore Industry
- >3 years in Oil & Gas industry and power industry



**Datuk Lim Kim
Chuan**
Group CEO,
MIG Bhd

- >26 years in finance and manufacturing industries
- Sits on the board of various public listed companies and several private limited companies
- >6 years in Steel & Iron Ore Industry
- >4 years in Oil & Gas industry and power industry



**Soon Leh
Hong**
Group CFO,
MIG Bhd

- CPA with >15 years of experience in auditing and consultancy in various industries including insurance, banking, oil & gas, power
- >13 years in banking and corporate planning & general management
- > 5 years in Steel & Iron Ore Industry
- > 2 years in power industry



DIVISIONAL CHIEFS

CORPORATE INFO



Azlan Abdullah
ED & CEO,
Mycron Steel Bhd
(CRC)

- US degree in B.Sc (Bus Admin) and MBA
- Sits on the board of several public listed companies and private limited companies.
- 15 years in Banking Industry with 13 years in senior positions with Citibank, United Asian Bank & Bank Of Commerce.
- 7 years in electronics manufacturing industry.
- 5 years in steel industry.



**Datuk Shahrazi
Shaari**
MD & CEO,
M3nergy Bhd (Oil
& Gas)

- US Degree in B. Arts
- 5 years of senior managerial experience in civil engineering in USA.
- > 15 years experience at senior positions in various companies in M'sia
- 4 years in Shipping industry (formerly GMD cum Chief Executive Officer of Malaysian Merchant Marine Berhad).
- 3 years in Oil & Gas industry.



Uwe Ahrens
MD & CEO,
Melewar
Integrated
Engineering SB
(Engineering)

- Masters in both mechanical engineering and Bus Admin, Germany
- > 16 years in senior management position with KOCH Transporttechnik Group which builds bulk handling equipment.
- 3 years as MD of KOCH in South East Asia.
- 23 years in Engineering Consultancy.



George Jones
Chairman,
Gindalbie Metals
Ltd
(Iron Ore)

- Australian degree in B.Bus with > 35 years experience in the mining, banking and finance industries
- A director of several private and publicly listed companies in Australia
- 15 years in Iron Ore Mining.
- Chairman of Portland Mining Limited and was instrumental in overseeing its growth over a decade.
- 2 years with Gindalbie.



- Feb 1969 - Aurora Steel Tube Manufacturing Sdn Bhd incorporated
- Jan 1970 - Started steel tube production with one production line (capacity of 12,000 t /yr)
- 1972 - Changed name to Maruichi Malaysia Steel Tube Sdn Bhd
- 1986 - Listed on the Bursa Malaysia Main Board
- 1990 - Started the first cold-rolling mill in Malaysia under a subsidiary, Mycron Steel CRC Sdn Bhd (former name: Cold Rolling Industry (M) Sdn Bhd)
- Apr 2003 - Changed name to Melewar Industrial Group Bhd
- Jun 2004 - Mycron Steel Bhd listed on Bursa Malaysia Main Board



GROUP HISTORY

CORPORATE INFO

- **May 2004 – Bought stake in Gindalbie Metals Ltd, a mining company listed on Australian Stock Exchange. (Now own: 14.5%)**
- **Jan 2005 - Bought stake in M3nergy Bhd (formerly known as Trenergy (M) Bhd). (Now own: 22.6%)**
- **Dec 2005 – Acquired stake in power plant owner, Siam Power Generation Company Ltd (“SIPCO”). (Now own: 70%)**



MELEWAR INDUSTRIAL GROUP BERHAD



**OPERATING DIVISION
BRIEF**



IRON & STEEL DIVISION

STEEL TUBES

COLD ROLLED COIL (CRC)

STEEL RODS (REBAR)

SMELTING & BILLET CASTING

IRON ORE





STEEL TUBE OPERATIONS



- Group has manufactured steel tubes for 38 years.
- Melewar Steel Tube Sdn Bhd achieved SIRIM ISO 9001 in year 1997 for all its five factories.



SIRIM



074

NO. PENDAFTARAN :
Registration No.: AR 0994

SIJIL PENDAFTARAN SISTEM KUALITI *Quality System Registration Certificate*

SIRIM QAS Sdn. Bhd. dengan ini mengesahkan bahawa
SIRIM QAS Sdn. Bhd. hereby certifies that

MARUICHI MALAYSIA STEEL TUBE BERHAD
LOT 53, PERSIARAN SELANGOR
40000 SHAH ALAM SELANGOR DARUL EHSAN
MALAYSIA

*telah melaksanakan Sistem Kualiti yang menepati
has implemented a Quality System complying with*

MS ISO 9001 : 2000 Quality Management Systems - Requirements

Skop Pendaftaran
Scope of Registration

MANUFACTURE OF COLD-ROLLED, HOT-ROLLED AND
ALUMINISED PIPES, SQUARE AND RECTANGULAR HOLLOW
SECTIONS.



HJ. Abdul Aziz b. Abdul Manan
Pegawai Eksekutif
Executive Director
SIRIM QAS Sdn. Bhd.

Dato' Dr. Mohd. Ariffin bin Hj. Aton
Pengerusi
Chairman
SIRIM QAS Sdn. Bhd.

SIRIM QAS Sdn. Bhd.
(No. Syarikat 410334 - X)
1, Persiaran Dato' Menteri
Sekayen 2, Petai Surat 7035
40911 Shah Alam
Selangor Darul Ehsan
MALAYSIA

Tel : 60-3-5544 8433
Faks : 60-3-5544 6487

<http://www.sirim-qas.com.my>
<http://www.malaysiancertified.com.my>

Tarikh Persijilan : 27 February 1997
Certification Date :

Sah Sehingga : 26 February 2006
Expiry Date :

No. Siri : 0855
Serial No. :

Penganugerahan Sijil ini tertakluk kepada peraturan-peraturan dan syarat-syarat Skim Persijilan Sistem Kualiti seperti tertera dalam Perjanjian Persijilan Sistem Kualiti.
This Certificate is granted subject to the terms and conditions governing the grant of a Certificate of Registration of Quality System as stated in the Quality System Certification Agreement.



STEEL TUBE FACTORIES



MIG Factory Office (Shah Alam)



Factory 1

Product Range	Conduit Pipes (19-50 mm diameter)
Capacity	1,000 t / mth (on 3 shift basis)
Location	Lot 7, Jalan Gudang 2/9, Shah Alam
Area	43,000 sq.ft. (Land) 25,200 sq.ft. (Built-Up)

Factory 2



Product Range	Black Pipes / Galvanised Iron Pipes (15-150 mm diameter)
Capacity	12,000 t / mth (on 3 shift basis)
Location	Lot 49, Jalan Utas, Shah Alam
Area	316,300 sq.ft. (Land) 186,000 sq.ft. (Built-Up)



STEEL TUBE FACTORIES



Factory 3

Product Range	Round Pipes (15-350 mm diameter) Rectangular Pipes (50x75 to 200x300 mm diameter) Square Pipes (65x65 to 250x250 mm)
Capacity	7,000 t / mth (on 3 shift basis)
Location	Lot 10, Persiaran Selangor, Shah Alam
Area	217,800 sq.ft. (Land) 96,240 sq.ft. (Built-Up)



Factory 4

Product Range	Gate channels, U-shaped channels, Door rails, Trolley tracks (10x19x10 mm to 250x75x25 mm)
Capacity	3,000 t / mth (on 3 shift basis)
Location	Lot 7, Jalan Pengapit 15/19, Shah Alam
Area	94,000 sq.ft. (Land) 28,000 sq.ft. (Built-Up)

Factory 5

Product Range	Round Pipes (10-65 mm diameter) Rectangular Pipes (16x19 to 38x75 mm) Square Pipes (12x12 to 50x50 mm)
Capacity	8,000 t / mth (on 3 shift basis)
Location	Lot 53, Persiaran Selangor, Shah Alam
Area	196,144 sq.ft. (Land) 97,198 sq.ft. (Built-Up)





STEEL TUBE PRODUCTS



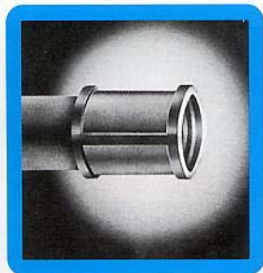
Two brands for steel tubes:

MIG-MARUICHI

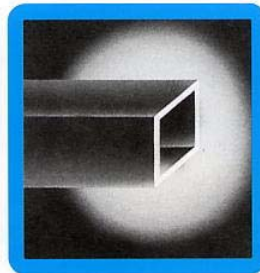
Aurora

SIZE RANGE

- (1) Diameter -From 9 mm to 350 mm
- (2) Thickness -From 0.8 mm to 9 mm
- (3) Length -Standard length = 6.0 m
- (4) End -Plain or Threaded ends.



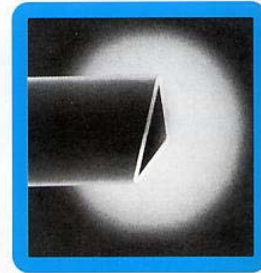
G.I. Pipes



Square Sections



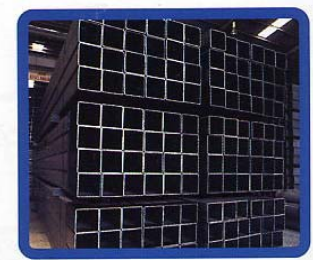
Round Tubes



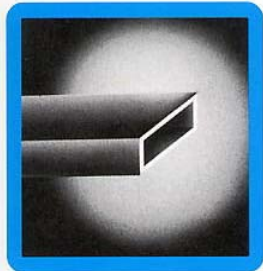
Triangle Tubes



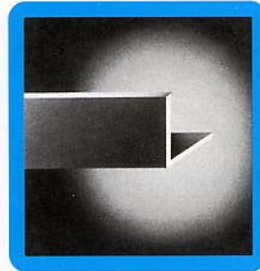
Furniture Tubes



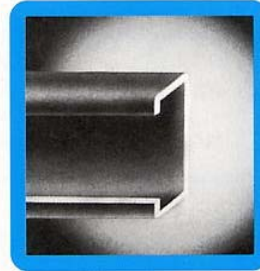
Square Pipes



Rectangular Sections



Angles



Lipped Channels



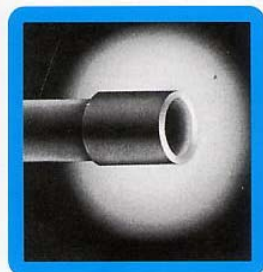
Oblong Tubes



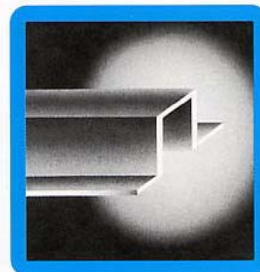
Electrical Steel Conduit



Rectangular Pipes



Electrical Conduit Tubes



Hat Type Channels



Gate Channels



D-Tubes



Hot-Dipped Galv. Pipes



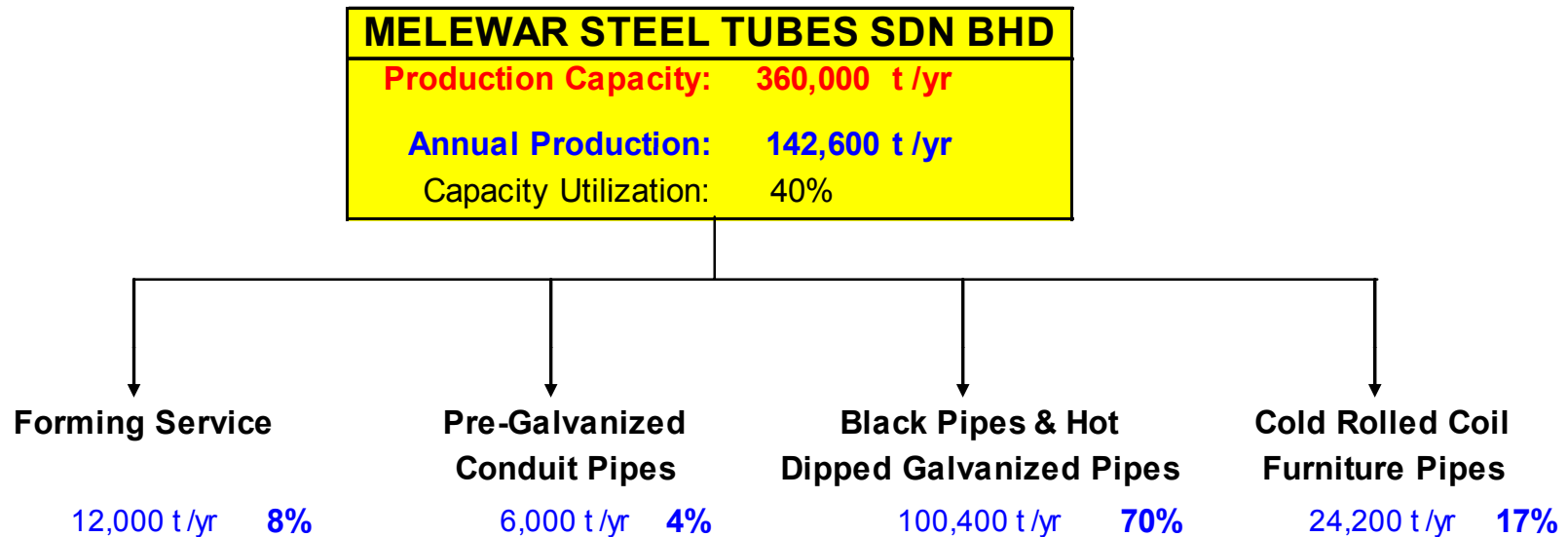
Mechanical Tubes



STEEL TUBE PRODUCT & CUSTOMER MIX



PRODUCT MIX



CUSTOMER MIX

Engineering & Construction Industry	50%
Furniture Industry	30%
Water Supply Industry	15%
Auto & Electrical Industry	5%
	100%

Unlike long-product steel manufacturers, MIG has only 50% exposure to the domestic Construction Sector.



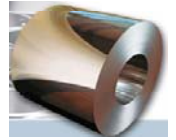
STEEL TUBE – FINANCIALS



	Financial Year (31 January)			17 months ended 30/6/07 RM mil	12 months ended 30/06/08 RM mil	3 months ended 30/09/08 RM mil
	2004 RM mil	2005 RM mil	2006 RM mil			
Sales	213.7	289.4	284.6	364.3	320.8	87.8
Profit Before Tax	46.3	29.3	(3.6) ♣	30.9 ♥	20.8	7.1
Profit After Tax	39.7	21.5	(1.3)	29.9	18.4	5.4
Net Tangible Assets	290.9	283.9	305.8	353.0	339.8	345.2
Sales Tonnage ('000 t)	103.8	110.9	102.2	125.5	99.8	22.0

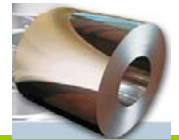
♣ Loss in 2006 due to drop in inventory values following collapse in international steel prices between June to December 2005.

♥ By 2007 profit margins have improved although not as high as in pre-2006 period. RM 30.9 mil PBT for 17 months translates to annualized PBT of RM 21.8 mil/year.



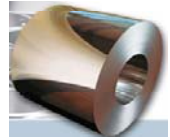
MYCRON STEEL BERHAD
(622819-D)

- Operated through 54.5% owned Mycron Steel Bhd which was listed in June 2004.
- Core activity is the production of Cold Rolled Coil (CRC) steel sheets.
- First CRC manufacturer in Malaysia.



MAJOR SHAREHOLDERS	No. Shares 30 Nov 2008 (Million)	Shareholdings %
Melewar Industrial Group	97.50	54.5
Melewar Equities Group	9.34	5.2
MAA Berhad	2.80	1.6
Melewar Group	109.64	61.3
PNB (Skim ASB)	5.16	2.9
Group & Govt Funds	114.80	64.2
Foreign Shareholding	7.20	4.0
Balance Free Float	57.00	31.8
Total Paid Up Capital	179.00	100.0

COMPANY BACKGROUND



- **Attained SIRIM ISO 9001 in 1996.**
- **Manufacturer of highest quality Malaysian CRC.**
- **Factory located in Shah Alam.**



Location : Lot 717, Jalan Sungai Rasau,
Section 16, 40200 Shah Alam, Selangor

Land : 781,423 sq.ft. (17.94 acres)

Built-up : 307,507 sq.ft.

Capacity : 15,000 t /mth
180,000 t /year

Equipment : Continuous Pickling Line
Hitachi 6-High Cold Reduction Mill
Electrolytic Cleaning Line
Batch Annealing Furnace
Recoiling Line



NO. PENDAFTARAN : AR 0912
Registration No.:

SIJIL PENDAFTARAN SISTEM KUALITI *Quality System Registration Certificate*

SIRIM QAS Sdn. Bhd. dengan ini mengesahkan bahawa
SIRIM QAS Sdn. Bhd. hereby certifies that

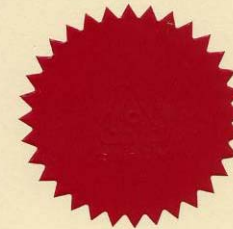
COLD ROLLING INDUSTRY (M) SDN. BHD.
LOT 717, JALAN SUNGAI RASAU
SEKSYEN 16
40200 SHAH ALAM SELANGOR DARUL EHSAN
MALAYSIA

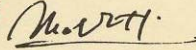
telah melaksanakan Sistem Kualiti yang menepati
has implemented a quality system complying with

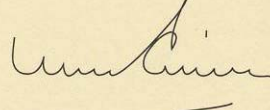
MS ISO 9001 : 2000 Quality Management Systems - Requirements

Skop Pendaftaran
Scope of Registration

MANUFACTURE OF COLD ROLLED STEEL SHEET IN COIL.




Dr. Mohd. Yusoff Zakaria
Pengerusi
Chairman
Jawatankuasa Penasihat Persijilan
Certification Advisory Committee


Dato' Dr. Mohd. Ariffin bin Hj. Aton
Pengerusi
Chairman
SIRIM QAS Sdn. Bhd.

SIRIM QAS Sdn. Bhd.
(No. Syarikat 410334 - X)
1, Persiaran Dato' Menteri
Seksyen 2, Peti Surat 7035
40911 Shah Alam
Selangor Darul Ehsan
MALAYSIA

Tarikh Persijilan: **02 October 1996**
Certification Date:

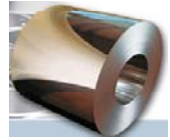
Sah Sehingga : **01 October 2005**
Expiry Date:

No. Siri : **4454**
Serial No.:

Tel : 60-3-5544 6400
Fax : 60-3-5510 9439

Penganugerahan Siji ini tertakluk kepada peraturan-peraturan dan syarat-syarat Skim Persijilan Sistem Kualiti seperti tertera dalam Perjanjian Persijilan Sistem Kualiti
This Certificate is granted subject to the terms and conditions governing the grant of a Certificate of Registration of Quality System as stated in the Quality System Certification Agreement.

WHAT IS CRC?



HOT ROLLED COILS



Thick & Rusty Steel Sheet (1.7mm to 3.5mm thick)

COLD ROLLED COILS



Thin & Clean Steel Sheet (0.3mm to 2.5mm thick)

MYCRON STEEL

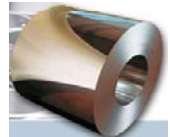
DOWN STREAM INDUSTRIES





MYCRON STEEL BERHAD

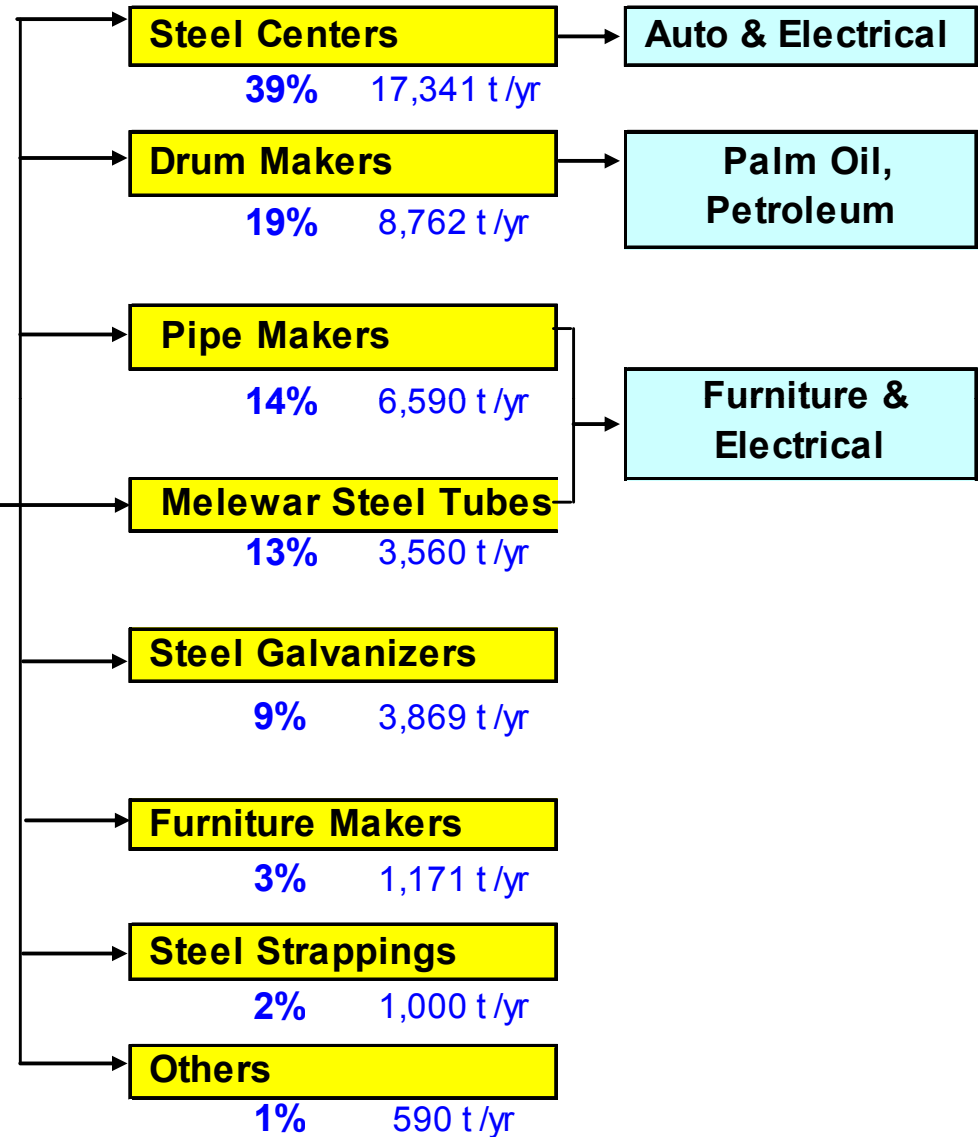
CRC CUSTOMERS



PRODUCT MIX

(QTR ended 30 Sept 2008)

MYCRON STEEL	
Rated Capacity	: 205,000 t/yr 51,250 t/Q1 09
Annual Production	: 42,883 t
Capacity Utilization	: 89%

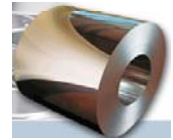


Unlike long-product steel manufacturers, Mycron has MINIMAL exposure to the domestic Construction Sector.



MYCRON STEEL BERHAD

INCOME STATEMENT

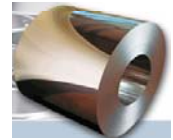


	y/e 31 January				y/e 30 June	y/e 30 June	3 mths ended
	2003 RM'000	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	30/09/2008 RM'000
Gross Revenue	♥ 201,085	269,577	357,284	325,461	482,335	Ω 406,087	136,000
Cost of Sales	(162,743)	(231,978)	(309,877)	(330,963)	(437,559)	(375,237)	(125,952)
Gross Profit	38,342	37,599	47,407	(5,502)	44,776	30,850	10,048
Other Income	1,226	796	672	349	1,428	731	200
Distribution Cost	(2,682)	(1,893)	(1,777)	(1,348)	(2,845)	(2,383)	(812)
Admin Cost	(2,992)	(1,950)	(8,720)	(5,917)	8,765	(7,344)	(1,405)
Finance Cost	-	(1,895)	(1,914)	(3,141)	(3,987)	(4,744)	(4,393)
Other Expenses	-	-	-	-	(1,169)	(413)	(108)
Profit Before Tax	♫ 33,894	32,657	35,668	♣ (15,559)	29,437	16,697	3,530
Tax	(9,949)	(9,079)	(9,544)	3,359	(7,664)	13,561	(366)
Profit After Tax	23,945	23,578	26,124	(12,200)	21,773	30,258	3,164

- ♥ Gross Revenue has grown strongly with the increase in HRC prices. Mycron has passed on the price increase of raw materials to customers.
- Ω Since mid-2007 (FY 2008), HRC & CRC prices have been on an uptrend.
- ♫ PBT has been strong for the past 3 years (avg. RM 34 mil /year).
- ♣ PBT loss of RM 15.6 mil, due to write down in inventory values following the fall in international HRC prices. Mycron has reduced HRC cost to US\$ 445 /MT. This is a one-time loss.



BALANCE SHEET

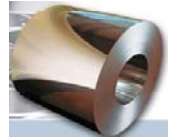


BALANCE SHEET	31 January				y/e 30 June	30 Jun	30 Sep
	2003 RM'000	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2008 RM'000
Fixed Assets	128,304	126,879	127,491	185,334 ♥	259,498	321,525	321,477
Deferred Tax Asset	7,874	0	0	4,700	0	0	0
Deferred Tax Liabilities	0	(1,007)	(8,802)	(20,010)	(21,749)	(7,618)	(7,925)
Current Assets	108,261	90,247	152,191	139,814	166,917	204,950	212,687
Current Liabilities	(9,889)	(79,917)	(48,704)	(81,817)	(98,563)	158,420	168,730
Net Current Assets	98,372	10,330	103,487	57,997 🎵	68,354	46,530	43,957
Non Current Liabilities	0	0	0	0	(58,882)	(84,557)	(78,465)
NET ASSETS	234,550	136,202	222,176	228,021	247,221	275,880	279,044
Share capital	60,000	60,000	179,000	179,000	179,000	179,000	179,000
Share Premium Account			14,919	14,919	14,919	14,919	14,919
Revaluation Reserve				30,575	31,134	31,679	31,679
Retained Profits	174,550	76,202	28,257	3,527	22,168	50,282	53,446
SHAREHOLDERS' FUNDS	234,550	136,202	222,176	228,021	247,221	275,880	279,044

♥ Mycron has adopted international Financial Reporting Standards (FRS) for FY 2006, and this has resulted in a fixed asset revaluation surplus of RM 30.6mil.

🎵 Drop in Current Assets due to write-down in value of inventories.

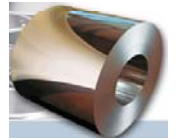
CRC PLANT UPGRADE & EXPANSION



- Plant upgrade and expansion in completed in Q4 2008.
- Installation of new facilities – Tension leveller, Skinpass mill and additional Annealing equipment.
- Capex RM120 million.
- Upgrade will improve product quality of high grade CRC which gives better margins.
- Also add increased capacity from 180,000 t/yr to **260,000 t/yr** (i.e. **+80,000 t/yr** capacity or **+45%** capacity).
- Higher profit margin due to economies of scale. **45%** increase in capacity will lead to **65% increase in profit**.
- Additional Profit After Tax due to the plant upgrade & expansion is estimated to be **RM 16.6 mil/yr**.



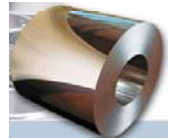
SITE PHOTOGRAPHS





MYCRON STEEL BERHAD

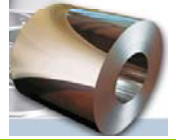
SITE PHOTOGRAPHS

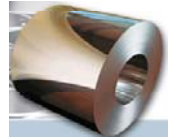




MYCRON STEEL BERHAD

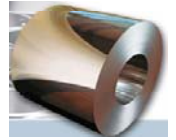
SITE PHOTOGRAPHS





- Completed purchase of 20% stake in *PMP Galvanizers Sdn Bhd* (PMP).
- PMP (used to be wholly owned by Multi Resources Sdn Bhd) manufactures roofing products like roofing truss, colour coating, and roofing profiles, for export to Australia, New Zealand, Middle East and South East Asia.
- PMP has completed installing a RM 85 million galvanising plant with a capacity of 150,000 t/yr.
- PMP has signed an off-take agreement with Mycron to procure 75,000 t/yr of CRC upon completion of our plant upgrade and expansion.
- **Win-win for both:**
 - PMP gets a regular supply of 75,000 t/yr of quality CRC.
 - Mycron has off-take for part of the 80,000 t/yr new capacity.

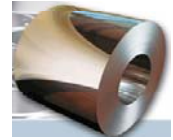




- In 2007, signed off-take agreement with Bluescope (Malaysia) Sdn Bhd, part the largest steel group in Australia, to supply up to **60,000 t/yr** for next 3 years.
- Prior to this Bluescope was importing the CRC from overseas.
- HRC supply for this contract will be from Bluescope Australia. MITI has approved the import as exempt from the standard 40%:60% (local:import) quota, due to the resultant CRC being a substitute to imported CRC.



- With the PMP (**75,000 t/yr**) and Bluescope (**60,000 t/yr**) agreements, Mycron's additional capacity from the plant expansion of **80,000 t/yr** is completely sold out.
- **Management is already finalising plans for the next expansion.**



(From left) Linge, deputy director of Malaysian Industrial Development Authority Foo Sin Fong and Azlan at the signing ceremony yesterday

Mycron in RM300m supply deal with BlueScope Steel

NST/BT 11/8/07

MYCRON Steel Bhd is selling cold rolled coils (CRC) to BlueScope Steel (Malaysia) Sdn Bhd for about RM100 million a year over a three-year period.

"The RM100 million estimate is based on the assumption that we supply an average of 30,000 tonnes of CRC in a year to BlueScope Steel at average prices of between US\$660 and US\$670 (RM2,277 and RM2,311) per tonne," Mycron chief executive officer Azlan Abdullah said.

The Australia-based BlueScope Steel, which is 40 per cent owned by Permodalan Nasional Bhd, makes coated steel for roofs and cladding.

"For a start, we'll be selling 1,500 to 2,000 tonnes of CRC per month to BlueScope Steel. After our expansion plans early 2008, the supply will go up to around 5,000 tonnes per month," he said.

Mycron Steel produces cold rolled coil steel sheets, which is used to make pipes, car parts and appliances like refrigerators. It

also supplies 22 car components to Proton Holdings Bhd currently.

Azlan said that by early 2008, the company will invest RM120 million to increase its capacity by 44 per cent to produce 260,000 tonnes of cold rolled coils.

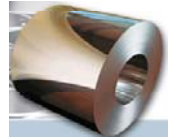
At present, it produces 180,000 tonnes.

He was speaking to reporters after signing the supply agreement with BlueScope Steel president Simon Linge during a ceremony held in Kuala Lumpur yesterday.

Under this deal, Mycron will buy hot rolled coils from BlueScope Steel's Australian steelworks at Port Kembla, Australia and process this into cold rolled coils.

Before the tie-up with Mycron, Linge said BlueScope Steel had been importing 150,000 to 180,000 tonnes of cold rolled coils for more than a decade.

"We're collaborating with Mycron to optimise on logistics," Linge said.



- **First Technical Service Agreement signed in April 2006.**

JFE to provide technical assistance in producing thin-gauge CRC (<0.2mm).

Enabled Mycron to penetrate the roofing and auto industries.

Involves secondment of JFE technical staff to Mycron.

Involves training and attachment of Mycron's technical staff at Fukuyama Works, Japan.



- **Second agreement was signed on 31 January 2007.**

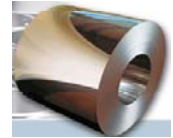
18-month program where JFE will assist Mycron in developing auto-grade CRC (specifically targeting Proton as a client).

JFE to supply very-high quality HRC substrate as the raw material for auto-grade CRC.



MYCRON STEEL BERHAD

CRC TECHNICAL SERVICE WITH JFE JAPAN



NEWS STARBIZ, THURSDAY | FEBRUARY 2007

Pact with Japan's JFE Steel to raise output

By HANIM ADNAN
nem@thestar.com.my

KUALA LUMPUR: Mycron Steel Bhd will strengthen its foothold in the production of high-end grade cold-rolled steel sheets following the signing of the second Technical Service Agreement (TSA) with the world's fourth largest steel mill group, JFE Steel Corp of Japan.

The TSA, to be completed in 15 to 18 months, would enable Mycron to source the technical know-how from JFE Steel for the production of high-end grade cold-rolled steel sheets in Malaysia.

Mycron chief executive officer Azlan Abdullah told *StarBiz* that the group would soon have the know-how and capability of JFE Steel, Japan's second largest steel mill, to supply directly to high-end sectors, such as the automotive and electric appliances industries.

"JFE Steel will send its technical team to Mycron to evaluate, make recommendations for improvement and train Mycron's personnel in the production of high-end grade cold-



JFE Steel executive assistant general manager Toshikazu Kaihara (left) and Azlan Abdullah after the signing yesterday

»We can run our cold-reduction mill at higher speed «

AZLAN ABDULLAH

rolled steel sheets. Mycron will send its personnel for training at JFE Steel's facility in Japan," he said.

According to Azlan, the two TSAs (the first was completed in December last year) are part of Mycron's efforts to upgrade itself into the higher quality cold-rolled steel sheet market. This is also in line

with the group's RM120mil expansion plan currently in progress.

"We are negotiating with local coating players to source Mycron's cold-rolled steel sheets to substitute the imported ones," he said.

The steel sheet coating industry in Malaysia currently imports over 400,000 tonnes of cold-rolled steel sheets per annum.

Azlan said the first TSA had enabled Myrcron subsidiary Mycron Steel CRC Sdn Bhd to produce thin gauge cold-rolled steel sheets to 0.2mm thickness from 0.3mm previously.

"Production efficiency has improved as we can operate our cold-reduction mill at higher speed and the quality of our cold-rolled steel sheet has gone up with better profile and surface appearance," he added.



STEEL BAR (REBAR) OPERATIONS



Melewar Steel Mills Sdn Bhd (a 100% subsidiary) manufactures Steel Reinforcement Bars (Rebars):

- High Tensile Deformed Bars
- Mild Steel Round Bars

Located in Malacca



Product Range	Construction Grade Reinforcement Bars Y9mm, Y10mm, Y12mm,R10mm, R12mm
Installed Capacity	3,000 t/mth
Location	Plot 9288, Kawasan Perindustrian Kelemak, Alor Gajah, Melaka
Area	64,802 sq.ft. (Land) 16,011 sq.ft. (Built-Up)



STEEL BILLET OPERATIONS



- Operated by Melewar Steel Mills Sdn Bhd.
- Located in Shah Alam. Facility includes Induction Furnaces, Ladle and Conveyor Casting system.
- In final commissioning stage.
- Capacity is 2,500 t/mth.
- Under this process, steel scrap from the group's operations is smelted & casted into billets. Billets are then sent to the rolling mill in Malacca for production of steel bars.
- Provides steady billet supply & new income stream.
- Surplus billets to be sold to other rebar rollers.



IRON ORE MINING OPERATIONS

- **MIG holds a 10.5% investment in Gindalbie Metals Ltd.**
- **Diluted from 17.2% held last year due to recent placement of new shares valued at A\$162m to AnSteel at A\$0.85 per share.**
- **Listed on Australian Stock Exchange**
- **Main activity – Iron ore exploration and mining at Karara**
- **Tenement area – 2,000 sq km**
- **Main deposit :**
2.4 bil tonne (Magnetite iron ore)
High Iron & Low Silica Content



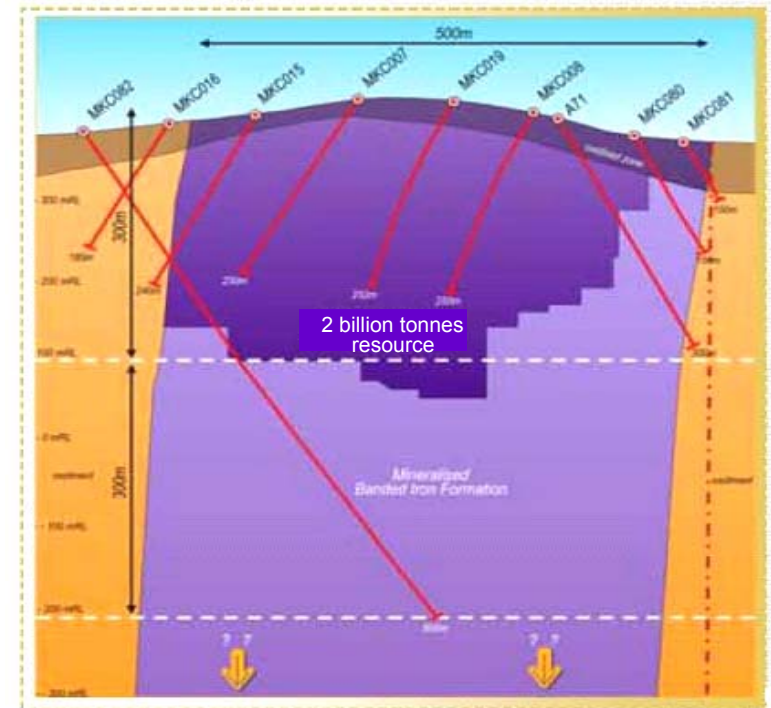
IRON ORE RESERVES

KARARA PRODUCTION TARGET

- Hematite: 6 year life (at 2 mil t/pa)
- Magnetite: 60 year life (at initial 8 mil t/pa)
- Hematite mining by early 2010.
- Magnetite mining by end 2010.
- Potential for further reserves as only small part of tenement explored.

MINERALISATION

- Mineralisation exists to at least 600 metres
- 2.4 billion tonne resource
- Low impurities



KARARA MAGNETITE BFS RESULTS SUMMARY

(based on 25-year production profile)

- Resource of 1.8 bil tonnes with initial proven reserve of 522 mil tonnes
- Average post tax annual free cash flow of A\$375 mil.
- NPV (at 9%) after tax of A\$2.25 bil & IRR after tax of 24.6%.
- First ore delivery targeted for end 2010.

JV PARTNER

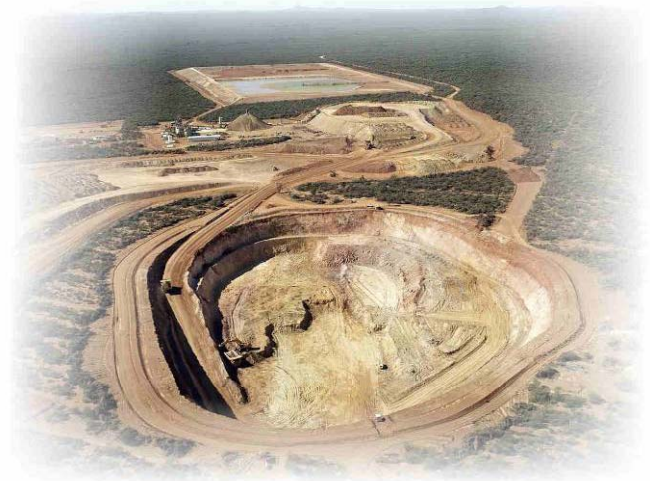
- **50:50 Joint Venture with Anshan Iron & Steel Group (AnSteel), China's 2nd largest steel producer (160 mil t/yr iron & 20 mil t/yr steel).**
- **AnSteel owns 50% of the Iron Ore output but will offtake entire iron ore production.**
- **Total project cost is A\$1.8b including rail infrastructure and a pellet plant in China.**
- **Has secured 70% project financing of A\$1.2b from China Development Bank. AnSteel has fully provided the 30% equity portion.**
- **After recent share placement, AnSteel now owns 36.3% interest in Gindalbie while MIG's interest is 10.5%.**



POTENTIAL AND INVESTMENT VALUE

POTENTIAL

- Demand for steel is expected to recover by next year and maintain a steady growth for next decade. Iron ore demand, likewise, will follow steel demand trend.
- Iron ore price increased by 72% in 2005, 19% in 2006, 10% in 2007 and 85% in 2008 but expected to drop by between 20%-40% in 2009.
- Price expected to maintain in next few years.
- Investment value in Gindalbie should grow substantially after mining commences by end 2010.



MIG's INVESTMENT IN GINDALBIE

• No.of Gindalbie Shares owned by MIG		74 mil	
• Cost to MIG	A\$ 0.10 ps	A\$ 7.4 mil	RM 17 mil
• Current Gross Value @ 31/12/08 *	A\$ 0.59 ps	A\$ 43.7 mil	RM 103 mil
• Current Net Book Value**		A\$ 32.8 mil	RM 77 mil

* RM 2.35 = A\$ 1.00

RECENT DEVELOPMENT

OPES PRIME ISSUE

- MIG pledged 35 mil shares to Opes Prime Stockbroking in end 2007 for a loan of A\$11.2 mil.
- In March 2008, an administrator was appointed for Opes Prime by ANZ after it defaulted in their loan payments to ANZ and Merrill Lynch.
- Our shares which were charged to ANZ and Merrill Lynch by Opes Prime without our knowledge, were sold off by both banks.
- MIG has filed a suit against ANZ and Merrill Lynch for return of our shares. The case is still with the courts.

RECENT DEVELOPMENT

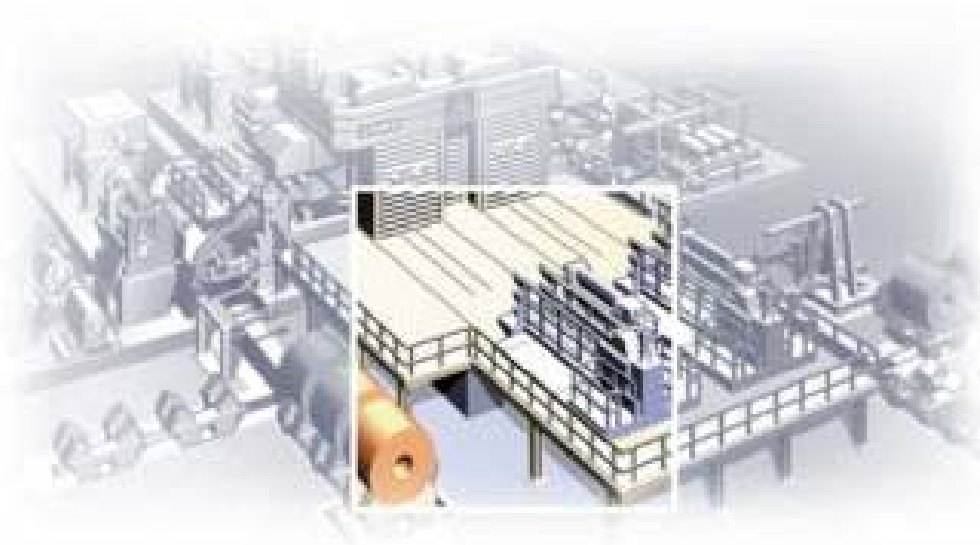
- ANZ, Merrill Lynch and the liquidators of Opes Prime recently agreed on an out-of-court settlement. The settlement proposal, which is endorsed by ASIC will require the approval of 75% of the creditors/clients (in terms of debt value) of Opes Prime for it to be effective. Under the proposal, a creditor gets back about A\$0.40 to the dollar.
- MIG has instructed our lawyers to reject the proposal as the proposal puts a value of only A\$0.47 for each Gindalbie share that we have lost. This is less than the current market price of A\$0.60 and about half of the placement price of A\$0.85 to AnSteel.



DIVISION BRIEF: ENGINEERING

**MELEWAR INTEGRATED ENGINEERING
SDN BHD**

MELEWAR METRO SDN BHD

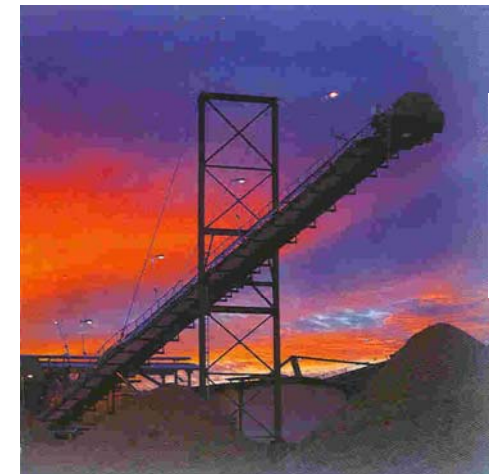




MELEWAR INTEGRATED ENGINEERING SDN BHD

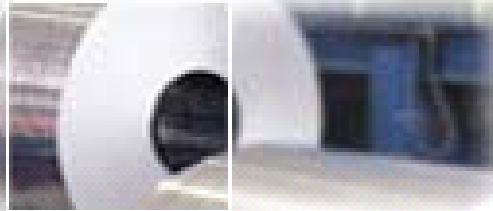
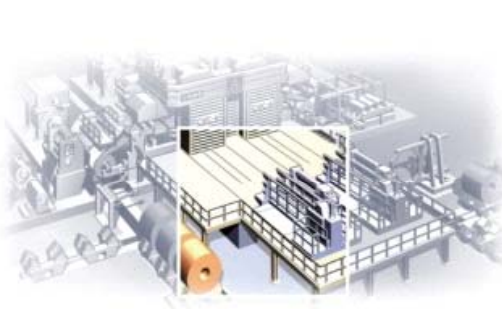
- **Leader in multi-disciplinary engineering offering one-stop solutions focusing on 5 core business divisions:**
 - » **Turnkey Projects**
 - » **Project Management**
 - » **Project Development**
 - » **Operation and Maintenance**
 - » **Research and Development**

- **Business sectors presently served by MIE include governmental organisations, iron & steel industry, ports, power generation, paper and pulp industry, industry wood processing, public transport systems and mining.**





MELEWAR INTEGRATED ENGINEERING SDN BHD



Projects in Hand

- **Telaga Chip Mill Sdn Bhd project in Sabah – RM 37 mil Construction and Management Contract**
- **Melewar Steel Mills Sdn Bhd – RM 20 mil Smelter & Billet Plant Contract**
- **Mycron Steel Bhd – RM 120 mil plant upgrade and expansion project**
- **M3nergy Bhd – RM 20 mil Labuan barite powder plant.**



ENERGY DIVISION

- **Imperial Power Ltd & SINOPEC**
- **M3energy Bhd**
- **Maveric Ltd**

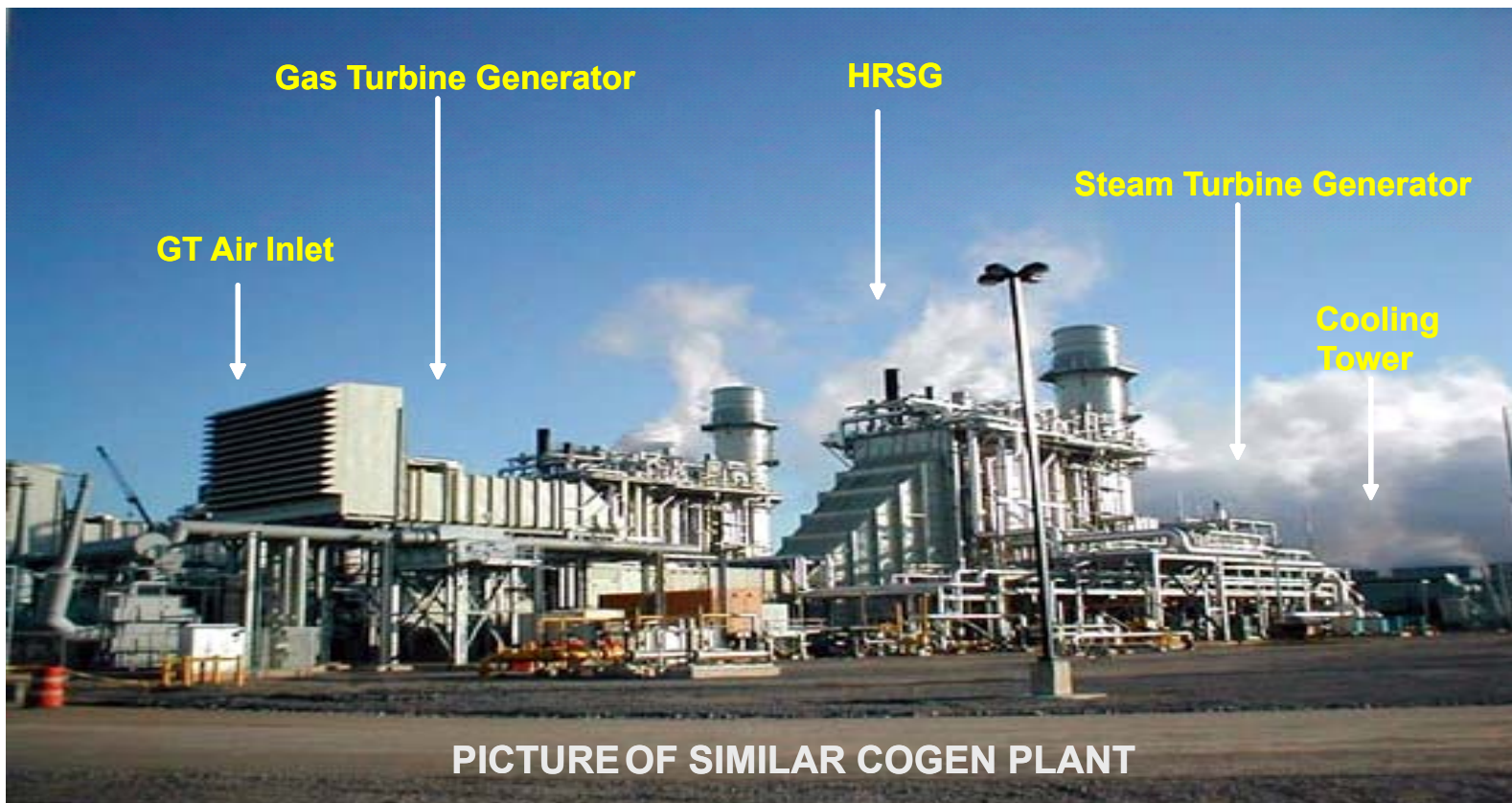




MPERIAL POWER LTD



- Owns 95.03% of Siam Power Generation Company Ltd (SIPCO).
- Phase 1 - Construct, operate & own a **160 MW** combined cycle gas fired power plant in Rayong, Thailand. Expected COD 2010.
- **Total licensed capacity= 450 MW.**
- Site can accommodate **1,000 MW** plant.





MPERIAL POWER LTD & SIPCO



SIPCO Terms & Financials

- PPA - 25 years, Index to USD with full Fuel Price increase pass through
- Off-takes - **90 MW EGAT**
70 MW G-Steel
- Natural Gas supply – PTT
- Strong earnings for SIPCO shareholders
- **8 years tax holiday,**
50% discount for
next 5 years, import
duty exemption
- Avg selling price
US\$ 0.075 /kwh
- **Achieved Financial Close on 30 June 08 with**
4 big banks in Thailand for a syndicated loan
of Baht 5,800 million (about USD173 million)

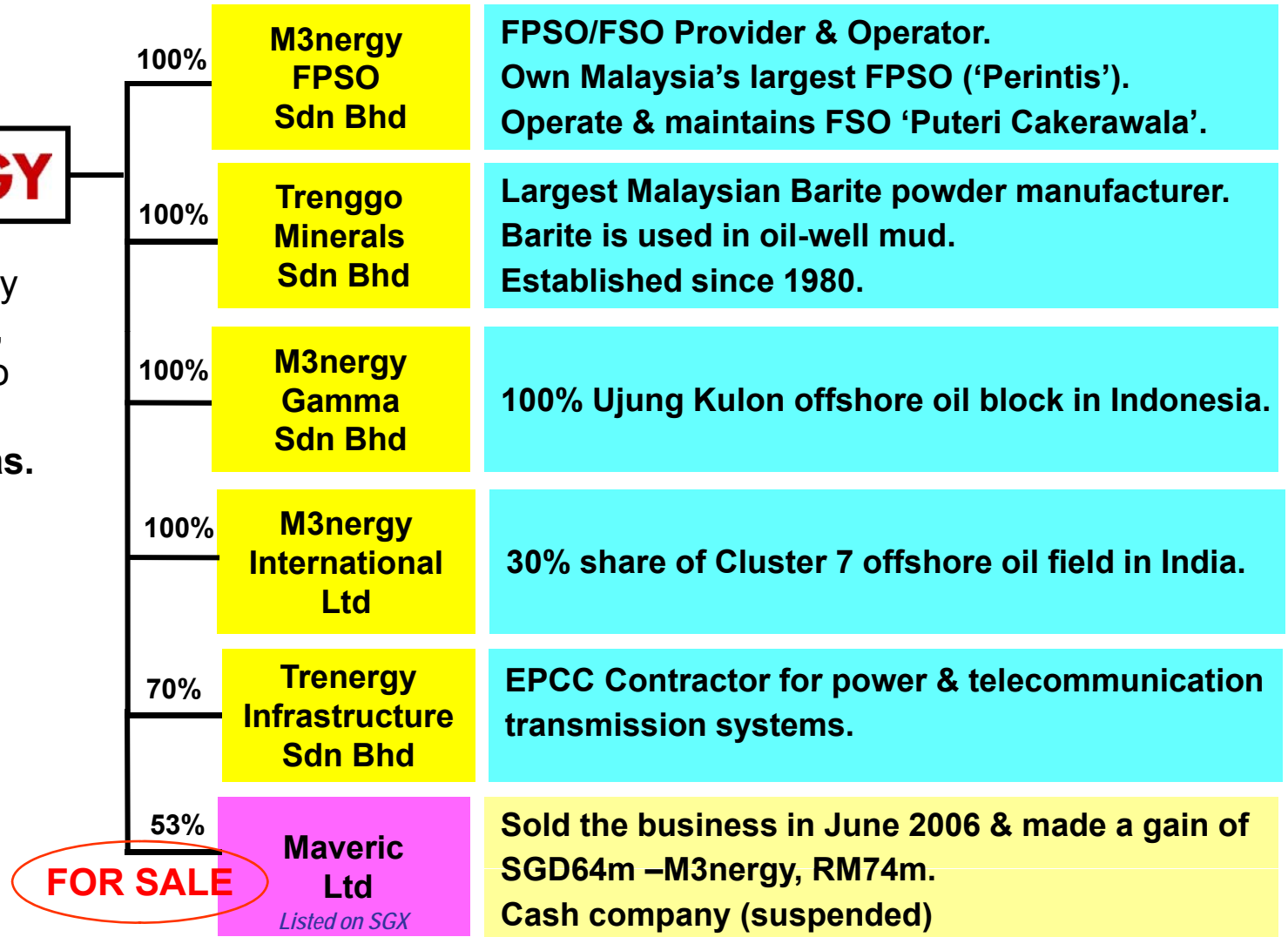


OIL & GAS OPERATIONS

22.6% owned
by MIG



Since acquisition by
MIG in Sept 2004,
M3nergy started to
**refocus on core
activity in Oil & Gas.**



FOR SALE

FPSO/FSO OPERATIONS



FPSO Perintis

FPSO PERINTIS

- Owner-operator of FPSO
- Fully integrated FPSO
 - Crude oil separation system
 - Gas compression system
- Contracted to Petronas Carigali
- Initial 9-year contract: 1999 – 2008
- 5-year extension to 2013 with option to extend another 5 years
- Crude Storage – 650,000 barrels
- Production quantity:
 - 60,000 barrel/day crude oil
 - 40 million scf/day natural gas

FSO PUTERI CAKERAWALA

- FSO for Gas Condensate
- Operates and maintains FSO Puteri Cakerawala
- Contract with Carigali Hess Operating Company (Malaysia-Thai JV)- owner
- Initial 3-year contract: 2005 - 2007
- Subsequent 3-year contract to 2010 with option to extend up to another 2 years,



FSO Puteri Cakerawala

BARITE POWDER PROCESSING



ACTIVITIES

- Barite ore/rock is processed into barite powder
- Barite powder is used as weighting agent in drilling fluid /mud to suppress pressure & prevent oil well blowouts
- Market share: 66% of Malaysian sales

Major Clients (mainly based in East Malaysia):

- Petronas Carigali Sdn Bhd
- Sarawak Shell Bhd
- Murphy Oil Sarawak Ltd
- Nippon Oil Exploration Co Ltd
- Mobil Petroleum Malaysia Inc

STRENGTHS

- More than 20 years experience
- Fully integrated Raymond Roller Barite Mill
- Fully equipped & established testing laboratory
- Complete barite supply facilities in Labuan
- High quality barite – meets American Petroleum Institute's (API) specifications



Barite rocks



Processed barite powder

BARITE POWDER PROCESSING



CURRENT OPERATIONS

- **Factory located in Trengganu.**
- **Capacity : 50,000 tonnes/year.**
- **Operating at 100% capacity.**
- **High demand for barite powder since surge in drilling activities in East Malaysia.**
- **Barite rocks are imported from China & processed in Trengganu.**
- **Barite powder is shipped to Labuan in bags. When required, the bags are opened & the powder is stored in silos, in the Labuan Supply Base, for final discharge into customers' vessels.**

NEW FACILITY

- **In Labuan - To avoid double handling of barite rock & powder, to avoid the need to 'bag' powder & for economies of scale.**
- **Barite rocks will be shipped to Labuan & the barite powder will be stored directly into silos.**
- **Labuan Capacity : 120,000 tonnes/year.**
- **Target completion : Q4-2008.**
- **Strategic move to maintain command in barite supply in East Malaysia.**



OIL & GAS EXPLORATION & PRODUCTION



M3nergy is actively bidding for Oil & Gas Production Sharing Contracts (PSC), for existing & proven oil fields in the region.

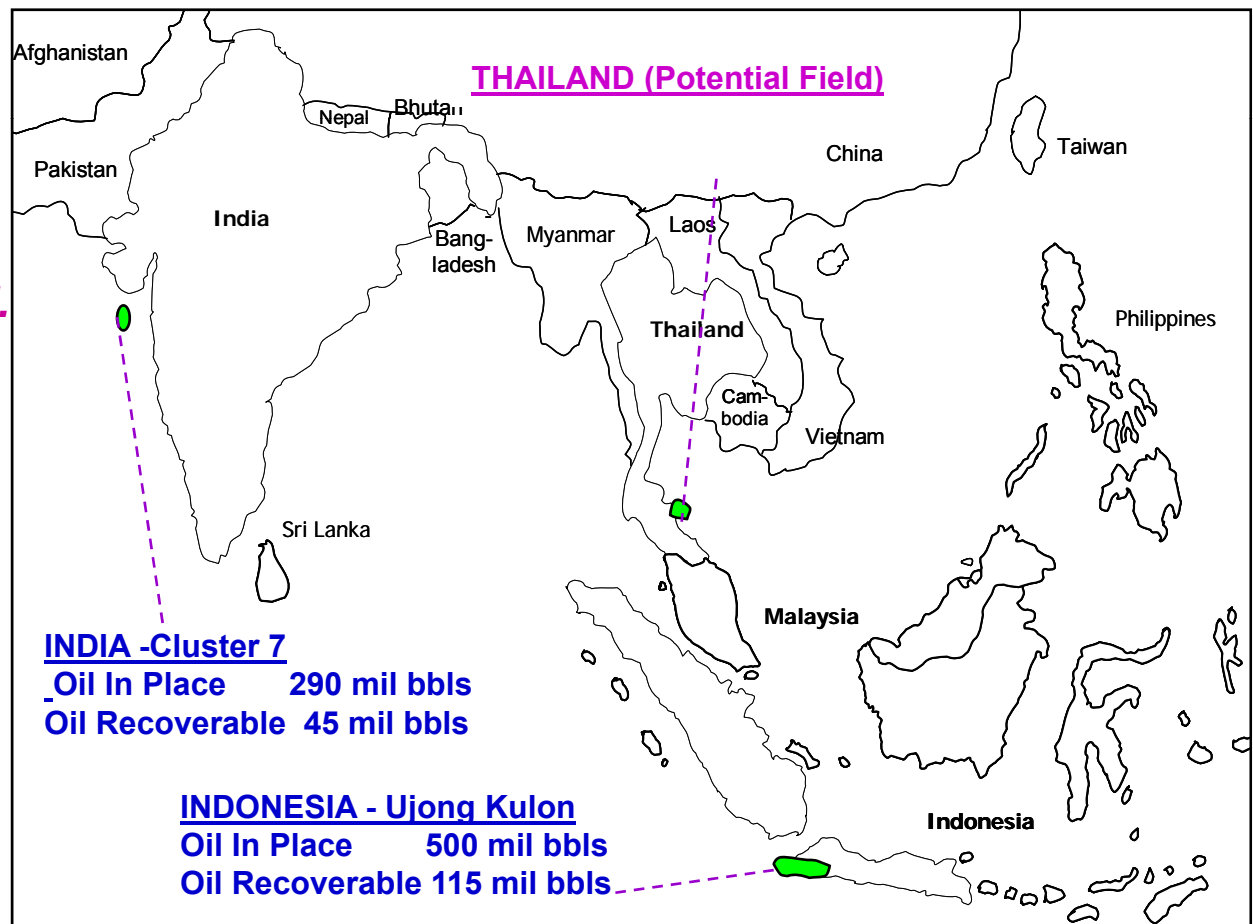
In all bids, M3nergy will be the partner to manage and own FPSO/FSO assets.

Cluster 7 - India (service contract)
and *Ujung Kulon - Indonesia (PSC)*
are merely the first successful bids of many tenders.

Next best prospect is a potential oil field in *Thailand*.

STRATEGY

M3nergy will invite other partners into the PSC to limit its investment in the exploration phase & will focus more on the FPSO/FSO components.



POTENTIAL FROM OIL & GAS PRODUCTION



Estimated Profits from Oil & Gas Production

		INDIA Cluster 7	INDONESIA Ujong Kulon
M3nergy's Interest (a)		30%	80%
Output		Oil	Oil
Total Oil In Place	mil bbls	290	500
Total Oil Recoverable	mil bbls	45	115
Field Life	Years	10 yrs	15 yrs
Production Start	Year	2010	2012
Oil Price	US\$ /bbl	40	40
Total Revenue	US\$ mil	744	4,631
Total Field Profit After Tax (b)	US\$ mil	264	502
M3nergy's share of PAT (c=b x a)	US\$ mil	79	402
M3nergy's Max. Investment	US\$ mil	19	41
M3nergy's IRR		50%	40%
M3nergy's Average Annual PAT	RM mil	27	91

Estimated recoverable volume, sales and profit numbers will depend on professional reserve assessments which are still work in progress. The numbers provided herein are best internal estimates only and should not be relied upon in forming any decision to invest in M3nergy's shares. Estimates are subject to substantial changes as more field assessment details become available.

POWER TRANSMISSION SYSTEMS



ACTIVITIES

- **Construction of power transmission lines**
- **Power Substation Construction**
- **Telecommunication towers**
- **Radio & television transmitter stations**
- **Projects in East & West Malaysia, Sudan**

STRENGTHS

- **Superior design capabilities**
- **Efficient project implementation**
- **Well trained and skilled manpower**
- **Cost-effective construction networks**
- **Mobility of manpower**
- **Experienced management staff**



MELEWAR INDUSTRIAL GROUP BERHAD



GROUP FINANCIAL HIGHLIGHTS



GROUP – FINANCIAL HIGHLIGHTS

BALANCE SHEET as at	30 June 2008 RM'000	31 Dec 2008 RM'000
Property, Plant & Equipment	565,438	594,885
Other Investment	1,869	1,869
Investment in Associates	116,118	116,977
Intangible Asset	55,473	55,473
Deferred Tax Assets	148	3,020
Current Assets	843,515	562,048
Current Liabilities	(620,670)	(577,980)
Net Current Assets	222,845	(15,932)
	961,891	756,292
Share Capital	226,745	226,745
Reserves	79,613	83,049
Retained Profit	310,072	139,147
Shareholders' Funds	616,430	448,941
Minority Interest	157,436	121,171
Deferred Tax Liabilities	92,230	37,770
Long Term Loan	95,795	148,410
	961,891	756,292

→ M3nergy – RM100m
PMP – RM17m



GROUP – FINANCIAL HIGHLIGHTS

INCOME STATEMENT	12 mths to 30 June 2008 RM'000	6 mths to 31 Dec 2008 RM'000
Gross Revenue	703,345	366,293 ¹
Cost Of Sales	(625,758)	(381,094)
Gross Profit	77,587 ²	(14,801) ²
Other Operating Income	148,687	(219,708)
Operating Expenses	(154,485)	27,873
Finance Cost	(17,277) ³	(13,744)
Share of Associate Co.Profits	1,681	919 ³
Profit/(Loss) Before Tax	56,193 ⁵	(219,461) ⁴
Taxation	(985)	56,093 ⁵
Profit/(Loss) After Tax	55,208	(163,368)
Minority Interest	(9,741)	7,259
Net Profit/(Loss) After Tax & MI	45,467	(156,109)

Note 1
Inventory impairment loss
Dec 2008: (RM38.6M)

Note 2
Recognition of investment
gain/(loss) on Gindalbie
shares

Note 3
Share of M3energy's &
PMP Galvanizers' results

Note 4
LBT for 6 mths mainly
due to MTM loss of
Gindalbie shares at
AUD0.590/share.
Excluding the RM229.5m
MTM loss and w/back of
allowance for shares
under litigat'n of RM50.8M,
the pre-tax loss would be
at RM40.8m.

Note 5
(Tax provision)/writeback
for Gindalbie share MTM
gain/(loss)



GROUP FINANCIAL HIGHLIGHTS

	12 months ended 31 January										17 mths ended 30 Jun 07	12 mths ended 30 Jun 08	6 mths ended 31 Dec 08
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006			
Performance													
Revenue (RM mil)	433.2	461.5	300.9	366.6	378.3	352.3	390.8	462.3	598.7	566.9	810.2	703.3	366.3
Profit/(Loss) Before Tax (RM mil)	56.0	55.4	7.0	72.3	67.9	42.8	77.5	80.6	72.7	35.5	189.1	56.2	(219.5)
Profit/(Loss) After Tax (RM mil)	44.8	45.0	7.9	62.3	59.5	53.9	56.6	64.4	46.5	46.5	104.8	55.2	(163.4)
Balance Sheet													
Share Capital (RM mil)	79.0	79.0	79.0	79.0	79.0	79.0	158.1	158.3	161.0	169.9	226.2	226.7	226.7
S/holder Fund (RM mil)	350.1	388.4	389.4	436.8	584.4	623.6	630.3	359.1	351.4	475.5	581.1	616.4	448.9
Total Assets (RM mil)	411.8	476.3	413.2	471.0	597.2	658.0	685.5	484.8	621.2	828.1	1,181.9	1,582.6	1,334.3
Financial Info													
Return on Equity	12.8%	11.6%	2.0%	14.3%	10.2%	8.7%	9.0%	17.9%	13.3%	9.9%	18.0%	9.0%	-36.4%
Gearing	0.06	0.13	0.00	0.00	0.00	0.00	0.00	0.23	0.34	0.38	0.58	0.77	1.23
EBIT (RM mil)	59.1	56.9	9.2	72.3	67.9	42.8	77.5	83.7	75.6	42.9	201.7	73.5	(205.7)
EBITDA (RM mil)	74.9	73.7	26.8	90.6	86.6	60.3	95.5	98.7	91.0	51.8	224.7	87.2	(196.8)
EBITDA before fair value gain/loss on financial assets and provision for shares in litigation (RM mil)	-	-	-	-	-	-	-	-	-	(12.8)	83.9	40.7	(18.2)
NTA per share (RM ps)	4.43	4.19	4.93	5.53	7.39	7.89	3.99	2.27	2.19	2.79	2.56	2.45	1.71
Earnings (RM ps) Ω	0.21	0.21	0.04	0.30	0.28	0.26	0.27	0.31	0.22	0.22	0.33	0.20	(0.69)
Dividends													
Exempt Dividend (RM ps)	-	-	-	0.10	0.10	0.20	0.10	0.80	-	0.03	0.06	-	-
Ordinary Dividend (RM ps)	0.12	0.12	0.12	0.12	0.12	-	-	1.80	0.13	-	-	0.04	-

Strong Profits After dividend pay-out of

After capital distribution of Mycron shares

Φ Includes extraordinary capital gain of RM 25.3 m in FYE 2004.

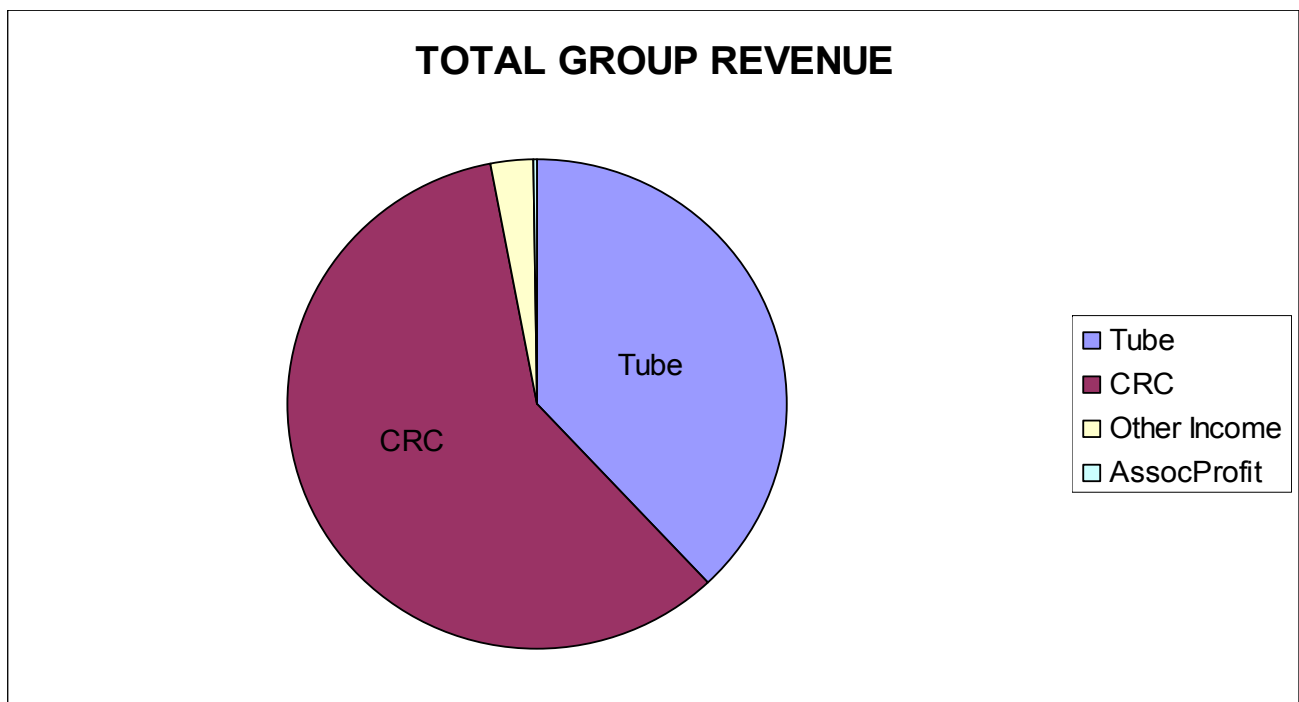
Dividend pay-out of 260%

Ω Earnings per share (annualised) has been calculated by dividing the profit after tax of the Group by the weighted average no. of ordinary shares in issue during the financial period after adjusting for bonus issue.



MIG GROUP – SEGMENTAL ANALYSIS

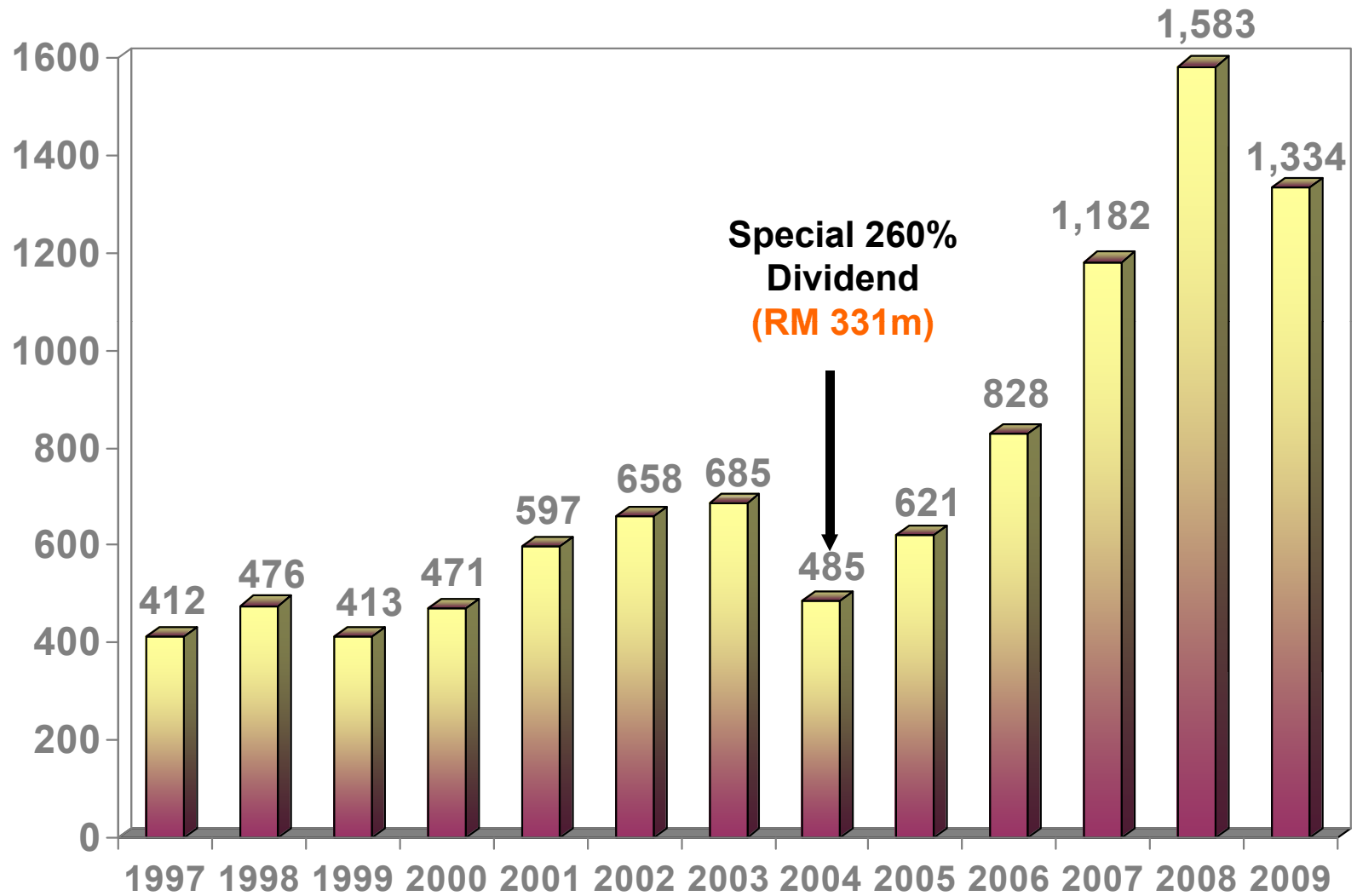
6 mths ended 31 Dec 2008	MIG Direct Operations			Other Inc RM mil	Assoc Profit Sh RM mil	TOTAL RM mil
	Tube RM mil	CRC RM mil	Consol. RM mil			
Gross Revenue	135.8	211.5	19.0			366.3
Other Income				9.8		9.8
Assoc.Co.Profit Share					0.9	0.9
Total Revenue	135.8	211.5	19.0	9.8	0.9	377.0
Mix	36%	56%	5%	3%	0%	100%





GROUP – FINANCIAL HIGHLIGHTS

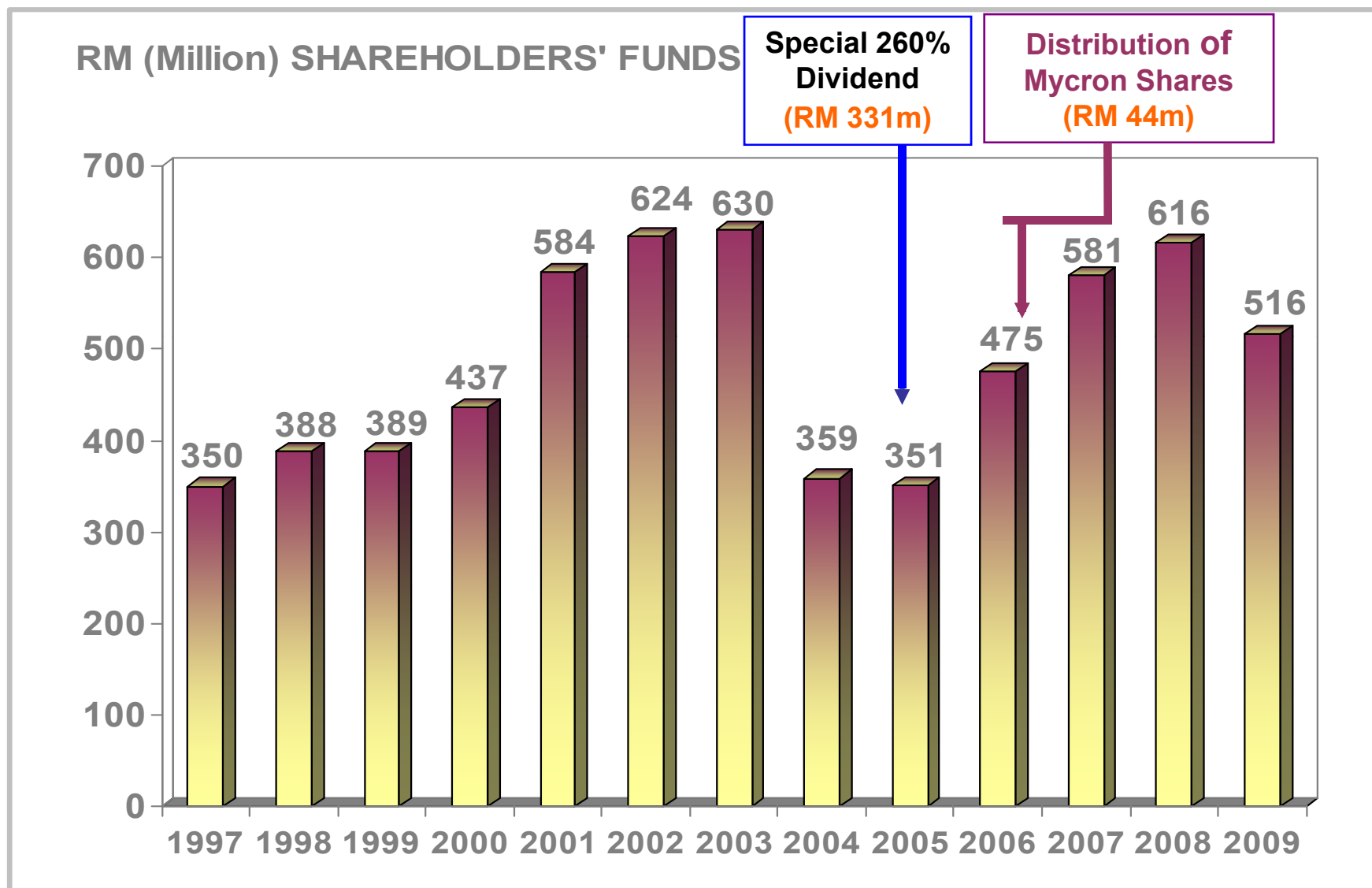
RM (Million) TOTAL ASSETS



← 31 Jan → 30 Jun Q2 2009 31 Dec 08



GROUP – FINANCIAL HIGHLIGHTS

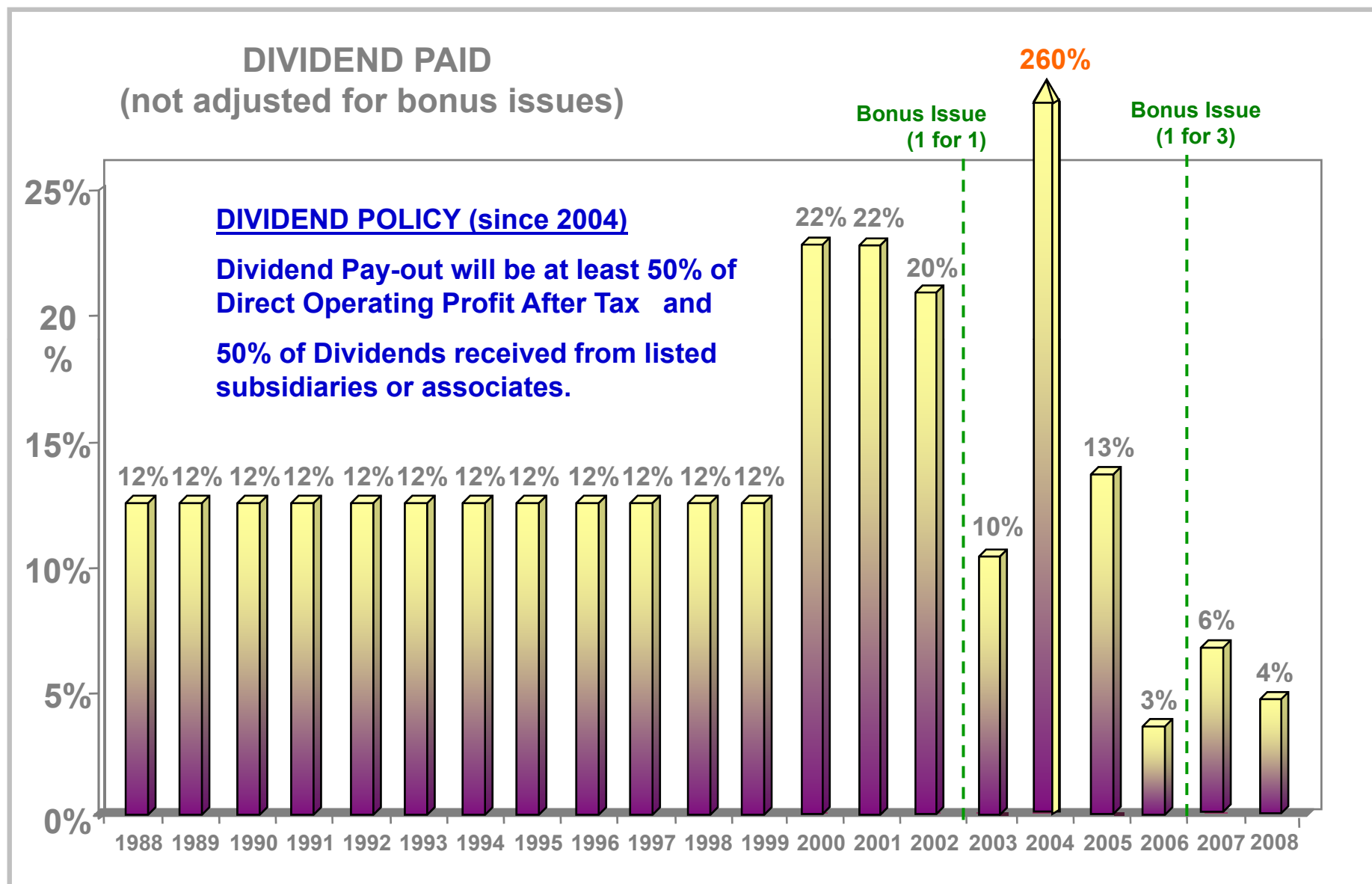


← 31 Jan → 30 Jun Q1 2009 30 Sept 08



GROUP – FINANCIAL HIGHLIGHTS

Unbroken dividend record since listing in 1986.



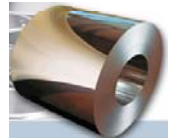
MELEWAR INDUSTRIAL GROUP BERHAD



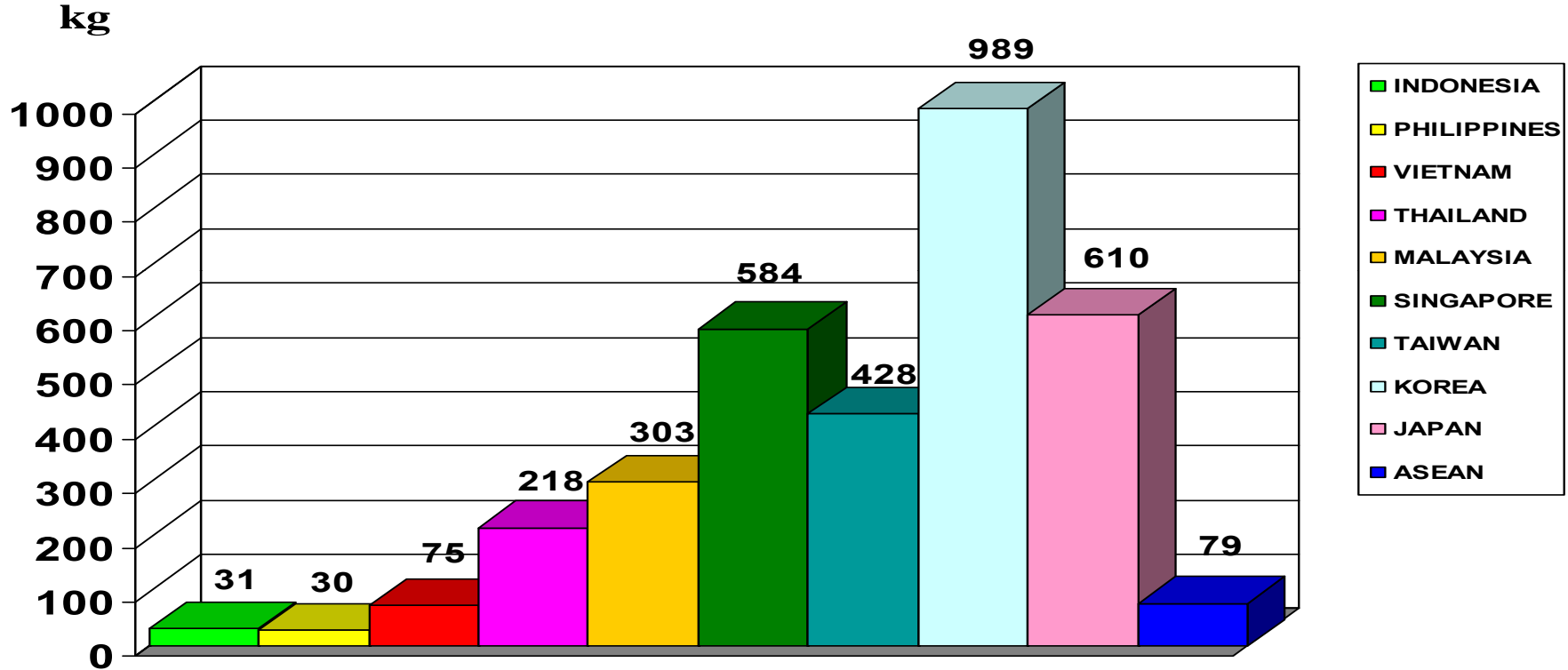
BUSINESS OUTLOOK



STEEL CONSUMPTION (LONG & FLAT PRODUCTS)

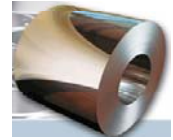


Per Capita Steel Consumption - kg/per annum



Source : MISIF 2007

-
- Malaysia's
-



COMPETITION AND MARKET SHARE

🎵 Approval Permits restrict only **high-end** quality CRC steel to be imported (≈63% of domestic consumption).

♥ Of the 37% CRC produced locally, Mycron supplies 27%, Orna 57% & MegaSteel 15%.

SUPPLY	Market Share		Estimated Tonnage	
			t/year	t/month
Mycron	27%	10%	143,000	11,917
OrnaSteel	57%	21%	300,000	25,000
MegaSteel	15%	6%	80,000	6,667
Local Supply	100%	37%	523,000	43,583
Imports		63%	♥ 877,000	73,083
Total Demand		100%	🎵 1,400,000	116,667

MYCRON's CRC STRATEGY

1. Mycron is already producer of **high-grade** quality CRC (i.e. for drum, electrical and auto component use) made from imported high-grade HRC (=60% of production). Will focus on producing even higher grade CRC.
2. Mycron will produce **higher-grade** quality CRC (i.e. for auto bodies, roofing etc) via its new upgraded facility and via technical support from JFE. Higher grade CRC will provide higher margins.
3. The 40% Megasteel HRC quota, will continue to be used to make **low-grade** quality CRC for to pipe makers, in particular, to MIG to process and sell on.
4. Expanding production capacity by 45% and plan **further expansion** to substitute Malaysian imports of CRC.



OUTLOOK - IRON & STEEL DIVISION

➤ 2006 Malaysian HRC & CRC consumption per MISIF 2007 report was:

➤ MISIF forecasts long-term domestic demand growth for steel to be 6.0% per annum.

➤ Growth for flat products is faster than long products at 7.2% pa.

➤ By the year 2012, domestic consumption of flat steel products will be up 52%, on 2006's consumption.

➤ MIG's Tube division has ample production capacity (can manage 2.5 x existing volume). CRC division expanding capacity by 45% and planning further expansion.

Consumption (2006)	HRC	CRC
	'000 t /yr	'000 t /yr
Domestic Production	1,920	482
Imports	624	808
Exports	(780)	0
Domestic Consumption	1,764	1,290

DOMESTIC CONSUMPTION 7.2%

Year	HRC t/yr	CRC t/yr	Factor
2006	1,764	1,290	1.000
2007	1,891	1,383	1.072
2008	2,027	1,482	1.149
2010	2,330	1,704	1.321
2012	2,677	1,958	1.518
2013	2,870	2,099	1.627
2015	3,298	2,412	1.870

The Future for Steel Division is Bright.

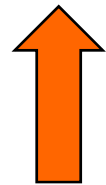


CURRENT

- Share price is AUD 0.60 ps.
- High quality iron ore (Fe).
- Main deposit :
High Iron / Low Silica Iron Ore
2.4 bil tonne (magnetite iron ore)
- Strong JV partner, **Anshan Group** which will buy all the iron ore produced.



The Future for Iron
Ore Production &
Gindalbie shares is
Bright.



POTENTIAL

- Demand for steel is expected to recover next year.
- Iron ore demand expected to pick up next year and remain strong.
- Price of iron ore is controlled by the three big companies that control >80% of global exports (i.e. CVRD, RTZ, BHP).
- Iron ore price increased by 72% (2005), 19% (2006), 15% (2007) and 65% in 2008. Expecting a small 20-40% drop this year.



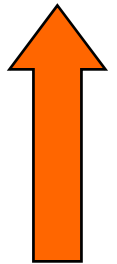
OUTLOOK – ENERGY DIVISION

POWER

- Thai power project will be under construction until end 2010.
- Contribution to the group results will come in year 2011.
- Also evaluating potential power projects in Indonesia and Philippines.



The Future
for Energy
Division is
Bright.



OIL & GAS

- Steady income from FPSO & barite operations.
- New income stream from oil production & future FPSO/FSO facilities:
 - Indian 30% JV for Cluster 7 proven marginal field.
Estimated economic reserves of **45 million** barrels of oil.
 - Indonesian 100% Ujung Kulon proven marginal field.
Estimated economic reserves of **115 million** barrels of oil.



MELEWAR INDUSTRIAL GROUP BERHAD



SUMMARY



SUMMARY

IRON & STEEL DIVISION



- **MIG is an established market leader in the steel tube industry.**
Established branding :
 - “**MIG-Maruiichi**” - benchmark in the pipe industry
 - “**Aurora**” - benchmark for the conduit pipe industry
- **Cold Rolled Coil unit produces Malaysia’s highest quality CRC.**
- **Domestic demand for flat steel products is tremendous.**
By 2012, growth will be at 150% of 2006’s level.
- **The 9th Malaysian Plan and the Govt’s water pipe renewal programme, will see tremendous demand for steel pipes.**
- **Cold Rolled Coil division upgrading to produce higher quality CRC (= larger margins) & increase capacity by 45%. Full off-take already secured. Planning next phase of expansion.**
- **Demand and prices for iron ore will continue to increase.**
Value for Gindalbie will continue uptrend.





SUMMARY



ENERGY DIVISION

➤ **Sunrise industry.**

➤ **POWER**

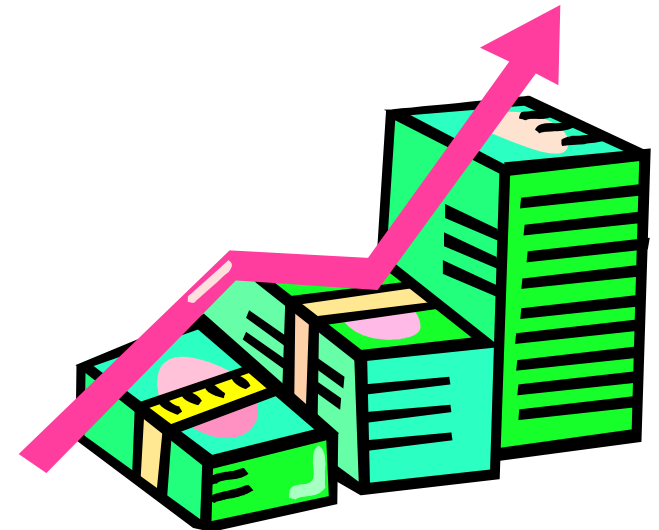
- SIPC0 will give long term & stable profits in power generation.

- Capacity to increase from **160 MW** to **450 MW** activities.

➤ **OIL & GAS**

- M3nergy will enjoy steady income from FPSO / FSO and barite operations.

- M3nergy's Oil & Gas upstream activities (**with economic reserve of 160 mil barrels**) have potentially very high IRR's that are re-rating factors for this division.





SUMMARY

High Dividend Policy
(at least 50% of Direct Profit After Tax plus 50% of Dividends from listed subsidiaries / associates)

Unbroken profit record for 37 years since inception 1970

Unbroken and excellent dividend record since listing in 1986

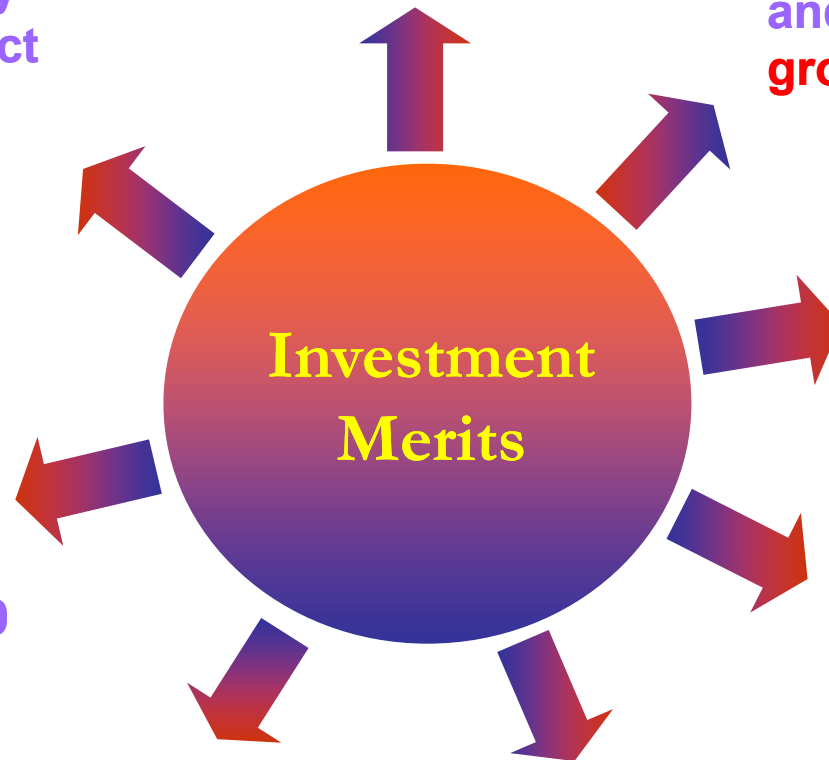
Strong leadership in steel tube and CRC industry. Established & respected **brand-names** developed over 38 years.

Diversified activities to now include Engineering and Energy with **high growth potentials**.

Strong partnership with experts in the relevant industries

Growing and Strong Balance Sheet with Total Assets of RM 1.2 billion

Reasonable Gearing Ratio (0.89X)





**MELEWAR INDUSTRIAL
GROUP BERHAD**

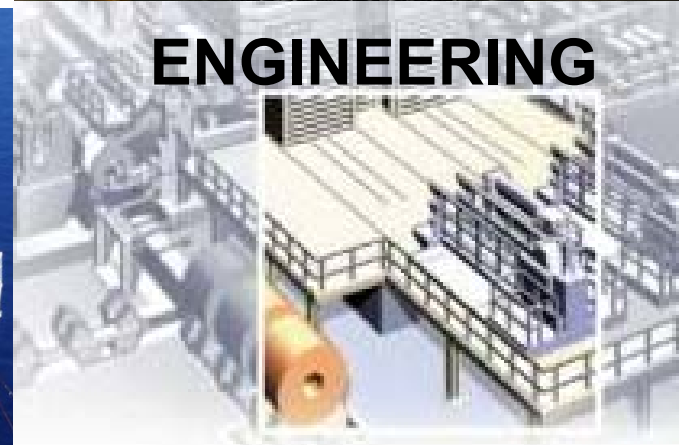
THANK YOU



IRON & STEEL



ENERGY



ENGINEERING