



**MELEWAR
INDUSTRIAL
GROUP BERHAD**

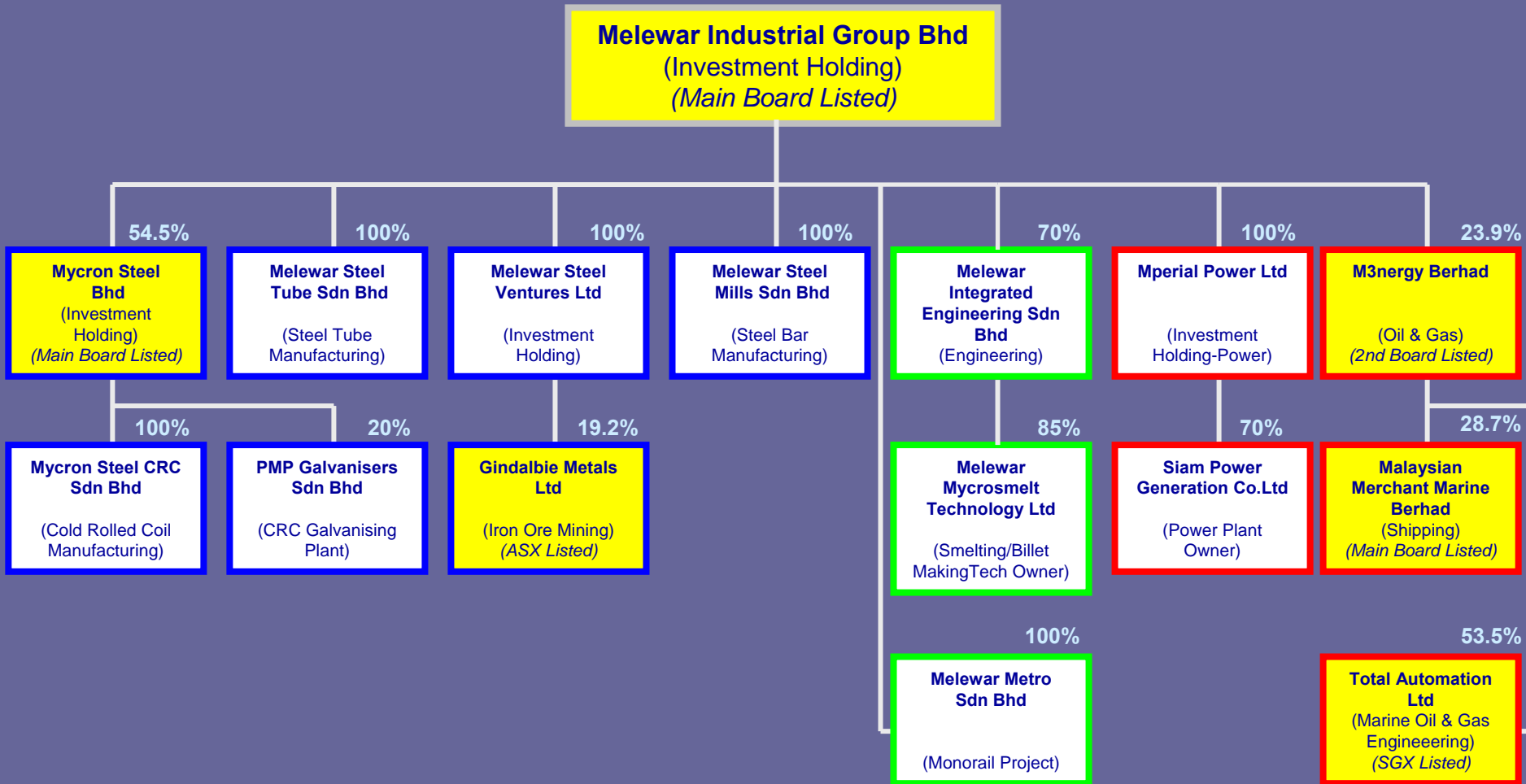


PRESENTATION CONTENT

- 1. Corporate Information**
- 2. Iron & Steel Division**
- 3. Engineering Division**
- 4. Power, Oil & Gas Division**
- 5. Group Financial Highlights**
- 6. Business Outlook**
- 7. Share Valuation**
- 8. Summary**



GROUP STRUCTURE



 Listed Companies

Iron & Steel Div

Engineering Div

Power, Oil & Gas Div



STABILITY & GROWTH STRATEGY

Melewar Industrial Group Bhd

IRON & STEEL DIVISION

Steel Division

- Steel Tubes.
- Steel Cold Rolled Coils.
- Steel Reinforcement Bars.
- Steel Billets.

- Mid-stream manufacturer.
- Strong profits & cashflows.
- Steady growth potentials (about 1.5x GDP growth).
- Mid level margins.
- Partially dependent on construction industry.

Iron Ore Division

- Raw material for steel.
- Upstream Investment to enjoy benefits of high steel prices.

ENGINEERING DIVISION

- Supports and manages group engineering projects
- Develop new technologies in steel making processes like our own MycroSmelt billet making technology
- Develop new engineering concepts like steel houses to create market for our own steel products
- Bid for engineering projects like the Penang monorail project

POWER, OIL & GAS DIVISION

Power

- Opportunities for power business in S.E.A countries with growing economies.
- Forecasted power shortages in Thailand, India & Indonesia over the next few years
- Construction and ownership of power plant in Rayong, Thailand

Oil & Gas

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



SHAREHOLDING STRUCTURE

MAIN SHAREHOLDERS	No. of Shares 31 May 2006 (Million)	Shareholdings %
Melewar Equities Group	53.28	31.4%
Malaysian Assurance Alliance Bhd	7.99	4.7%
Employees Provident Fund Board	22.47	13.2%
Permodalan Nasional Berhad	2.65	1.6%
Other Bumi Institutions & shareholders	14.35	8.4%
Total Bumiputra/Government Holdings	100.74	59.3%
Free Float	69.20	40.7%
Total Paid Up Capital	169.94	100.0%



GROUP HISTORY

- 1969 Feb - Aurora Steel Tube Manufacturing Sdn Bhd incorporated
- 1970 Jan - Started steel tube production with one production line (capacity of 1,000 MT per month)
- 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)
- 2003 April - Changed name to Melewar Industrial Group Bhd
- 2004 June - Mycron Steel Bhd listed on Bursa Malaysia Main Board



BOARD OF DIRECTORS



12 11 9 7 5 3 1 2 4 6 8 10

1) Tunku Tan Sri Abdullah ibni Almarhum Tuanku Abdul Rahman
(Non-Independent Non-Executive Chairman)

2) Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah
(Managing Director/Chief Executive Officer)

3) Datin Ezurin Yusnita binti Addul Malik
(Non-Independent Non-Executive Director)

4) Tunku Dato' Seri Iskandar bin Tunku Tan Sri Abdullah
(Non-Independent Non-Executive Director)

5) Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah
(Non-Independent Non-Executive Director)

6) Dato' Jaffar Indot
(Independent Non-Executive Director)

7) Mr Terence Francis Mahony
(Independent Non-Executive Director)

8) Mr Lim Kim Chuan
(Executive Director/Chief Operating Officer)

9) Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah
(Non-Independent Non-Executive Director)

10) Mr Lee Ching Kion
(Independent Non-Executive Director)

11) En Azlan bin Abdullah
(Executive Director)

12) En Nikmat bin Abdullah
(Executive Director)



EMPLOYEES

LISTED COMPANY	NO. OF EMPLOYEES
Melewar Industrial Group Bhd	323
Mycron Steel Bhd	122
M3nergy Berhad	188
Malaysian Merchant Marine Berhad	75
Total Automation Ltd	328
Gindalbie Metals Ltd	30
TOTAL	1,066

IRON & STEEL DIVISION



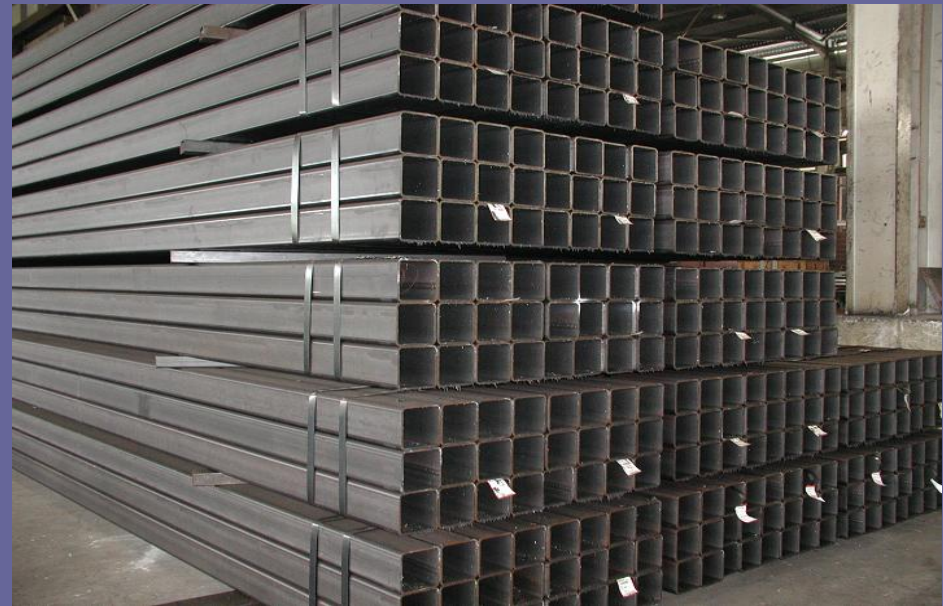
MELEWAR STEEL TUBE SDN BHD

MYCRON STEEL BHD

MELEWAR STEEL MILLS SDN BHD

GINDALBIE METALS LTD





STEEL TUBE OPERATIONS



MELEWAR STEEL TUBE SDN BHD



MST - STEEL TUBE OPERATIONS

- Operating Company is Melewar Steel Tube Sdn Bhd
- The Company achieved SIRIM ISO 9001 in year 1997 for all its five factories.



SIRIM



NO. PENDAFTARAN : AR 0994
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

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, Peti Surat 7035
40911 Shah Alam
Selangor Darul Ehsan
MALAYSIA

Tel : 60-3-5544 6433
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. :

Pengamugerehan Sijil ini bertakluk kepada peraturan-peraturan dan syarat-syarat Skim Persijilan Sistem Kualiti seperti termata 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.



MST - STEEL TUBE PRODUCTS

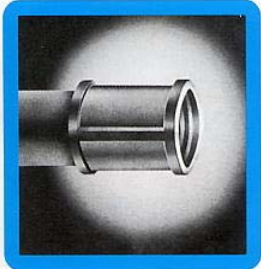
Two brands for steel tubes:

MIG-MARUICHI

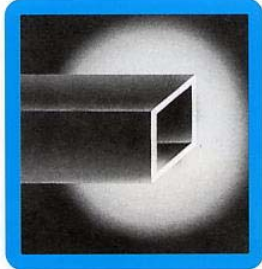
Aurora

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.



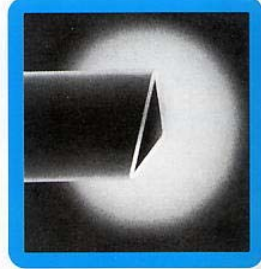
G.I. Pipes



Square Sections



Round Tubes



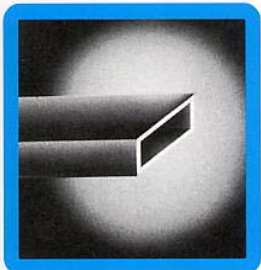
Triangle Tubes



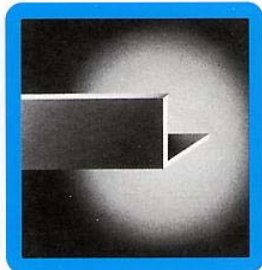
Furniture Tubes



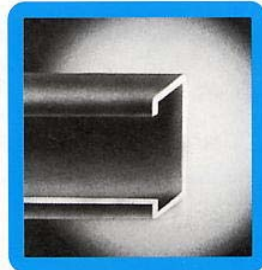
Square Pipes



Rectangular Sections



Angles



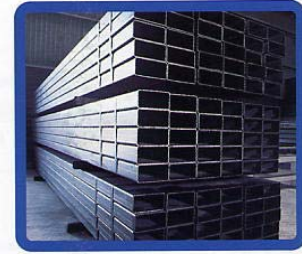
Lipped Channels



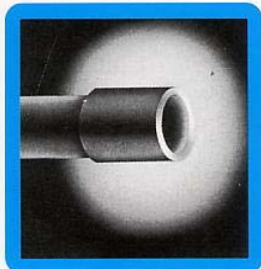
Oblong Tubes



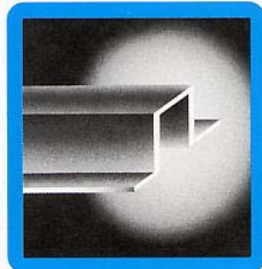
Electrical Steel Conduit



Rectangular Pipes



Electrical Conduit Tubes



Hat Type Channels



Gate Channels



D-Tubes



Hot-Dipped Galv. Pipes



Mechanical Tubes



MST - STEEL TUBE FACTORIES



Head Office & all 5 Steel Tube Factories are located in Shah Alam.

← MIG Head Office (Shah Alam)

FACTORY 1 →

Product Range	Conduit Pipes (19-50 mm diameter)
Capacity	1,000 MT/month (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)





MST - STEEL TUBE FACTORIES



← FACTORY 2

Product Range	Black Pipes / Galvanised Iron Pipes (15-150 mm diameter)
Capacity	11,000 MT/month (on 3 shift basis)
Location	Lot 49, Jalan Utas, Shah Alam
Area	316,300 sq.ft. (Land) 186,000 sq.ft. (Built-Up)

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 MT/month (on 3 shift basis)
Location	Lot 10, Persiaran Selangor, Shah Alam
Area	217,800 sq.ft. (Land) 96,240 sq.ft. (Built-Up)





MST - STEEL TUBE FACTORIES



← FACTORY 4

Product Range	Gate channels, U-shaped channels, Door rails, Trolley tracks (10x19x10 mm to 250x75x25 mm)
Capacity	3,000 MT/month (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 MT/month (on 3 shift basis)
Location	Lot 53, Persiaran Selangor, Shah Alam
Area	196,144 sq.ft. (Land) 97,198 sq.ft. (Built-Up)





MST - STEEL TUBE MANUFACTURING COSTING

Cost Mix


Raw Material (HRC) Cost	88%
Manufacturing & Overhead Expenses	11%
Domestic Transport Expenses	1%
TOTAL COST	100%

NOTES

- HRC constitutes 88% of total production cost
- All HRC sourced entirely from Megasteel (because of import restrictions imposed by MITI).
- Average Profit Margin is about 10%



MST – FINANCIAL HIGHLIGHTS

	2003 RM mil	2004 RM mil	2005 RM mil	2006 RM mil	1Q ended 31-Mar-06 RM mil
Sales	238.7	213.7	289.4	284.6	50.4
Profit Before Tax	55.4	46.3	29.3	(3.6) 	4.5
Profit After Tax	44.5	39.7	21.5	(1.3)	3.2
Net Tangible Assets	476.5	290.9	283.9	313.9	316.2
Sales Tonnage ('000 mt)	130.4	103.8	110.9	102.2	18.5

 Loss due to collapse in international HRC prices, resulted in drastic drop of profit margin and inventory write down of RM 7 million.



MST - STEEL TUBE PRODUCT & CUSTOMER MIX

MELEWAR STEEL TUBE SDN BHD
Capacity: 30,000 MT/month

12,000 MT/mth

1,500 MT/mth
(12%)

500 MT/mth
(4%)

7,000 MT/mth
(59%)

3,000 MT/mth
(25%)

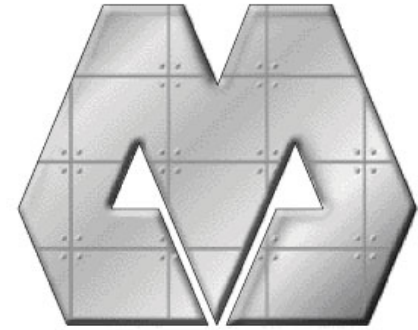
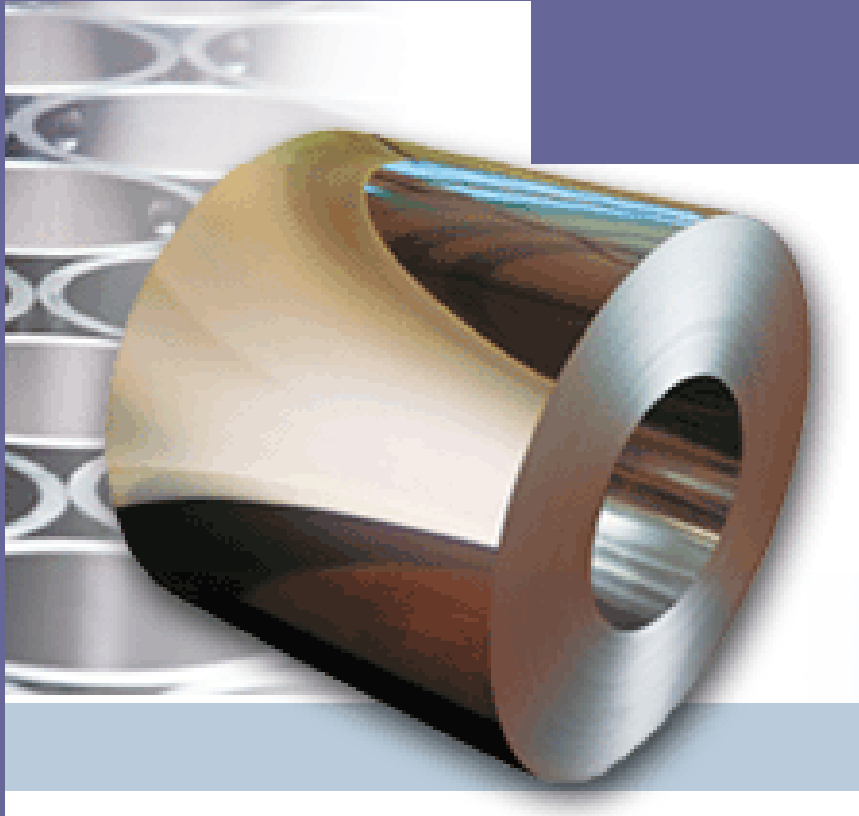
**Forming Service
for MAICO**

**Pre-Galvanised
Conduit Pipes**

**Black Pipes & Hot
Dipped
Galvanised Pipes**

**Cold Rolled
Furniture Pipes
(Ex-Mycron CRC)**

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



MYCRON STEEL BERHAD

**COLD ROLLED
COIL (CRC)
OPERATIONS**



MYCRON - MAJOR SHAREHOLDERS

MAJOR SHAREHOLDERS	No.Shares 31 May 2006 (Million)	Shareholdings %
Melewar Industrial Group Berhad	97.50	54.5%
Melewar Equities (BVI) Ltd	9.34	5.2%
Malaysian Assurance Alliance Berhad	5.50	3.1%
Permodalan Nasional Berhad	5.45	3.0%
Employees Provident Fund Board	5.45	3.0%
Total Bumiputra/Government Holdings	123.24	68.8%
Free Float	55.76	31.2%
Total Paid Up Capital	179.00	100.0%



MYCRON – COMPANY BACKGROUND

- Mycron Steel Berhad was listed on Bursa Malaysia in June 2004.
- Core activity is the production of Cold Rolled Coil (CRC) steel sheets (through 100% owned Mycron Steel CRC Sdn Bhd).
- Mycron Steel CRC Sdn Bhd started production in June 1990.
- First CRC manufacturer in Malaysia.
- Attained SIRIM ISO 9001 in 1996.
- Manufacturer of highest quality Malaysian CRC.



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. Syankal 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 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



MYCRON – CRC FACTORY



Production Facilities

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

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

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

Built-up area : 307,507 sq.ft.

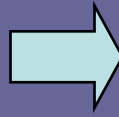
**Production Capacity : 15,000 mt per month /
180,000 mt per annum**

Raw Material – HOT ROLLED COILS



Thick Steel Sheet (1.7mm to 3.5mm)

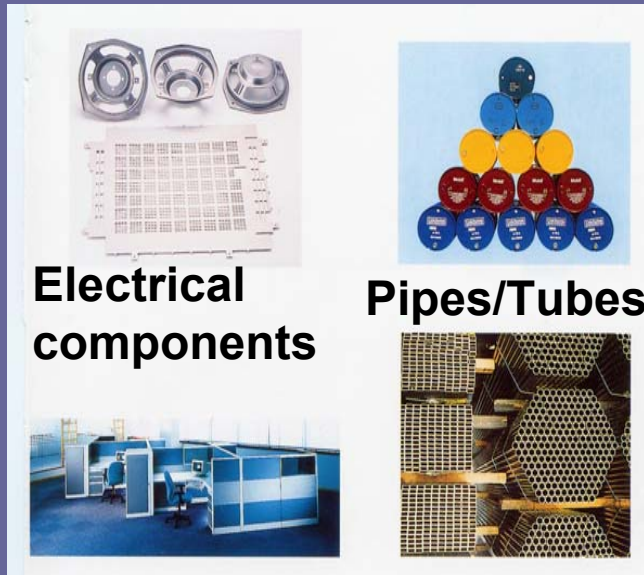
Finished Goods – COLD ROLLED COILS



Thin Steel Sheet (0.25mm to 2.5mm)



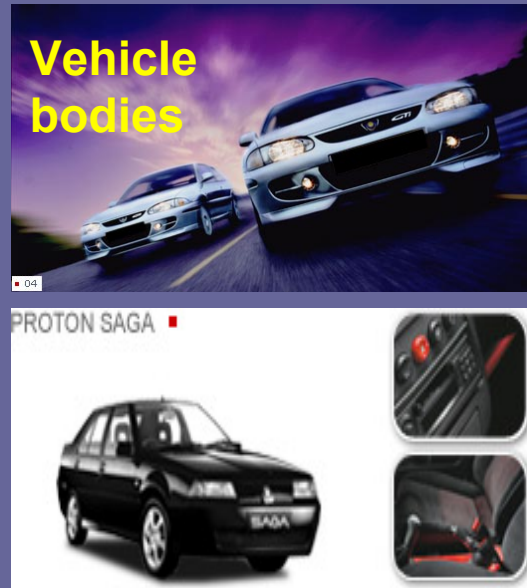
MYCRON - USES FOR CRC



Electrical components

Pipes/Tubes

This block contains two images. The left image shows three circular electrical components and a technical drawing of a grid. The right image shows a stack of colorful pipes (blue, yellow, red) and a stack of perforated metal pipes.



Vehicle bodies

PROTON SAGA

This block features a large image of a silver Proton Saga car driving on a road. Below it, there is a smaller image of the car and two inset images showing the interior dashboard and steering wheel.



Bicycles & sports equipment

This block shows a row of bicycles parked in a brightly lit indoor space, likely a shop or a storage area.



Steel Drums for Palm Oil, Petroleum, etc

This block displays a variety of steel drums in different colors (blue, red, green, silver, orange) and brands (Castrol, CALTEX).



Home Furniture

This block shows a collection of home furniture, including a metal bed frame, a wooden bed frame, and a bunk bed.



Office Furniture

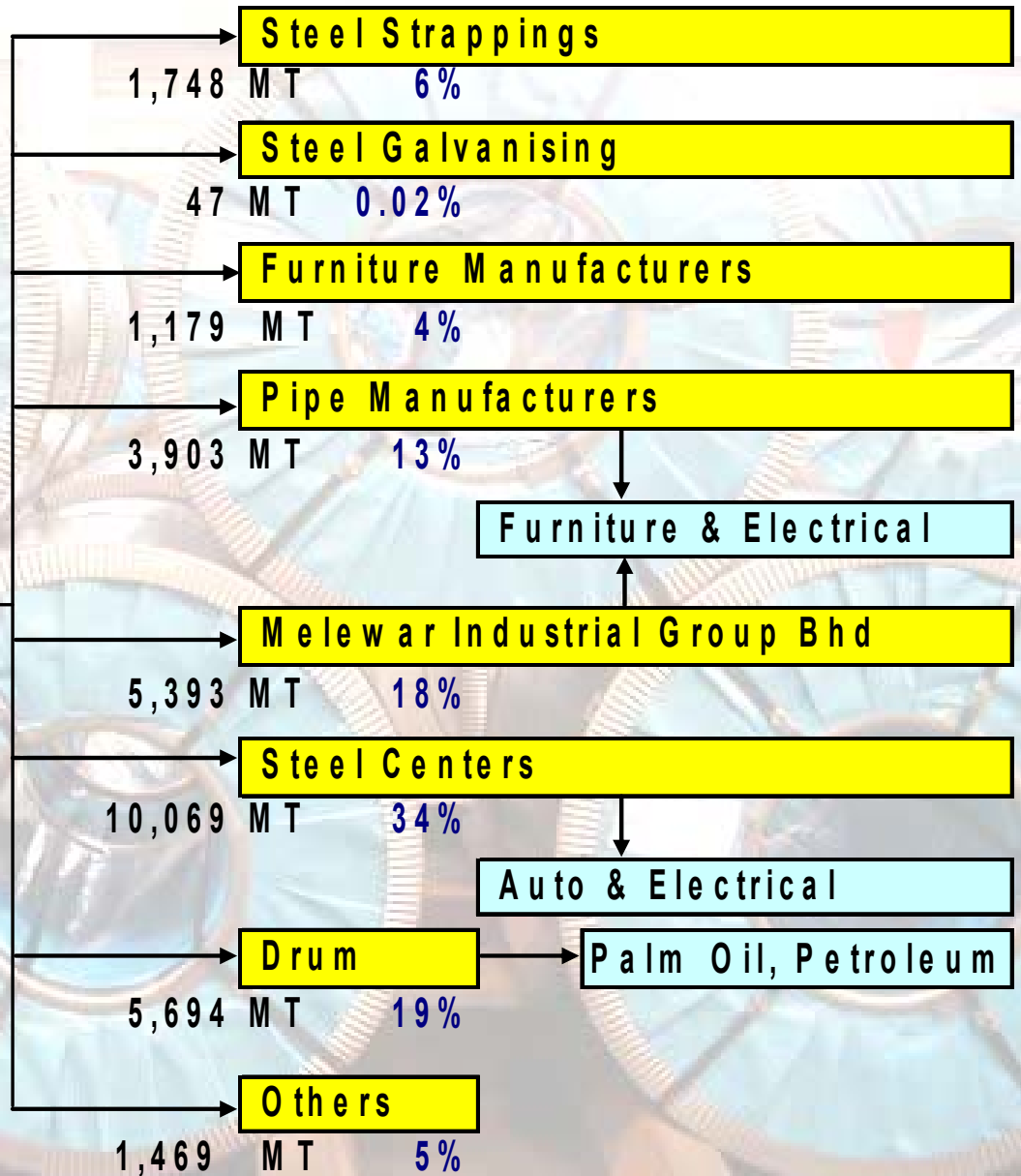
This block displays office furniture, including a desk, a chair, and a printer.



MYCRON -CUSTOMERS

MYCRON STEEL
 Capacity: 45,000 MT / Q1 2006
 Current Production :
 29,502 MT / Q1 2006
 Capacity Utilisation : 66%

N.B. Unlike long-product steel manufacturers, Mycron has ZERO exposure to the domestic construction sector.





MYCRON – CRC MANUFACTURING COST

Manufacturing Cost Structure	% Cost
Raw Materials - Hot Rolled Coil (HRC)	87%
Manufacturing & Overheads Cost	12%
Transportation Cost (Domestic)	1%
Manufacturing & Delivery Cost	100%

- HRC constitutes 87% of total production cost.
- 40% HRC purchased from MegaSteel because of import restrictions imposed by MITI. MegaSteel HRC is lower grade quality (i.e. made from scrap steel).
- 60% HRC imported from JFE, Japan. Imported HRC is higher quality (i.e. made directly from smelted iron ore).
- MegaSteel's HRC prices (to CRC manufacturers) are now generally in line with international prices. Used to cost substantially more.
- Currently 100% of CRC output is sold in Malaysia.



MYCRON – FINANCIAL HIGHLIGHTS

	Financial Year (31 January)				1Q ended 31-Mar-06 RM mil
	2003 RM mil	2004 RM mil	2005 RM mil	2006 RM mil	
Sales	201.1	269.6	357.3	325.4	43.4
Profit Before Tax	33.9	32.7	35.7	-15.5 ♣	3.3
Profit After Tax	23.9	23.6	26.1	-12.2	2.4
Net Tangible Assets	234.6	136.2	222.2	228.0	230.4
Sales Tonnage ('000 mt)	142.2	154.1	154.5	118.2	19.8

♣ Loss due to collapse in international steel prices, resulted in drastic drop of profit margin and inventory write down of RM 21 million. Mycron Has reduce HRC cost to US\$ 445 /MT. This loss is a one-time loss if HRC prices Stabilise at this level.



MYCRON - PLANT UPGRADE & EXPANSION

- Embarking on plant upgrade and expansion.
- Installation of new facilities –Tension leveller, Skinpass mill and additional Annealing equipment.
- Capex estimate \approx RM120 million.
- Upgrade will improve product quality to meet increasing demand for high grade CRC which gives better margins.
- Increase capacity from 180,000 mt per annum to 260,000 mt per annum. Potential for higher profitability upon completion (45% increase in capacity will lead to 65% increase in profit). Profit After Tax increase due to the plant upgrade & expansion is estimated to be RM 16.6 mil per year



MYCRON – STRATEGIC PARTNERSHIP

- Purchase of 20% stake in PMP Galvanizers Sdn Bhd, based in Kuching, Sarawak.
- PMP is a wholly-owned subsidiary of Multi Resources Sdn Bhd, which manufactures color coating, metal roofing and prepainted metal products, which are exported to Australia, New Zealand, Middle East and South East Asia.
- PMP is in the midst of installing a RM85 million galvanising plant with a capacity of 150,000 mt per annum.
- Good opportunity to diversify downstream via partnership arrangements.
- PMP has signed an Offtake agreement to buy up to 75,000 mt of CRC per annum upon completion of our plant upgrade and expansion.
- Win-win for both, i.e. PMP has a regular supply of high quality CRC and Mycron is guaranteed an offtake for the added capacity.



Melewar Steel
Mills Sdn Bhd

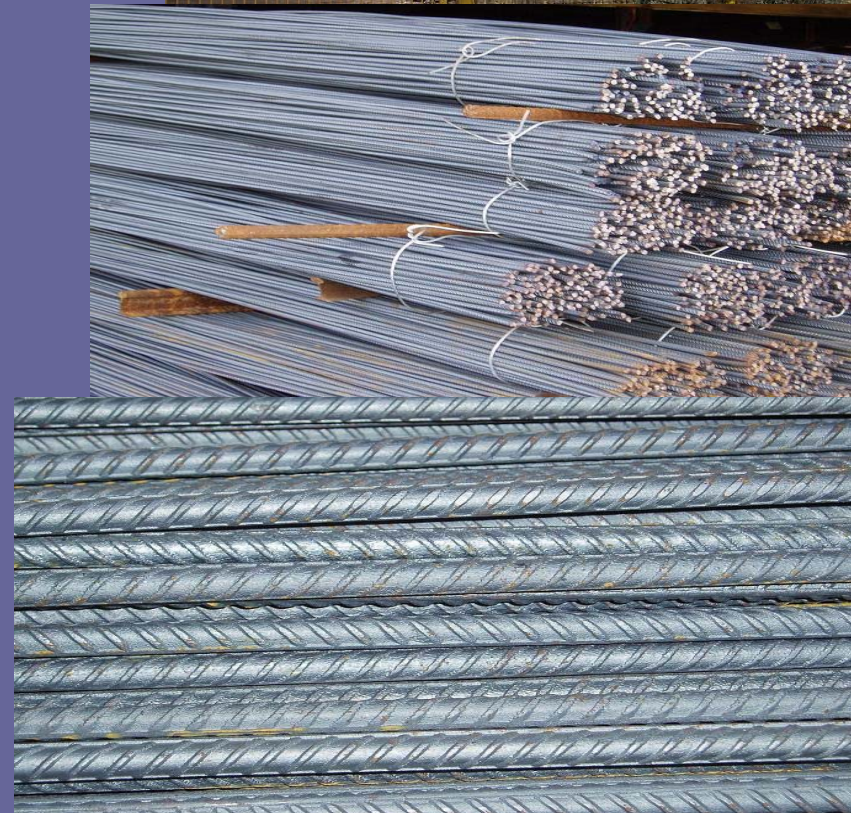
**STEEL BAR
OPERATIONS**



MELEWAR STEEL MILLS – RE-BARS


Manufactures High Tensile Deformed Bars and Mild Steel Round Bars

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





MELEWAR STEEL MILLS – FINANCIAL HIGHLIGHTS

	Financial Year (31 January)				1Q ended 31-Mar-06 RM mil
	2003 RM mil	2004 RM mil	2005 RM mil	2006 RM mil	
Sales	11.4	26.6	41.4	42.9	7.8
Profit Before Tax	1.9	1.7	1.7	(1.6) 	(0.4)
Profit After Tax	1.9	1.3	1.2	(1.5)	(0.3)
Net Tangible Assets	2.3	3.6	7.8	6.5	5.9
Sales Tonnage (mt) - bar	3,100	7,858	6,138	5,046	1,059

 Loss due to collapse in international steel prices, resulted in drastic drop of profit margin and inventory write down of RM 1.5 million



MELEWAR STEEL MILLS - BILLETS

MycoSmelt – Induction Smelter & Billet Plant

- First plant, located in Shah Alam, is in the final commissioning stage.
- Capacity is 30,000MT per annum
- Under this process, steel scrap from the group's operations is smelted & casted into billets. Billets are then sent to our rolling mill in Malacca for production of steel bars.
- Surplus billets will be sold to other re-rollers.
- Lowers steel bars production cost, steady billet supply, and provides new income stream.

• Estimated profit before tax contribution from this new plant is RM7 mil per annum.





GINDALBIE
METALS LTD

IRON ORE MINING OPERATIONS



GINDALBIE METALS LTD (19.2% investment)

- Listed on Australian Stock Exchange
- Main Activity – Iron ore exploration and mining
- Tenement area – 2,600 sq km, north of Perth, Australia
- Main deposit – 800 million tonnes of magnetite iron ore & 100 million tonnes of haematite iron ore



PRODUCTION TARGET

- Magnetite: 8 million tonnes/year for 30 years (Mt.Karara)
- Haematite: 1.5 million tonnes/year for 7 years
- Expected commencement of haematite mining by 3rd Qrt 2007

JV PARTNER

- 50:50 Joint Venture with Anshan Iron & Steel Group Corporation (AnSteel), China's 2nd largest steel producer
- Potential for substantial increases in iron ore reserves as exploration continues in their large tenement area.

POTENTIAL

- Demand for steel is expected to remain strong for next decade. Iron ore demand will remain strong.
- Iron ore price increased by 72% in early 2005. Further price increase of between 10 to 20% expected in 2006.
- **MIG's Investment : RM 22.1mil (=A\$ 0.10 ps).**
- **Current Value : RM 135 mil (based on A\$0.66 ps)**
When fully operational, share price expected to be between A\$1.50 to 2.00ps.

ENGINEERING DIVISION

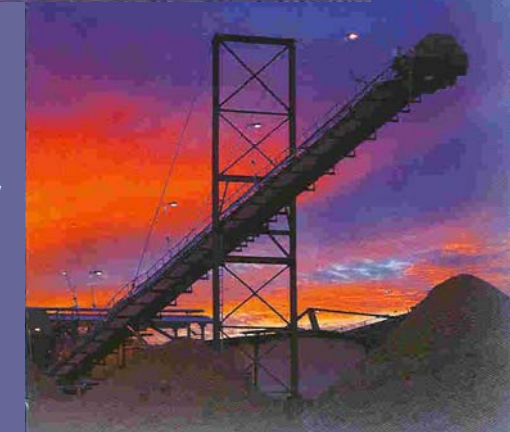
- Melewar Integrated Engineering Sdn Bhd
- Melewar MycroSmelt Technology Ltd
- Melewar Metro Sdn Bhd





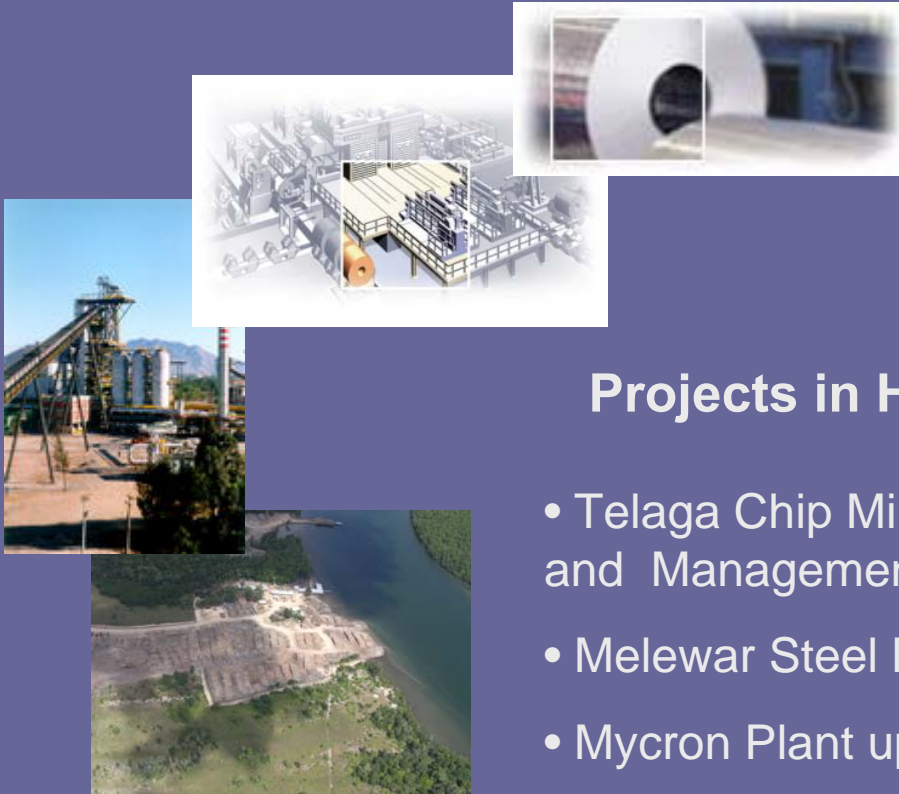
➤ Melewar Integrated Engineering Sdn Bhd

- 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, steel industry, ports, power generation, cement industry, paper and pulp industry, industry wood processing and public transport systems.





➤ Melewar Integrated Engineering Sdn Bhd



Projects in Hand - Valued at RM 38.2 m

- Telaga Chip Mill project in Sabah - Construction and Management Contract
- Melewar Steel Mills Smelter & Billet Plant
- Mycron Plant upgrade and expansion project
- Mycron civil works & engineering
- M3nergy barite plant project in Labuan



Induction Smelter & Billet Making Technology

- Developed new smelting & billet manufacturing technology
- Brand name – MycroSmelt
- Under this process, scrap is smelted down into molten steel using induction smelters & then formed into billets by casting in moulds.
- First plant, built for Melewar Steel Mills, located in Shah Alam, is in the final commissioning stage.
- Signed MOU with Australian company, Rokeby Nominees in May to promote and develop MycroSmelt mills in Australia. Rokeby is a substantial shareholder of BestBars – 3rd largest re-bar distributor in Australia.





Bid for Penang Monorail Project

- First proposal submitted to Penang State Govt in 2004
- Proposed 52 km long route
- Consisting of 3 single line inter-linked loops
- Estimated project cost is RM1.6 billion





POWER, OIL & GAS DIVISION

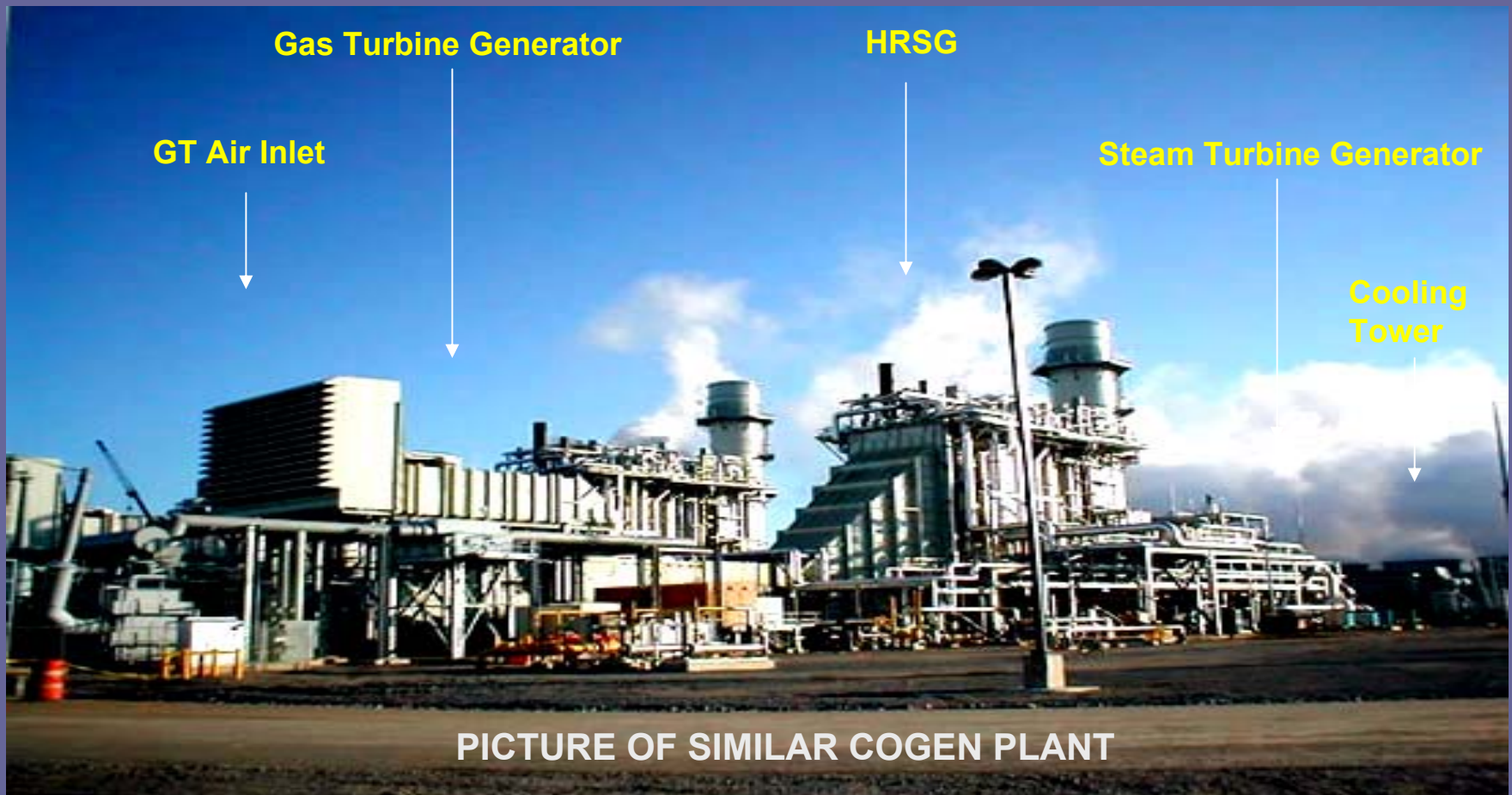
- Mperial Power Ltd
- M3nergy Bhd
- Malaysian Merchant Marine Bhd
- Maveric Ltd





MPERIAL POWER LTD

- OWNS 70% OF SIAM POWER GENERATION COMPANY LTD (SIPCO)
- CONSTRUCT, OPERATE & OWN A 150 MW COMBINED CYCLE GAS FIRED POWER PLANT IN RAYONG, THAILAND UNDER PHASE 1.





SIPCO 150 MW Combined Cycle Power Plant

- PPA Terms 25 years, Index to USD
 Fuel Price increase pass through
- Off-takes 60 MW EGAT
 90 MW or more to G Steel
- Fuel Supplier Natural gas – PTT
- Expected COD 2007 ~ 2008
- 9 years tax holiday, import duty exemption
- Average selling price (index to US\$ & gas price) - 0.0614 US\$/kwh
- Licence to expand up to 450 MW
- Site has potential to accommodate up to 1000 MW IPP



SIPCO 150 MW Financial Projections

	2010 (million Baht/yr)	(After Term Loan Repayment) 2019 – 2029 (million Baht/yr)
Turnover	3,269	3,280
EBITDA	1,073	1,034
PBT	285	702
PAT	285 (RM28.5 mil)	604 (RM60.4 mil)
IRR	11 %	11 %



M3ENERGY BHD (23.9% associate)



100%

Trenergy FPSO Sdn Bhd

FPSO/FSO Provider & Operator.
Own Malaysia's largest FPSO ('Perintis').
Operate & maintains FSO 'Puteri Cakerawala'.

100%

Trenggo Minerals Sdn Bhd

Largest Malaysian Barite powder manufacturer.
Barite is used in oil-well mud.
Established since 1980.

53.5%

Maveric Ltd

EPCC Contractor for Electrical, Instrumentation & Control Systems for oil, gas, marine & power industries (in Asia Pacific, Middle East & Europe).

Listed on SGX

60%

Trenergy Infrastructure Sdn Bhd

EPCC Contractor for power & telecommunication transmission systems.

28.7%

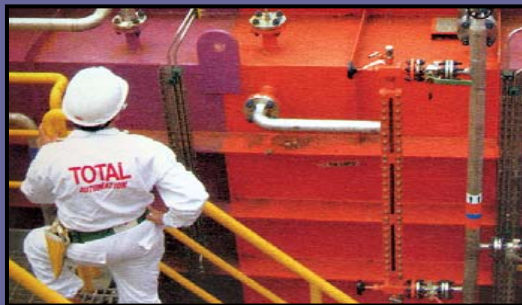
Malaysian Merchant Marine Bhd

Ship Owner and Manager.
Owns 10 vessels operating internationally.
Focused on oil & chemical tankers.

Listed on Bursa Malaysia



FPSO Perintis





M3ENERGY BHD – FPSO OPERATIONS



FPSO Perintis

FPSO PERINTIS

- Owner-operator of FPSO
- Fully integrated FPSO
 - Crude oil separation system
 - Gas compression system
- Contracted to Petronas Carigali
- 9-year contract to 2008
- All-Malaysian crew
- Crude Storage – 650,000 barrels
- Production quantity:
 - 60,000 barrel/day crude oil
 - 40 million scf/day natural gas

FSO PUTERI CAKERAWALA

- FSO for Natural Gas
- Operates and maintains FSO Puteri Cakerawala
- Contract with Carigali Triton Operating Company (Malaysia-Thai JV)- owner
- 3-year contract to 2008
- All-Malaysian crew



FSO Puteri Cakerawala



M3ENERGY BHD – BARITE OPERATIONS

- Supply barite for the Oil & Gas industry
- Major clients are:
 - Petronas Carigali Sdn Bhd
 - Sarawak Shell Bhd
 - Murphy Oil Sarawak Ltd
 - Nippon Oil Exploration Co Ltd
 - Mobil Petroleum Malaysia Inc



- One of only 2 suppliers in Malaysia
- More than 20 years experience
- Produce High quality barite – meets American Petroleum Institute's (API) specifications



M3ENERGY BHD – INFRASTRUCTURE OPERATIONS



CONSTRUCTION OF :

- Power transmission lines
- Power substations,
- Radio and television transposer / transmitter stations
- Telecommunication towers

STRENGTHS

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



MAVERIC LTD

(Listed on Singapore Stock Exchange)

ACTIVITIES

- Marine and offshore automation services
- Electrical and instrumentation projects
- Systems design and engineering
- Design & manufacture (Whessoe tank gauging systems)

RECENT DEVELOPMENT

- Disposed off the entire business operations to Wartsila Corporation of Finland for S\$120 mil. Estimated completion by end June 2006
- Plans for capital distribution & dividends between S\$0.53 – S\$0.55 per share
- Future plans – sell off listed shelf entity or look for suitable asset injections

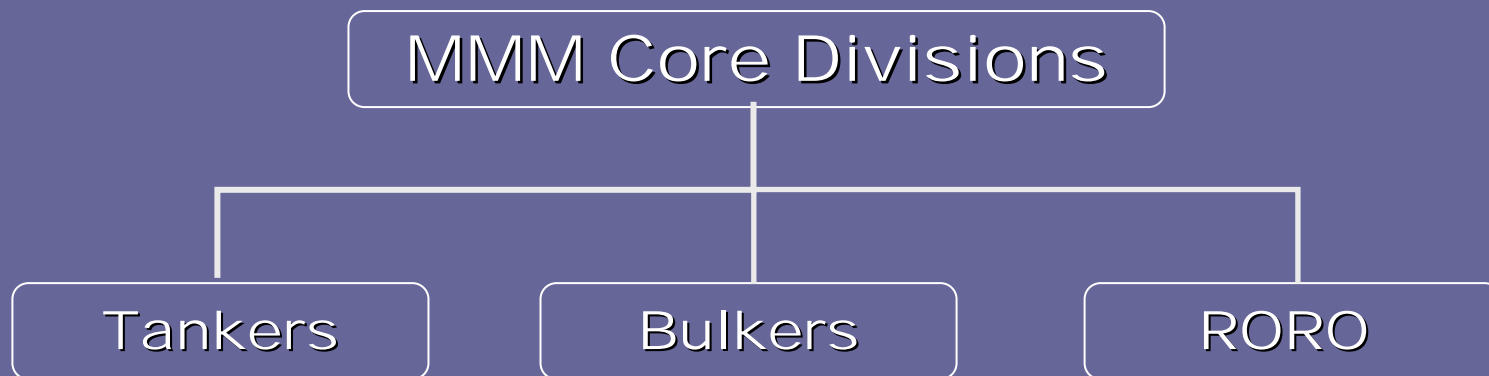




MALAYSIAN MERCHANT MARINE BHD

(Listed on Bursa Malaysia Main Board)

MMM's CORE BUSINESS



MMM is an international ship owner and operator.

Most vessels chartered out on a time charter basis.

Also operates a RORO (roll-on, roll-off) liner service in Malaysia.



MALAYSIAN MERCHANT MARINE BHD

(Listed on Bursa Malaysia Main Board)



MMM Jackson



MMM Galveston



MMM Dayton



MMM Kingston

MMM's TANKERS



MMM Islington

- **Cargo** : Bulk liquid commodities (e.g. easy chemicals, vegetable oils & clean petroleum products)
- **Fleet** : 5 vessels
- **Capacity** : 38,325 dwt



MALAYSIAN MERCHANT MARINE BHD

(Listed on Bursa Malaysia Main Board)

MMM's RORO (ROLL-ON ROLL-OFF)



MMM Parana



MMM Mersey



MMM Loire



MMM Colorado

BULK CARRIER



MMM Alice

- Cargo : Vehicles carrier
- Fleet : 4 vessels
- Capacity : 14,187 dwt (=2,200 cars)

- Cargo : Bulk "Dry" commodities (e.g. steel products, fertilizers, cement, iron ore, grains etc)
- Fleet : 1 vessel
- Capacity : 7,053 dwt



MALAYSIAN MERCHANT MARINE BHD

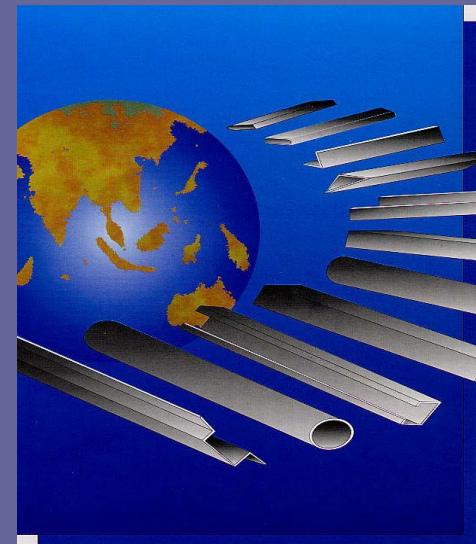
(Listed on Bursa Malaysia Main Board)

FLEET DETAILS						
Date	Fleet Transaction	No. Vessels	DWT			
			Total	Tanker	Bulker	RORO
31 Aug 2004	B/Fwd	13	210,269	34,625	161,457	14,187
Sep 2004	Purchase 1 vessel	1	3,700	3,700		
Feb 2005	Sold 4 vessels	-4	✱ (154,404)		(154,404)	
	Current	10	59,565	38,325	7,053	14,187
PLANS						
By Dec 2006	Purchase 3 tankers	3	⊖ 120,000	120,000		
	By Year-End	13	179,565	158,325	7,053	14,187

✱ Since 31 Aug 2004, at the peak of vessel price cycle, MMM has disposed a substantial amount (72%) of its shipping tonnage.

⊖ By end year 2006, MMM will be acquiring a younger fleet and will focus on the Chemical & Clean Petroleum Tanker sector.

GROUP FINANCIAL HIGHLIGHTS





GROUP – FINANCIAL HIGHLIGHTS

BALANCE SHEET	31 Jan 2005 RM'000	31 Jan 2006 RM'000	31 Mar 2006 RM'000	
Property, Plant & Equipment	246,943	341,076	340,865	→ Inclusive of Revaluation surplus of 76mil
Other Investment	41,901	7,804	5,154	
Investment in Associates	0	86,199	86,587	→ Cost – RM46.7 mil Negative goodwill & Others – RM39.9 mil
Deferred Tax Assets	0	161	65	
Current Assets	332,371	392,830	410,902	
Current Liabilities	(134,029)	(175,677)	(182,794)	
Net Current Assets	198,342	217,153	228,108	→ Net Current Assets are strong at RM 228 mil.
	487,186	652,393	660,779	
Share Capital	160,980	169,940	169,940	
Reserves	44,187	82,380	81,284	
Retained Profit	146,239	223,147	234,453	
Shareholders' Funds	351,406	475,467	485,677	→ Shareholder Funds are substantial, at RM 486 mil.
Minority Interest	105,947	109,094	105,269	
Deferred Tax Liabilities	29,833	47,505	49,506	
Long Term Loan	0	20,327	20,327	
	487,186	652,393	660,779	



GROUP – FINANCIAL HIGHLIGHTS

INCOME STATEMENT	FYE 31.1.05 RM'000	FYE 31.1.06 RM'000	1Q ended 31 Mar 06 RM'000
Gross revenue	598,722	566,920	85,404
Cost of sales	(504,643)	① (565,540)	(73,252)
Gross profit	94,079	② 1,380	12,152
Other operating income	7,837	③ 66,246	4,822
Operating expenses	(26,270)	(24,758)	(3,952)
Finance cost	(2,981)	(8,087)	(1,117)
Share of profit of associate	-	744	388
Profit before tax	72,665	35,525	12,293
Tax	(18,133)	5,755	(2,158)
Net profit after tax	54,532	41,280	10,135
Minority Interest	(7,987)	5,636	(1,125)
Net profit after tax and MI	46,545	46,916	9,010

Note 1

Inclusive of inventory impairment loss of RM30 mil

Note 2

Due to drop in steel price, profit margin drop

Note 3

Recognition of invt gain on Gindalbie shares of RM65 mil



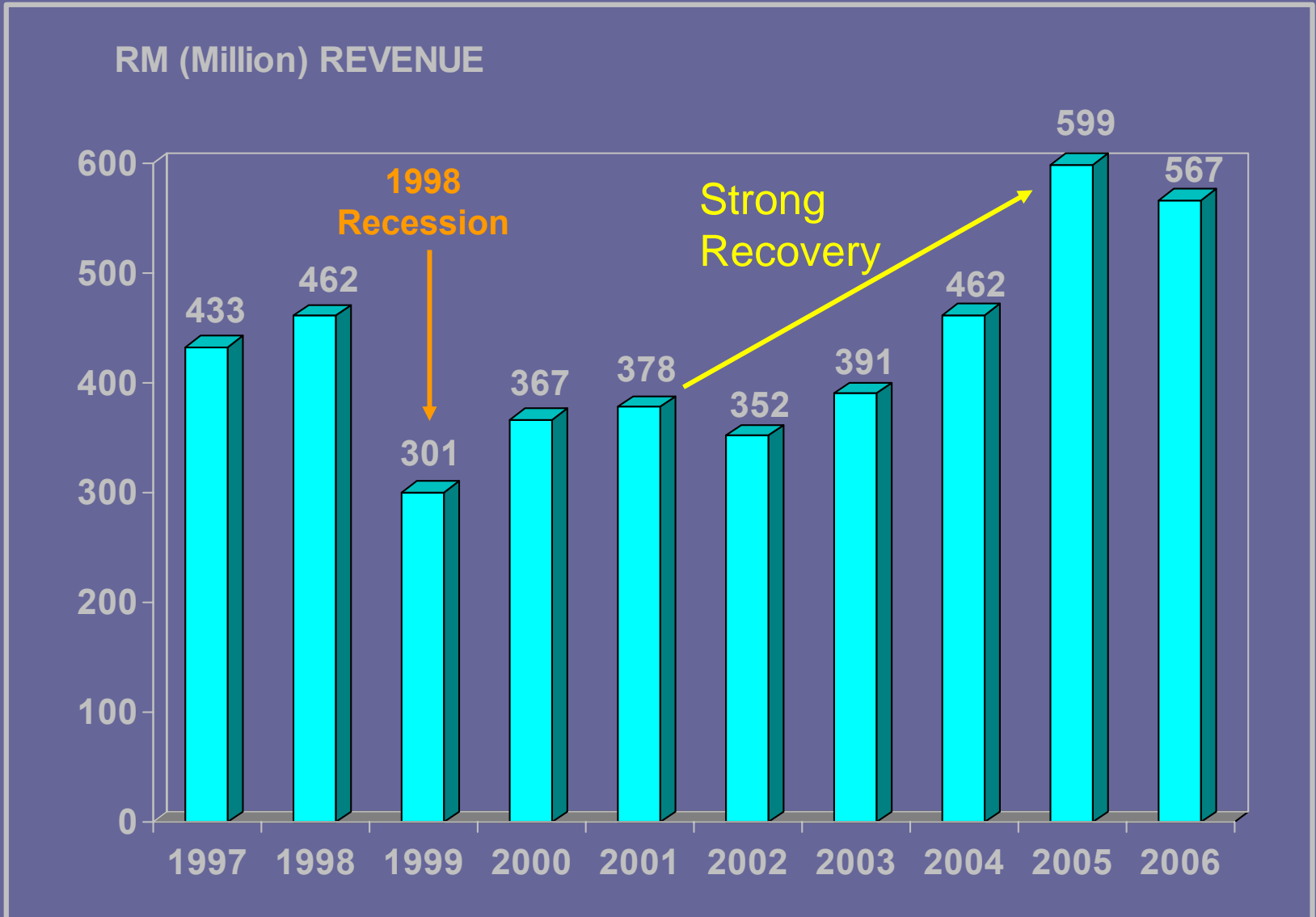
GROUP – FINANCIAL HIGHLIGHTS

	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
Profit Before Tax (RM mil)	56.0	55.4	7.0	72.3	67.9	42.8	77.5	80.6	72.7	35.5
Profit After Tax & MI (RM mil)	44.8	45.0	7.9	62.3	59.5	53.9	56.6	64.4	46.5	46.9
Balance Sheet										
							Bonus Issue			
Share Capital (RM mil)	79.0	79.0	79.0	79.0	79.0	79.0	158.1	158.3	161.0	169.9
Shareholders' Funds (RM mil)	350.1	388.4	389.4	436.8	584.4	623.6	630.3	359.1	351.4	475.5
Total Assets (RM mil)	411.8	476.3	413.2	471.0	597.2	658.0	685.5	484.8	621.2	828.1
Financial Ratio										
Return on Equity	12.8%	11.6%	2.0%	14.3%	10.2%	8.7%	9.0%	17.9%	13.3%	9.9%
Gearing	0.17	0.22	0.05	0.07	0.01	0.05	0.05	0.29	0.38	0.39
EBIT (RM mil)	59.1	56.9	9.2	72.3	67.9	42.8	77.5	83.7	75.6	42.9
EBITDA (RM mil)	74.9	73.7	26.8	90.6	86.6	60.3	95.5	98.7	91.0	51.8
NTA per share (RM)	4.43	4.19	4.93	5.53	7.39	7.89	3.99	2.27	2.19	2.79
Earnings per share (RM)	0.57	0.57	0.10	0.79	0.75	0.68	0.36	0.41	0.29	0.29
Dividends										
Tax Exempt Dividend (RM)	-	-	-	0.10	0.10	0.20	0.10	0.80	-	0.03
Ordinary Dividend (RM)	0.12	0.12	0.12	0.12	0.12	-	-	1.80	0.13	-

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



GROUP – FINANCIAL HIGHLIGHTS

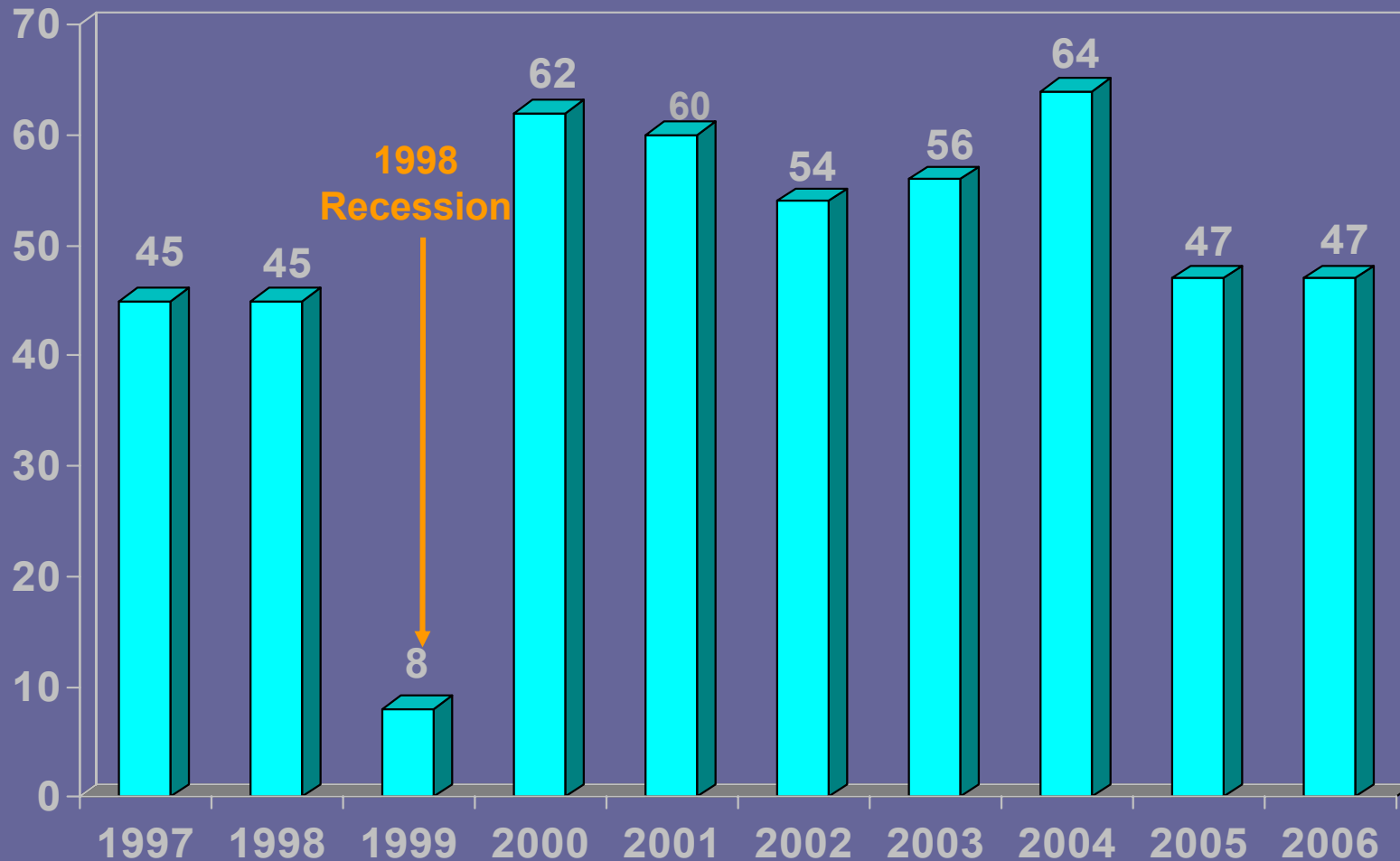




GROUP – FINANCIAL HIGHLIGHTS

RM (Million) PROFIT AFTER TAX & MI

Solid long-term
Profit track record

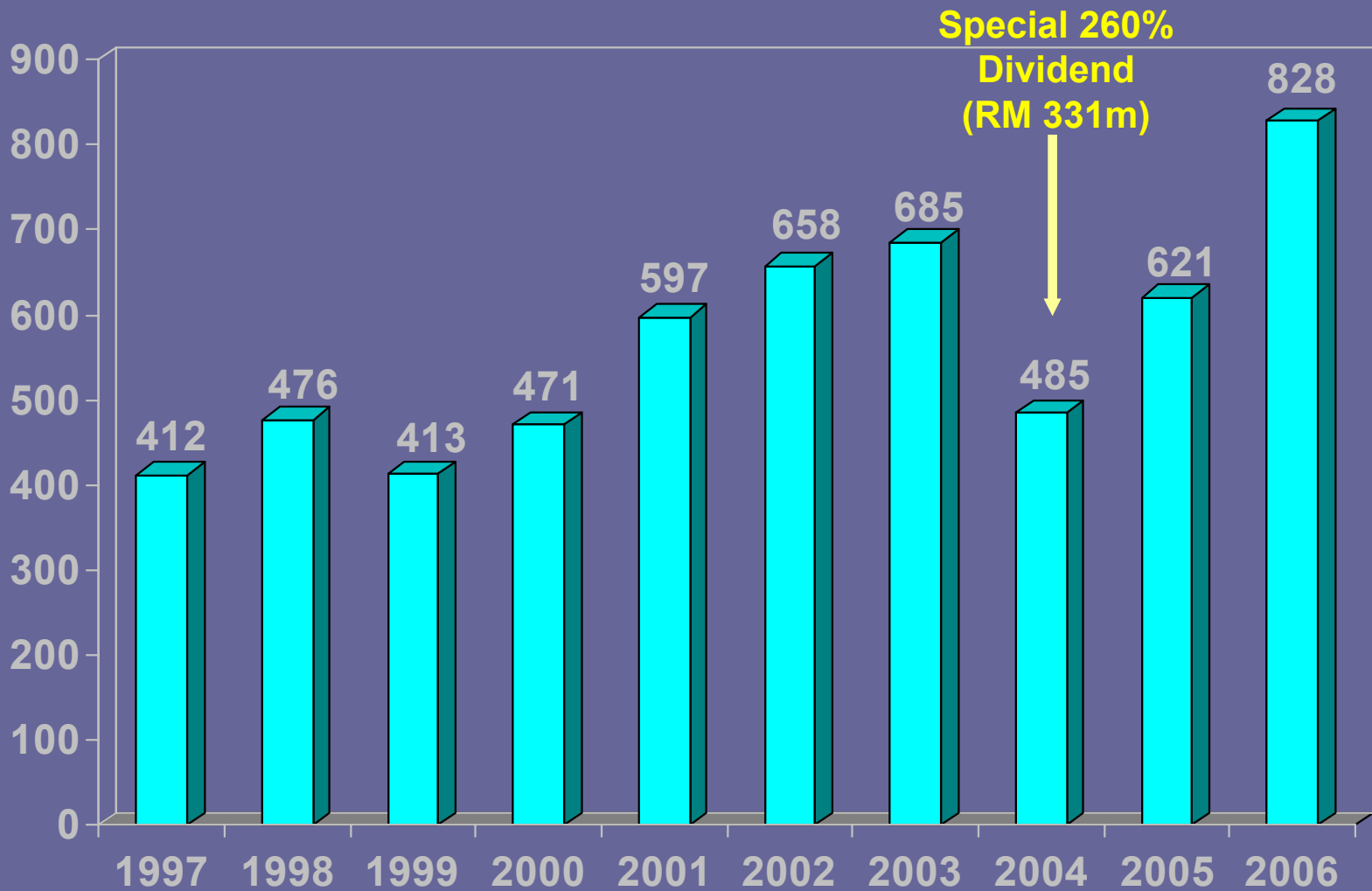


Note: Unbroken profit record for 35 years since inception in 1970.



GROUP – FINANCIAL HIGHLIGHTS

RM (Million) TOTAL ASSETS

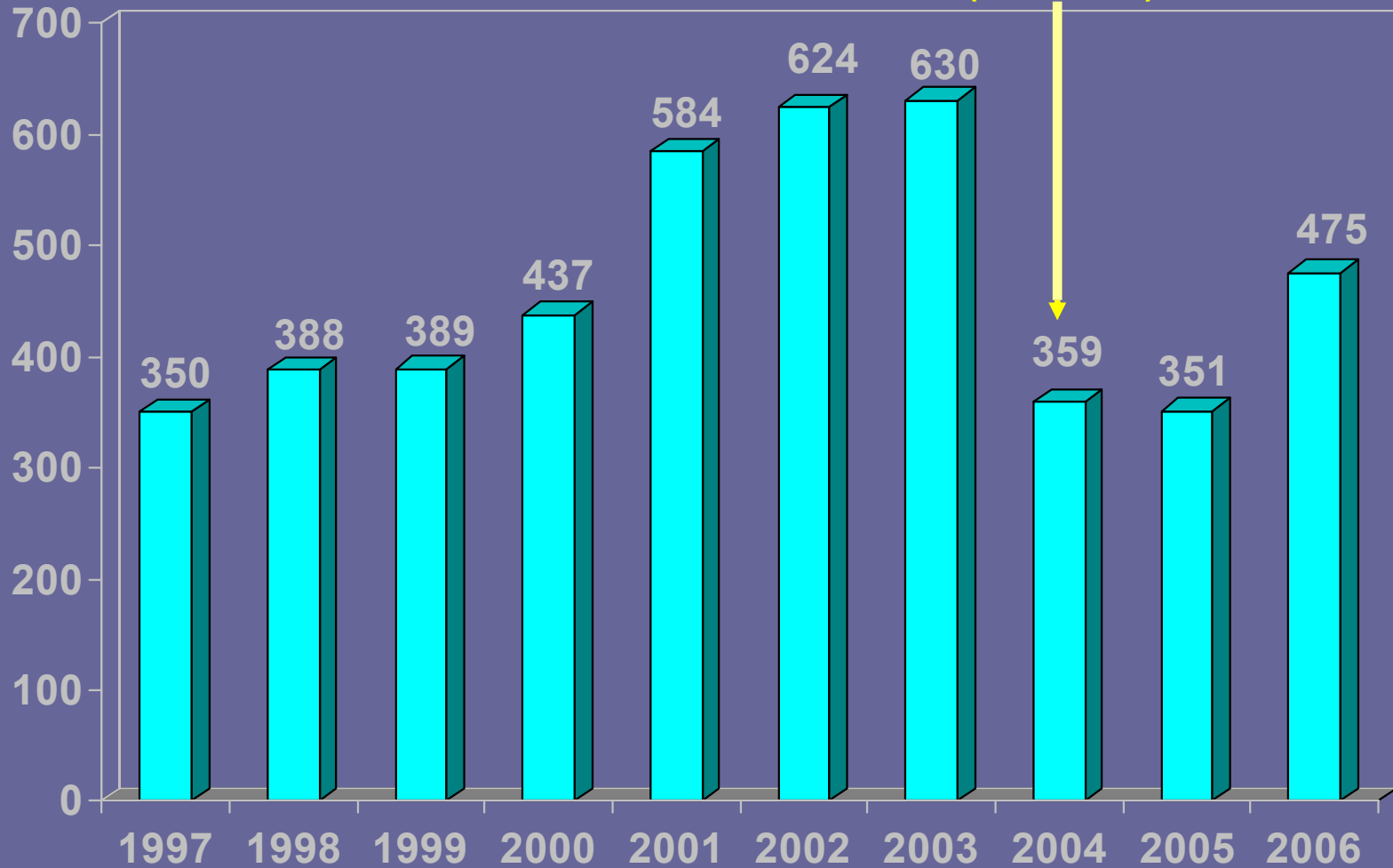




GROUP – FINANCIAL HIGHLIGHTS

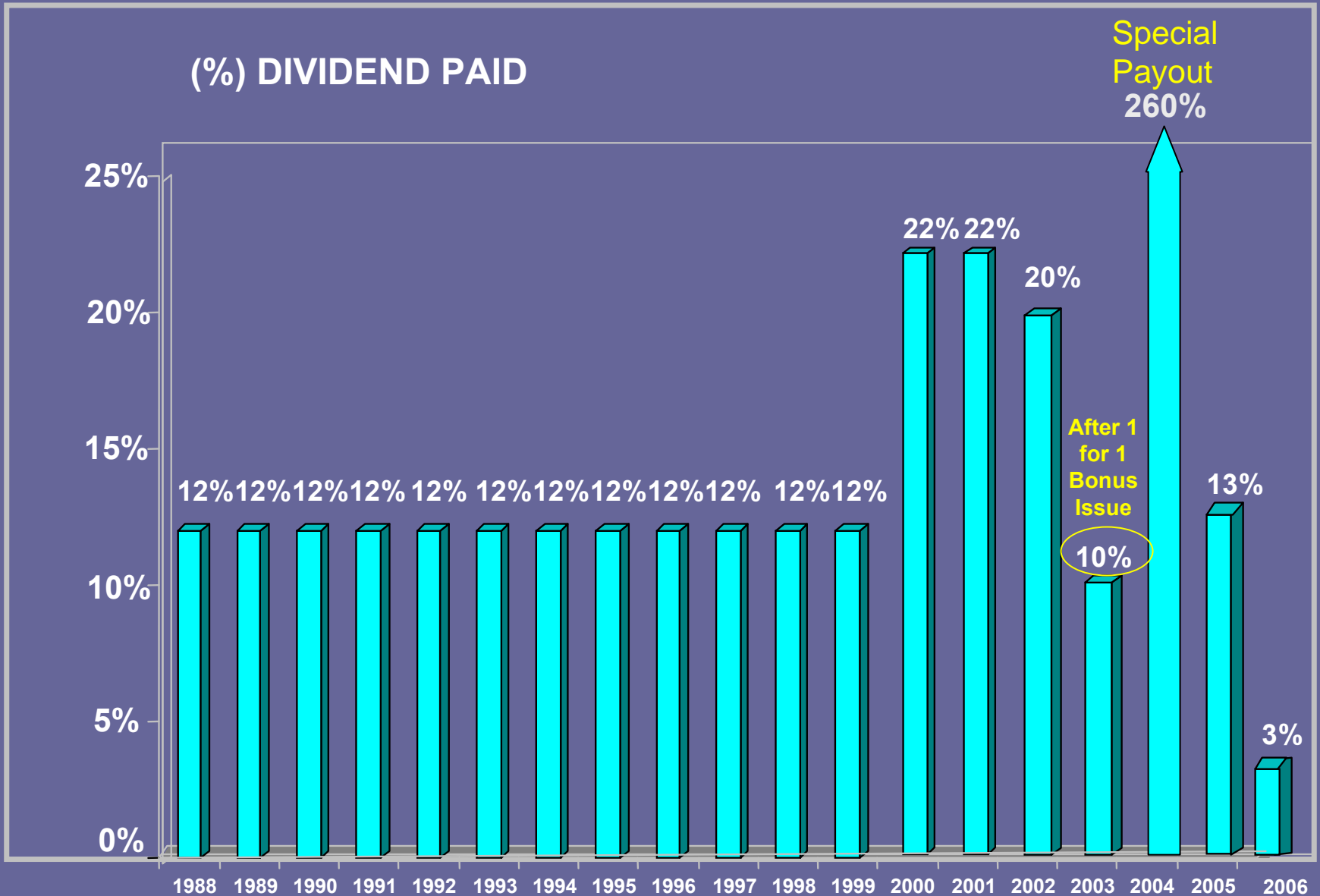
RM (Million) SHAREHOLDERS' FUNDS

Special 260%
Dividend
(RM 331m)





GROUP – FINANCIAL HIGHLIGHTS



1. DIVIDEND PAID FOR FYE 31.1.2003 WAS 20%. ADJUSTED TO 10% IN ABOVE CHART TO REFLECT BONUS ISSUE.
2. UNBROKEN DIVIDEND RECORD SINCE LISTING IN 1986.



GROUP –DIVIDEND POLICY

In order to better maintain a healthy Return On Equity (ROE) ratio and ensure good returns to shareholders, the Group has since 2004, adopted a high dividend pay-out policy.

- Dividend Pay-out will be at least 50% of the Net Operating Profit After Tax and
- 50% of Dividend received from listed subsidiaries or associates.

BUSINESS OUTLOOK





IRON & STEEL DIVISION - OUTLOOK

- 2004 apparent Malaysian consumption of HRC is:

HRC Consumption (2004)	
	'000 MT/yr
Domestic Production of HRC	1,333
Imported HRC	663
Exported Pipes	-387
Domestic Consumption of HRC	1,609

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

- Growth for flat products is faster than long products. Consumption of HRC is estimated at 7% pa.

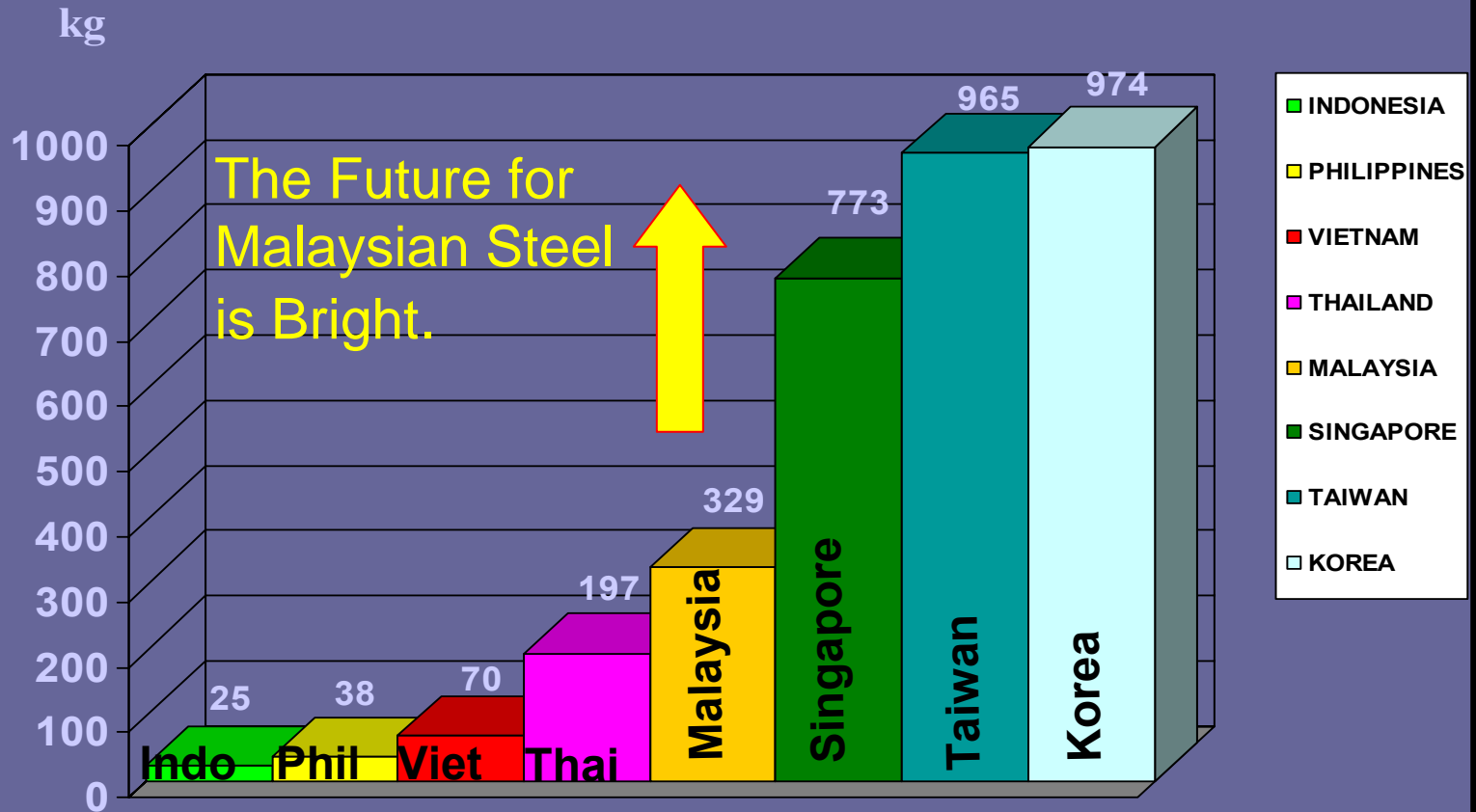
- By the year 2010, domestic consumption of flat steel products will be up 50%, on 2004's consumption.

Year	HRC MT/yr	Factor
2004	1,609	1.00
2005	1,721	1.07
2006	1,842	1.14
2008	2,109	1.31
2010	2,414	1.50
2012	2,764	1.72
2013	2,957	1.84
2015	3,386	2.10



STEEL CONSUMPTION (Long & Flat Products)

Per Capita Steel Consumption - kg/per annum



Source : MISIF 2004

- Malaysia consumes 329 kg of steel per capita annually.
- As Malaysia's development continues, demand for steel will grow.
- MISIF forecasts long-term demand growth of 6.0% per year.



GROUP'S PRODUCTION CAPACITY

	STEEL TUBES	COLD ROLL COILS
CAPACITY (3 shift basis)	30,000 MT per month 360,000 MT per annum	15,000 MT per month 180,000 MT per annum
Current Production	10,000 MT per month	9,700 MT per month
Current Utilisation	33% (1 shift)	65% (on 2.5 shifts)
Unutilised Capacity	20,000 MT per month	5,300 MT per month

Market Share 2005		MT/month		MT/month		
	Melewar	20%	10,000	CRIM	12%	9,700
	18 others	80%	40,000	Ornasteel	27%	21,600
				MegaSteel	1%	800
				Imports	60%	47,900
		100%	50,000		100%	80,000

New Competition	None expected. Most competitors incurring losses with plenty of excess capacity.	MegaSteel started up 2nd hand CRC mill with rated capacity of 115,000 MT/month. Expected production 1Q 2006.
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FUTURE CAPITAL EXPENDITURE	Melewar has no significant capital expenditure needs for the foreseeable future.	Mycron embarking on a RM 120m capex to improve quality & increase capacity by 45%. Full off-take agreement signed.
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POWER, OIL & GAS DIVISION - OUTLOOK

POWER

- Thai power project will be in the construction phase until end 2007.
- Contribution to the group results will come in 2008.
- Currently, evaluating a few potential power projects in Indonesia and Philippines.

OIL & GAS

- Continued steady income from FPSO business and barite operations.
- New income stream from oil production.
 - MOU signed for Indian JV for Cluster 7 proven marginal field in India.
 - M3nergy will manage the whole project and will provide an FPSO to the project.
 - Actual oil production will begin in mid 2008.
 - Estimated production of 18,000 barrels per day.

SHARE VALUATION



MELEWAR INDUSTRIAL GROUP BERHAD



VALUATION OF LISTED INDUSTRIAL COMPANIES

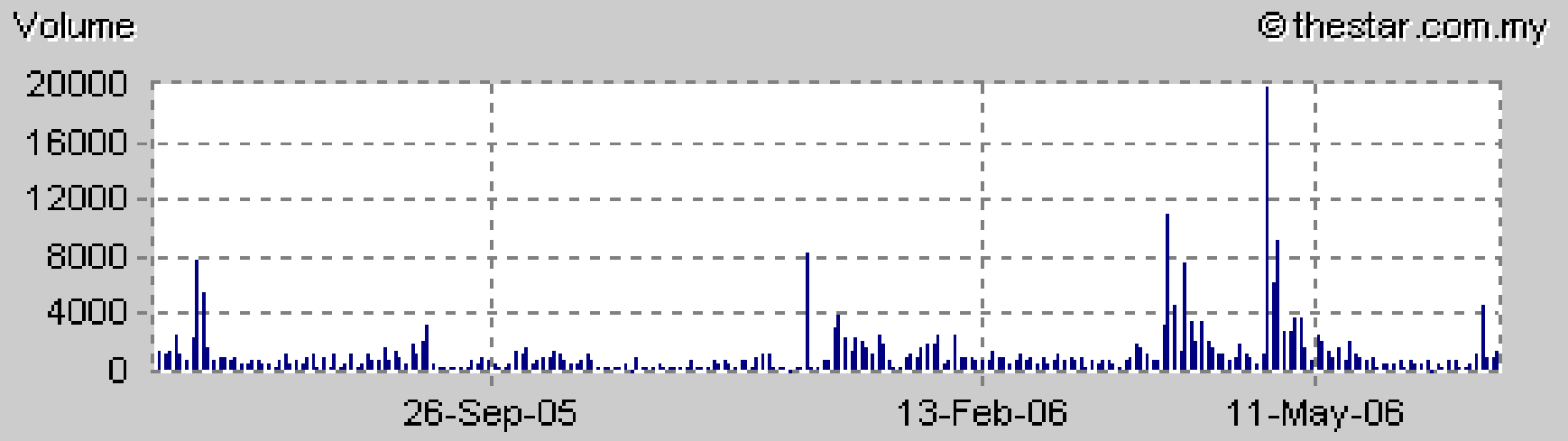
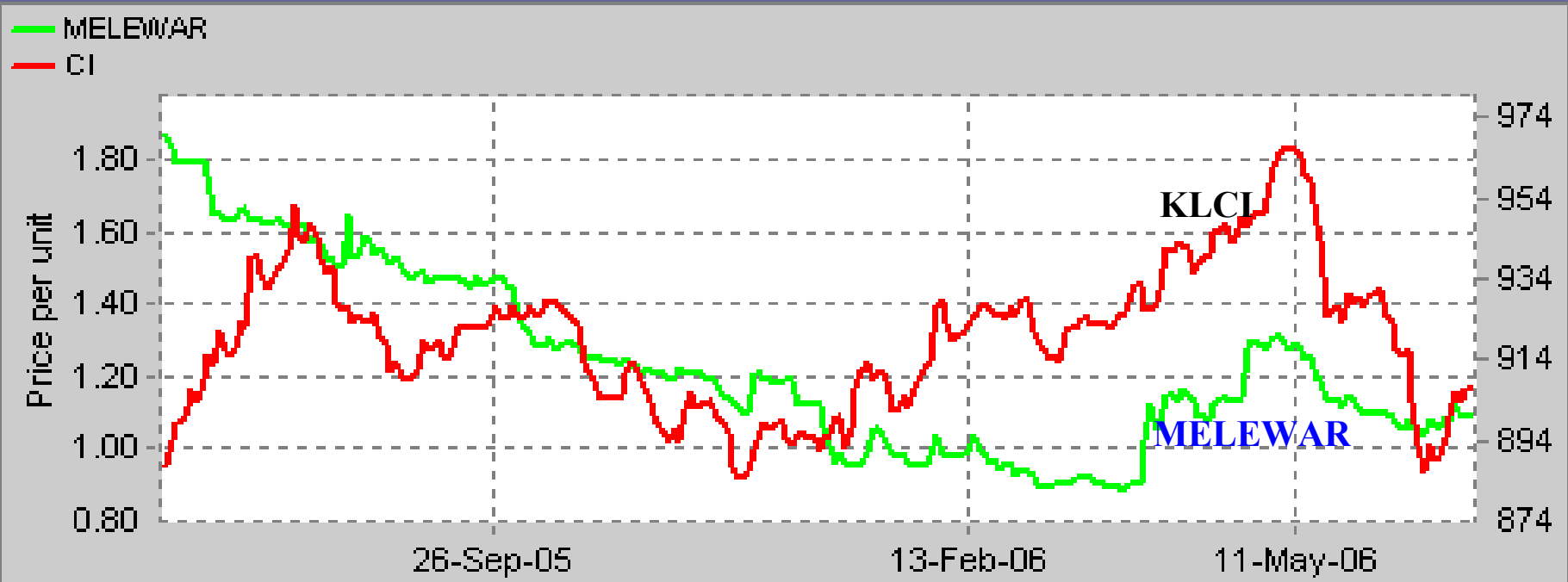
Companies (as at 31/05/06)	Share Price RM ps	Dividend Yield	Current PE Ratio
Ranhill Bhd	1.34	1.1	21.4
Wah Seong	2.36	1.9	15.4
DRB Hicom	1.72	1.7	12.0
Sime Darby	5.95	4.4	17.7
Hume Industries	2.99	9.0	6.7
Hong Leong Ind	3.66	2.4	14.3
Melewar	1.10	2.7	3.8

INDUSTRY PE RATIO	
Simple Average	14.6

Bursa Malaysia PE Ratios	
EMAS	19.0
INDUSTRIAL	18.0



MELEWAR SHARE PRICE vs KLCI





VALUATION OF MELEWAR'S SHARES

	Current earnings (Annualised) RM mil
Profit/Loss After Tax	60.60
Minority Interest In Mycron 45.7%	-6.60
Consolidation PAT	54.00

EPS = RM0.320

VALUATION RANGE

RM ps

Current MIG Price	→ 3.4	1.09
		2.24
MIG's Net Tangible Asset (RM 2.79 ps)	→ 8.7	2.79
		3.20
		3.51
		3.83
		4.15
		4.47
		4.79
Bursa M'sia Industrial Sector (PE=18x)	→ 18.0	5.75
EMAS Index Valuation (PE=19x)	→ 19.0	6.07

At MIG's current market price, the counter is Grossly Under Valued.

Trading below NTA (RM 2.79ps).

MIG should be valued between RM5.75 to 6.07 ps.

SUMMARY



MELEWAR INDUSTRIAL GROUP BERHAD



SUMMARY

IRON & STEEL DIVISION

- Melewar is established market leader in the steel tube industry.

Established branding :

- *MIG-Marubishi* tube is the benchmark in the pipe industry

- *Aurora* tube is benchmark for the conduit pipe industry

- Domestic demand for flat steel products is tremendous. Growth will see domestic demand at 150% of 2004's level, by 2010.

- The 9TH Malaysian Plan and the Govt's water pipe renewal programme, will see tremendous demand for steel pipes in the forthcoming years.

- Melewar has 51% Bumiputra / Government shareholders.

- Use Bumiputra status to get new contracts from Government etc.

- Cold Rolled Coil division to upgrade plant to produce higher quality products (larger margins) as well as to increase capacity by 45%. Full off-take for increased capacity already guaranteed.



SUMMARY

INVESTMENT MERITS

Unbroken profit record for 35 years since inception 1970.

Very Low Gearing Ratio (0.38X).

Unbroken and Excellent dividend record since listing in 1986.

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

Melewar has diversified its activities to now include Engineering and Power, Oil & Gas. Growth potentials are great.



SUMMARY

Share price grossly undervalued, because Melewar is still categorised as a pure steel product company.

Melewar is now a diversified company with interests in Iron & Steel, Engineering and Power, Oil & Gas.

Share Price is RM 1.09 ps.(as at 29.06.06)

NTA is RM 2.79 ps.

PE ratio is 3.4x.

Melewar's fair value should be, at least :

- | | |
|----------------------------------|-----------------------|
| - Same as its NTA. | Melewar = RM 2.79 ps. |
| - Same as Industrial PE (18.0x). | Melewar = RM 5.75 ps. |
| - Same as EMAS PE (19.0x). | Melewar = RM 6.07 ps. |

Melewar's share price should be between RM 5.75 & 6.07 ps.

Up-side potential for the share price is strong...BUY !!



MELEWAR INDUSTRIAL
GROUP BERHAD

THANK YOU

