



# MELEWAR INDUSTRIAL GROUP BERHAD

**INVESTORS RELATION BRIEFING**

**4 July 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 May 2008

	No. of Shares (Million)	% of PUC
<b>Melewar Equities Group</b>	79.15	34.9%
<b>Malaysian Assurance Alliance Berhad</b>	7.50	3.3%
<b>Melewar Group Berhad</b>	<b>86.65</b>	<b>38.2%</b>
<b>Permodalan Nasional Berhad</b>	0.00	0.0%
<b>Other Bumi Institutions &amp; Shareholders</b>	21.62	9.5%
<b>Total Bumiputra / Government Holdings</b>	<b>108.27</b>	<b>47.7%</b>
<b>Free Float</b>	118.48	52.3%
<b>Total Paid Up Capital</b>	<b>226.75</b>	100.0%



<b>LISTED COMPANY</b>	<b>NO. OF EMPLOYEES</b>
<b>Melewar Industrial Group Berhad</b>	<b>334</b>
<b>Mycron Steel Berhad</b>	<b>123</b>
<b>M3nergy Berhad</b>	<b>300</b>
<b>Maveric Ltd</b>	<b>1</b>
<b>Gindalbie Metals Ltd</b>	<b>30</b>
<b>TOTAL</b>	<b>788</b>



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 Yahaya bin Tunku Tan Sri Abdullah**  
*(Non-Independent Non-Executive Director)*

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

6) **Datuk Lim Kim Chuan**  
*(Executive Director/Chief Operating Officer)*

7) **Dato' Jaffar Indot**  
*(Independent Non-Executive Director)*

8) **En Azlan bin Abdullah**  
*(Executive Director)*

9) **Mr Onn Kien Hoe**  
*(Independent Non-Executive Director)*

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





**Tunku Dato'  
Ya'acob bin  
Tunku Tan Sri  
Abdullah**  
MD & Group  
CEO, 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.
- >5 years in Steel & Iron Ore Industry.
- >2 years in Oil & Gas Industry.



**Datuk Lim Kim  
Chuan**  
ED & Group  
COO, MIG Bhd

- >25 years in finance and manufacturing industries.
- Sits on the board of various public listed companies and several private limited companies.
- >5 years in Steel & Iron Ore Industry.
- >2 years in Oil & Gas 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 and power.
- >13 years in banking and corporate planning & general management.
- > 4 years in Steel & Iron Ore Industry.



**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 the 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 Shahrizi 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 in senior positions in various companies in Malaysia.
- 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 public listed companies in Australia
- 15 years in Iron Ore Mining.
- Chairman of Portland Mining Limited and was instrumental in overseeing its growth for over a decade.
- 2 years with Gindalbie.



- Feb 1969 - Aurora Steel Tube Manufacturing Sdn Bhd was 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



- **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 Bhd

### IRON & STEEL DIVISION

#### Steel Division

- Steel Tubes
- Steel Cold Rolled Coil Sheets
- Steel Reinforcement Bars
- Steel Billets

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

#### Iron Ore Division

- Raw material for steel
- Upstream investment to gain exposure of strong global steel demand

### 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 like the Penang monorail project

#### 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



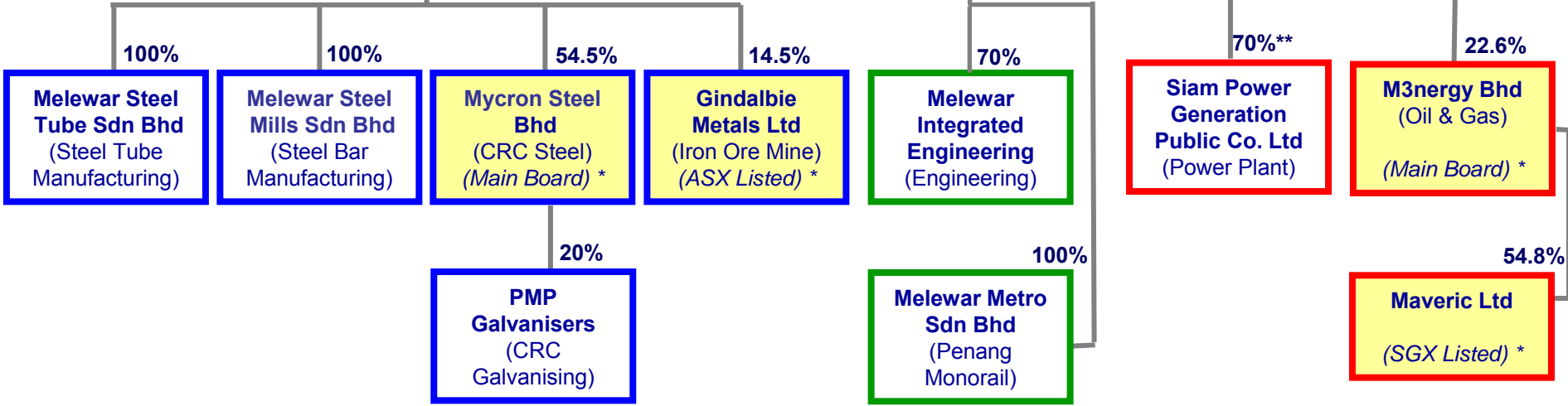
(As at 4 Jul 2008)

**Melewar Industrial Group Bhd**  
(Investment Holding)  
(Main Board Listed) \*

**Iron & Steel Division**

**Engineering Division**

**Energy Division**



\* Listed Company

\*\* To be increased to 95.03% by 11 Jul 2008



**OPERATING DIVISION  
BRIEF**



# IRON & STEEL DIVISION

**STEEL TUBES**

**COLD ROLLED COIL (CRC)**

**STEEL RODS (REBAR)**

**SMELTING & BILLET CASTING**

**IRON ORE**

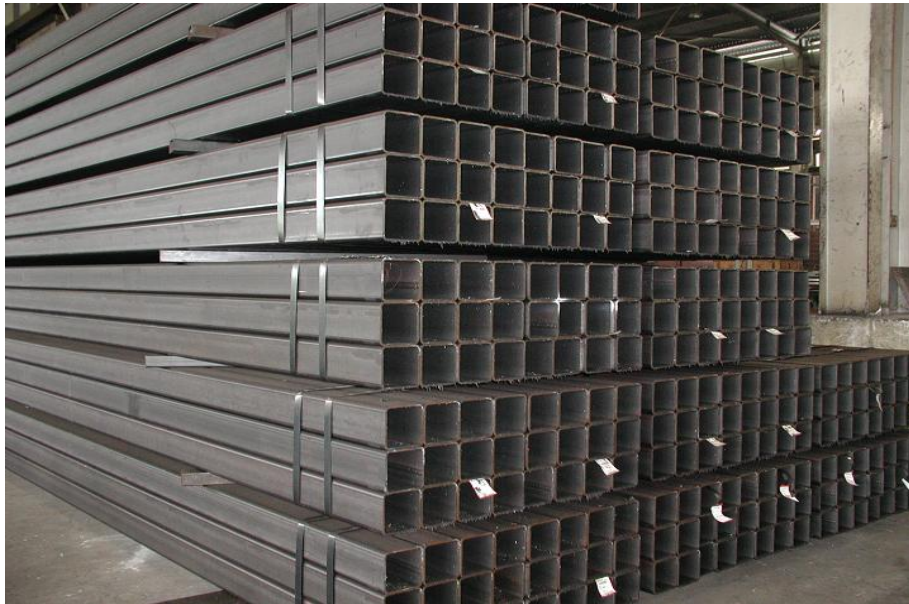




# STEEL TUBE OPERATIONS



- Group has manufactured steel tubes for 37 years
- Melewar Steel Tube Sdn Bhd achieved SIRIM ISO 9001 in year 1997 for all its five factories



SIRIM



Accreditation No:  
QS 02121999 CB 01



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*

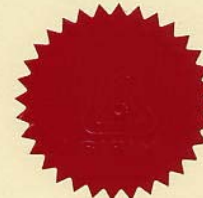
MARUICHI MALAYSIA STEEL TUBE BERHAD  
LOT 53, PERSIARAN SELANGOR  
40000 SHAH ALAM SELANGOR DARUL EHSAN  
MALAYSIA

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  
Pegarah 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 6433  
Faks : 60-3-5544 6467

<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 (19-50mm 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 (15-150mm 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 (15-350mm diameter) Rectangular Pipes (50x75 to 200x300mm diameter) Square Pipes (65x65 to 250x250mm)
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 (10x19x10mm to 250x75x25mm)
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 (10-65mm diameter) Rectangular Pipes (16x19 to 38x75mm) Square Pipes (12x12 to 50x50mm)
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

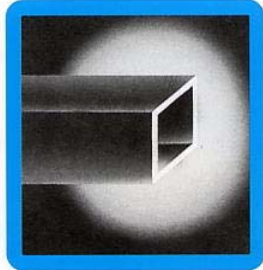
## Aurora

### SIZE RANGE

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



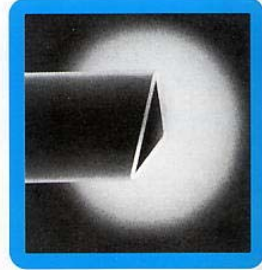
G.I. Pipes



Square Sections



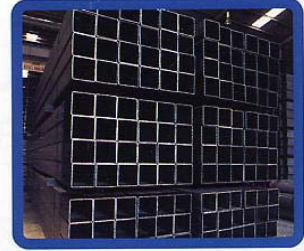
Round Tubes



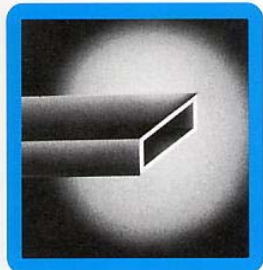
Triangle Tubes



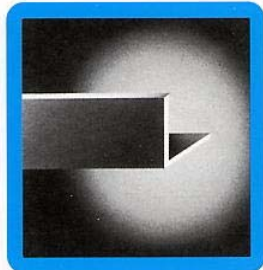
Furniture Tubes



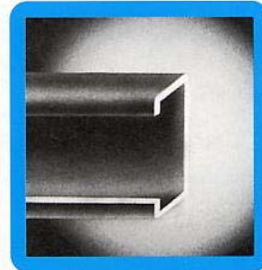
Square Pipes



Rectangular Sections



Angles



Lipped Channels



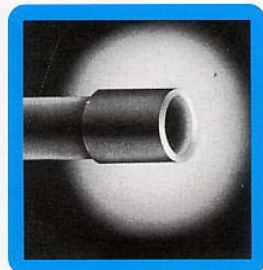
Oblong Tubes



Electrical Steel Conduit



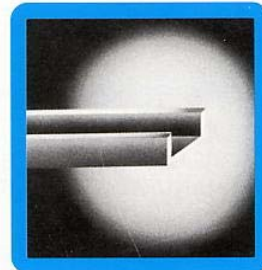
Rectangular Pipes



Electrical Conduit Tubes



Hat Type Channels



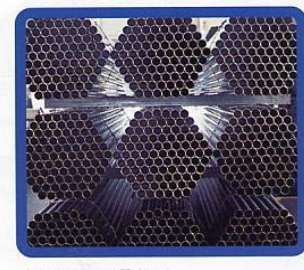
Gate Channels



D-Tubes



Hot-Dipped Galv. Pipes



Mechanical Tubes

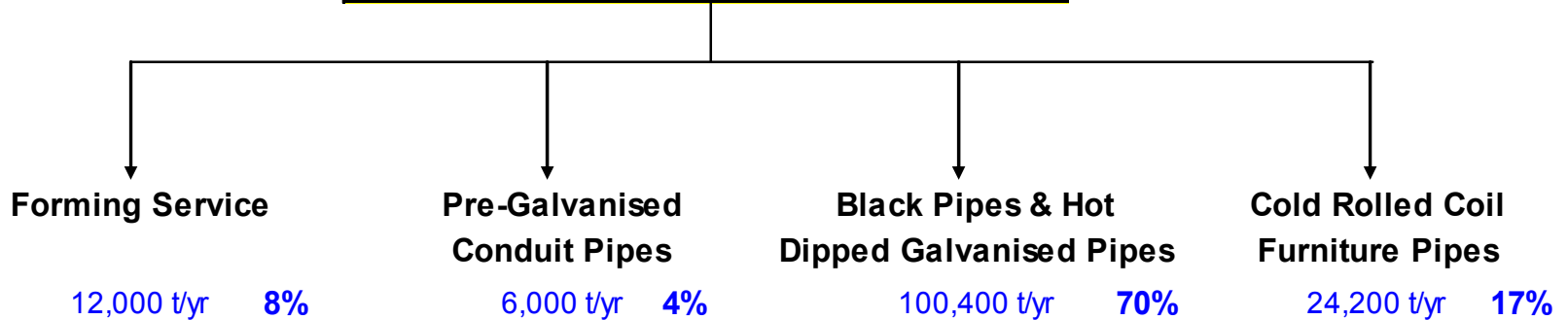


# STEEL TUBE PRODUCT & CUSTOMER MIX



## PRODUCT MIX

<b>MELEWAR STEEL TUBES SDN BHD</b>	
<b>Production Capacity:</b>	<b>360,000 t/yr</b>
<b>Annual Production:</b>	<b>142,600 t/yr</b>
<b>Capacity Utilisation:</b>	<b>40%</b>



## CUSTOMER MIX

<b>Engineering &amp; Construction Industry</b>	<b>50%</b>
<b>Furniture Industry</b>	<b>30%</b>
<b>Water Supply Industry</b>	<b>15%</b>
<b>Auto &amp; Electrical Industry</b>	<b>5%</b>
	<b>100%</b>

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	9 months ended 31/03/08 RM mil
	2004 RM mil	2005 RM mil	2006 RM mil		
Sales	213.7	289.4	284.6	364.3	<b>215.4</b>
Profit Before Tax	46.3	29.3	(3.6) ♣	30.9 ♥	<b>11.0</b>
Profit After Tax	39.7	21.5	(1.3)	29.9	<b>15.0</b>
Net Tangible Assets	290.9	283.9	305.8	353.0	<b>336.0</b>
Sales Tonnage ('000 t)	103.8	110.9	102.2	125.5	<b>70.4</b>

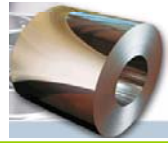
♣ Loss in 2006 due to drop in inventory values following collapse in international steel prices between June to December 2005.

♥ By 2007 profit margins have improved although not as high as in pre-2006 period. RM30.9 mil PBT for 17 months translates to annualised PBT of RM21.8 mil/year.



MYCRON STEEL BERHAD

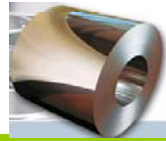
# COLD ROLLED COIL (CRC) OPERATIONS



**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.

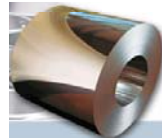


<b>MAJOR SHAREHOLDERS</b>	<b>No. Shares 31 Mar 2008 (Million)</b>	<b>Shareholdings %</b>
Melewar Industrial Group	97.50	54.5
Melewar Equities Group	9.34	5.2
MAA Berhad	5.50	3.1
<b>Melewar Group</b>	<b>112.34</b>	<b>62.8</b>
PNB (Skim ASB)	5.16	2.9
<b>Group &amp; Govt Funds</b>	<b>117.50</b>	<b>65.7</b>
Foreign Shareholding	2.30	1.3
Balance Free Float	<b>59.20</b>	33.1
<b>Total Paid Up Capital</b>	<b>179.00</b>	<b>100.0</b>



MYCRON STEEL BERHAD

# COMPANY BACKGROUND



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



SIRIM



ISO/IEC GUIDE 62 : 1996  
Accreditation No:  
QS 02121999 CB 01



074



**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.:

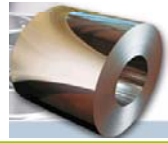
Tel : 60-3-5544 6400  
Fax : 60-3-5510 9439

Penganugerahan 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 STEEL BERHAD

# WHAT IS CRC?



## HOT ROLLED COILS



## COLD ROLLED COILS



## DOWNSTREAM INDUSTRIES

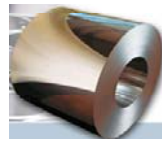


**Thick & Rusty Steel Sheet (1.7mm to 3.5mm thick)**

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

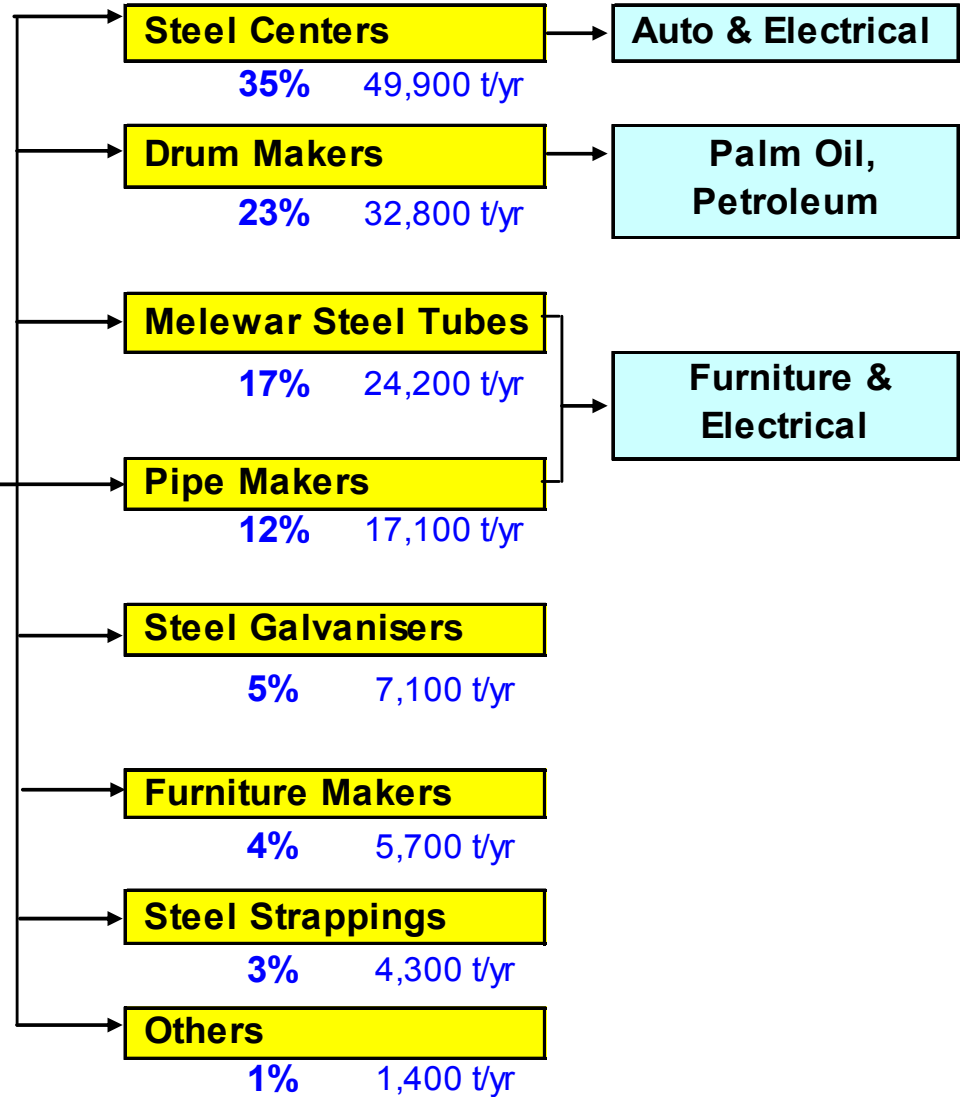
**MYCRON STEEL**



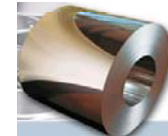


## PRODUCT MIX

**MYCRON STEEL**  
**Rated Capacity: 180,000 t/yr**  
**Operating Capacity (on current CRC range): 165,000 t/yr**  
**Annual Production : 142,600 t/yr**  
 Capacity Utilisation : 86%



Unlike long-product steel manufacturers, Mycron has **ZERO exposure** to the domestic **Construction Sector**



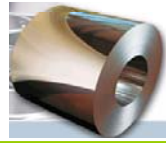
	Financial Year (31 January)			17 months ended 30/6/07 RM mil	9 months ended 31/03/08 RM mil
	2004 RM mil	2005 RM mil	2006 RM mil		
Sales	269.6	357.3	325.5	482.3	<b>282.2</b>
Profit Before Tax	32.7	35.7	(15.6)♣	29.4♥	<b>12.8</b>
Profit After Tax	23.6	26.1	(12.2)	21.8	<b>9.5</b>
Net Tangible Assets	136.2	222.2	228.0	247.2	<b>255.1</b>
Sales Tonnage ('000 t)	154.1	154.5	118.2	202.0	<b>115.6</b>

♣ 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. RM29.4 mil PBT for 17 months translates to annualised PBT of RM20.8 mil/year.



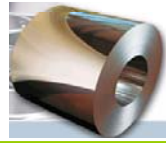
# CRC PLANT UPGRADE & EXPANSION



- Plant upgrade and expansion in progress. Completed Q4 2008.
- Installation of new facilities – Tension leveller, Skinpass mill and additional Annealing equipment.
- Capex RM120 million.

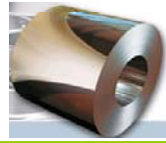


- Upgrade will improve product quality of high grade CRC which gives better margins.
- Also add increased capacity from 180,000 t/yr to **260,000 t/yr** (i.e. **+80,000 t/yr capacity** or **+45% capacity**).
- Higher profit margin due to economies of scale. **45%** increase in capacity will lead to **65% increase in profit**.
- Additional Profit After Tax due to the plant upgrade & expansion is estimated to be **RM16.6 mil/yr**.



- 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 RM85 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.

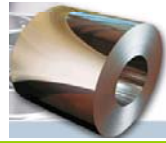




- In 2007, signed an off-take agreement with Bluescope (Malaysia) Sdn Bhd, part of the largest steel group in Australia, to supply up to **60,000 t/yr** for the next 3 years.
- Prior to this Bluescope was importing the CRC from overseas.
- HRC supply for this contract will be from Bluescope Australia. 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.**



- **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.



# 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	<b>Construction Grade Reinforcement Bars</b> 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

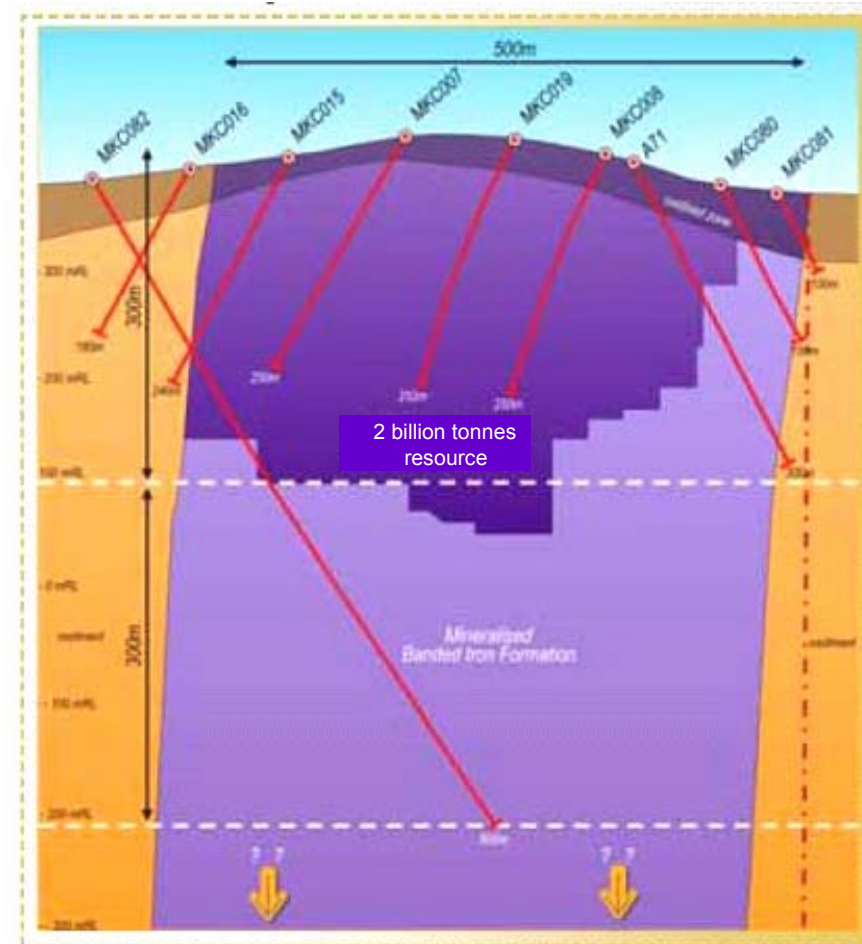
- Operated through 14.5% investment in Gindalbie Metals Ltd.
- Used to own 25% but diluted through fund raising activities.
- Listed on Australian Stock Exchange
- Main activity – Iron ore exploration and mining at Karara
- Tenement area – about 2,000 sq km
- Main deposit :
  - High Iron & Low Silica Ore
  - 2,000 mil tonne (Magnetite iron ore)
  - 100 mil tonne (Hematite iron ore)



## KARARA PRODUCTION TARGET

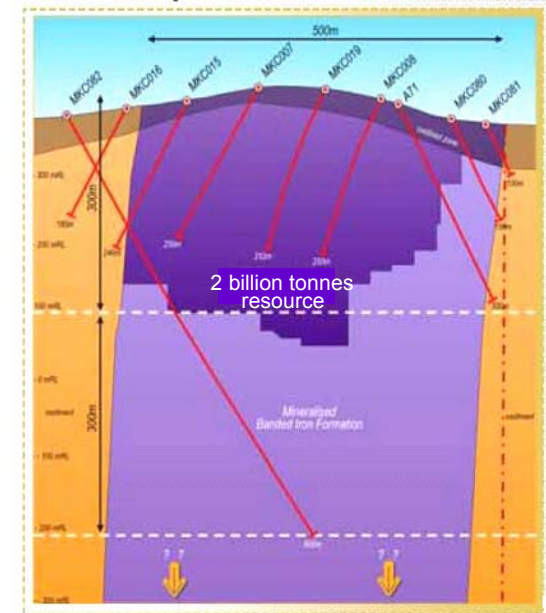
- Hematite: 7 year life (at 1.5 mil t/yr).
- Magnetite: 60 year life.
- Hematite mining by early 2009.
- Magnetite mining by 2010.
- Potential for further reserves as only small part of tenement explored.

- Mineralisation exists up to at least 600 metres.
- >2 billion tonne resource
- Low stripping ratio (0.5 : 1)
- Low mining costs
- Low impurities
- BFS completed on schedule



## KARARA MAGNETITE BFS RESULTS SUMMARY

- NPV<sub>9%</sub> after tax of A\$2.25 bil & IRR after tax of 24.6%.
- Forecast A\$9.33 bil initial life-of-mine free cash flow.
- Average post tax annual free cash flow of A\$360 mil.
- Resource of 1.4 bil tonnes with initial probable ore reserve of 497 mil tonnes for initial 25 year production profile.
- First ore delivery targeted for Q1 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, will procure the finance for the project (which involves mining and transportation, and for the Magnetite ore, includes beneficiation (purification) and pelleting in China) and is funding Gindalbie's 50% equity stake in the JV.**
- **AnSteel subscribed 15% interest in Gindalbie, and MIG's interest was diluted from 19% to 14.5%.**



# POTENTIAL AND INVESTMENT VALUE

## POTENTIAL

- Demand for steel is expected to remain strong for the next decade. Iron ore demand will remain strong.
- Iron ore price increased by 72% in 2005, 19% in 2006, 15% in 2007 and 65% in 2008.
- Expecting 10 - 15% a year for the next 3 years.
- Investment value in Gindalbie will grow substantially over the next few years.



## MIG's INVESTMENT IN GINDALBIE

- No.Gindalbie Shares owned by MIG 74 mil
- Cost to MIG A\$0.10 ps A\$7.4 mil RM22 mil
- Current Gross Value @ 31/3/08 \* A\$0.71 ps A\$52.5 mil RM158 mil
- Current Net Book Value\*\* A\$52.5 mil RM158 mil
- **When Production Starts, share price expected to be > A\$3.00 ps**

\* RM3.00 = A\$1.00

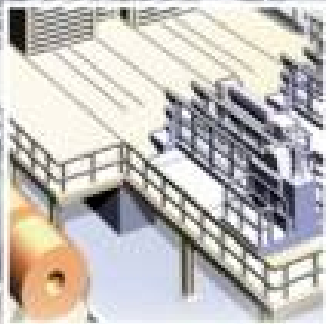
\*\* Capital Gains Tax 30%  
Exempt if own <10% control for 12 months



# DIVISION BRIEF: ENGINEERING

**MELEWAR INTEGRATED ENGINEERING  
SDN BHD**

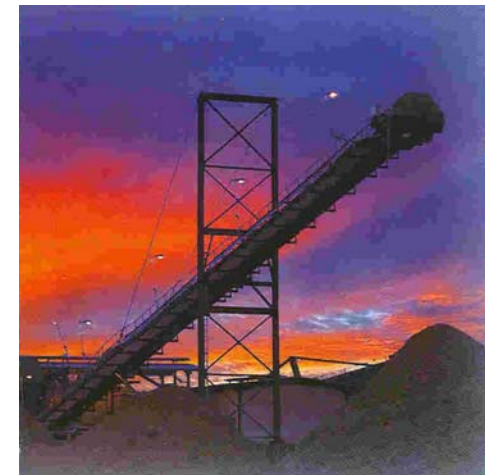
**MELEWAR METRO SDN BHD**





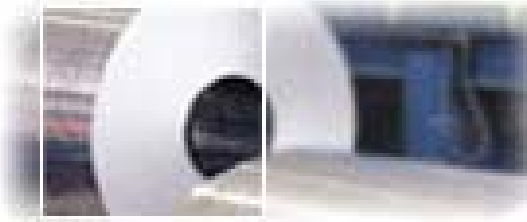
# MELEWAR INTEGRATED ENGINEERING SDN BHD

- **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, wood processing industry, 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

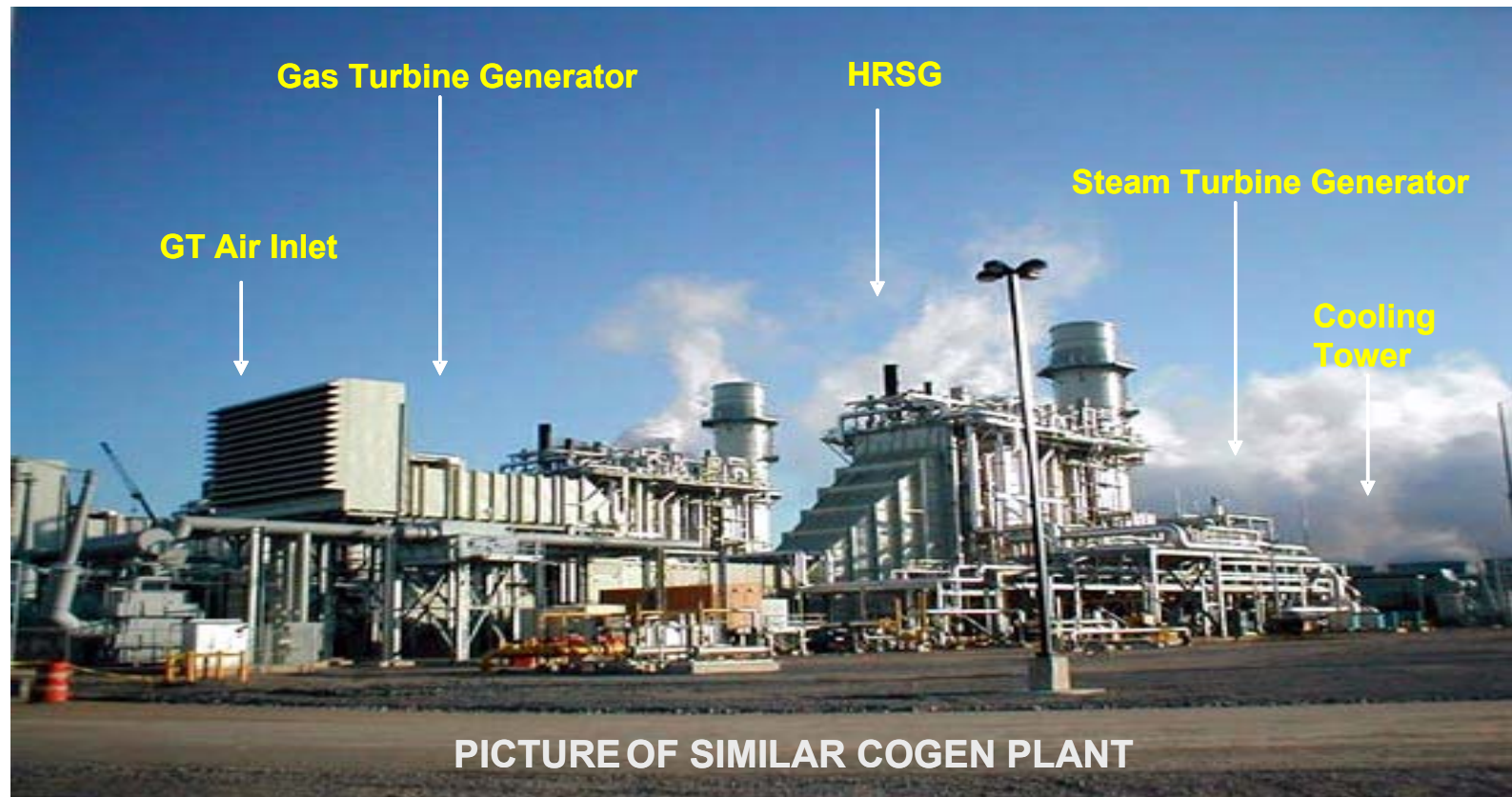


- **Imperial Power Ltd & SIPC**
- **M3energy Bhd**
- **Maveric Ltd**





- 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.





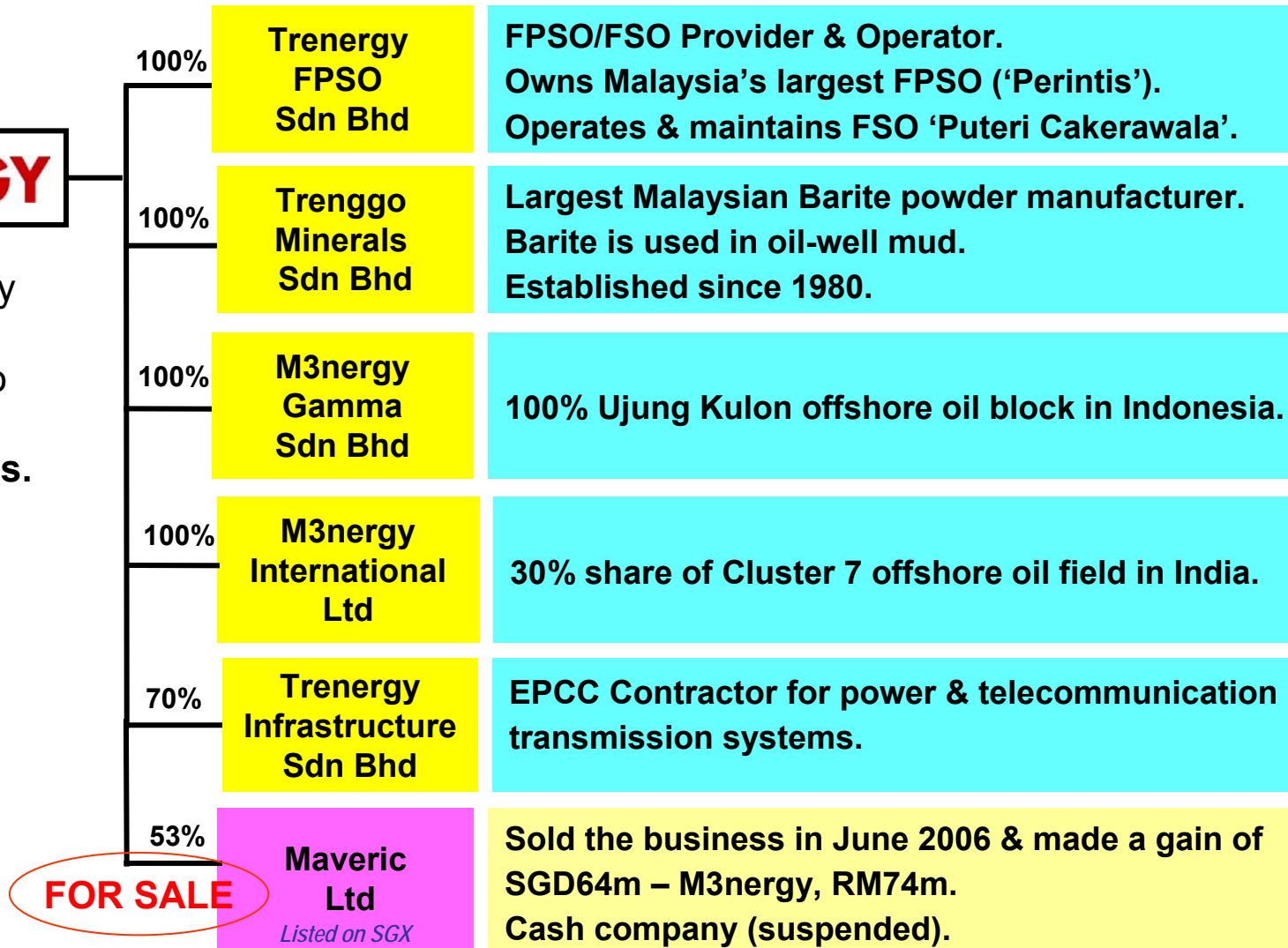
## SIPCO Terms & Financials

- 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)**

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
- 9-year contract to 2008, likely extension
- 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 Gas Condensate
- Operates and maintains FSO Puteri Cakerawala
- Contract with Carigali Hess Operating Company (Malaysia-Thai JV)- owner
- 3-year contract just renewed with better terms to 2010 with option to extend up to another 2 years
- All-Malaysian crew



**FSO Puteri Cakerawala**

# OIL & GAS EXPLORATION & PRODUCTION

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

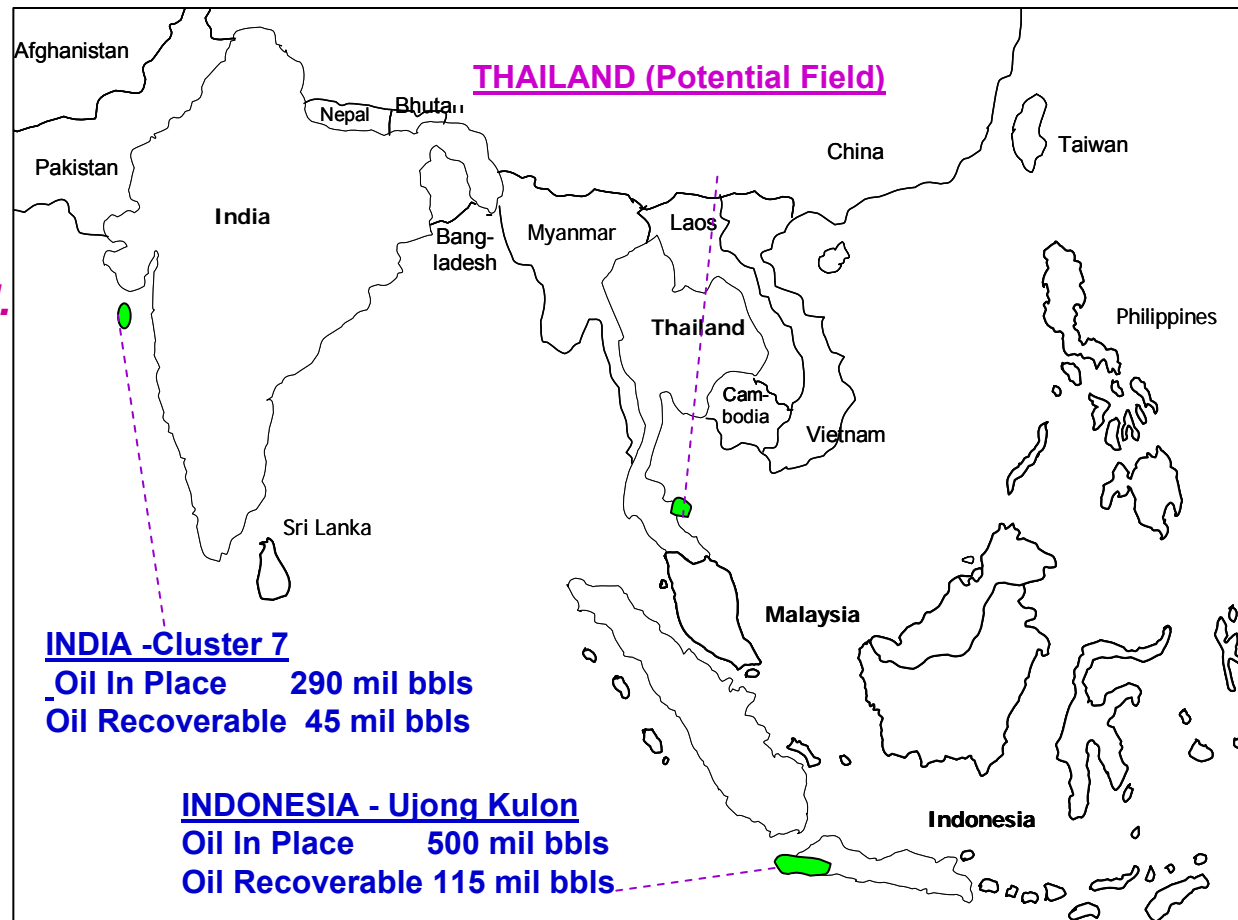
**In all bids, M3nergy will be the partner to manage and own FPSO/FSO assets.**

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

Estimated recoverable volume, sales and profit numbers will depend on professional reserve assessments which are still in work 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.

# 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.**



# 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





**GROUP FINANCIAL  
HIGHLIGHTS**



# GROUP – FINANCIAL HIGHLIGHTS

<b>BALANCE SHEET as at</b>	<b>31 Jan 2006 RM'000</b>	<b>30 June 2007 RM'000</b>	<b>31 Mar 2008 RM'000</b>	
<b>Property, Plant &amp; Equipment</b>	341,076	390,108	504,356	Inclusive of Revaluation Surplus of RM76m
<b>Other Investments</b>	7,804	1,869	1,969	
<b>Investment in Associates</b>	86,199	112,625	115,200	M3energy – RM98m PMP – RM17m
<b>Deferred Tax Assets</b>	161	14	-	
<b>Current Assets</b>	392,830	677,283	615,134	Investment and support in SIPCO
<b>Current Liabilities</b>	(175,677)	(307,699)	(437,161)	
<b>Net Current Assets</b>	217,153	369,584	177,973	
	<b>652,393</b>	<b>874,200</b>	<b>799,498</b>	
<b>Share Capital</b>	169,940	226,227	226,745	Bonus Issue Asset Revaluation Reserve RM36m
<b>Reserves</b>	82,380	78,723	79,258	Share buy-back of 276,100 at RM1.05/ share
<b>Retained Profit</b>	223,147	276,156	221,407	Utilisation of Retained Earnings for Bonus Issue
<b>Shareholders' Funds</b>	475,467	581,106	527,410	
<b>Minority Interest</b>	109,094	113,239	117,030	Asset revaluation of PPE & offset by DTA from Mycron (unabsorbed losses & CA)
<b>Deferred Tax Liabilities</b>	47,505	98,086	70,560	Deferred tax on share gain re. Gindalbie (no more unabsorbed losses & CA)
<b>Long Term Loan</b>	20,327	81,769	84,498	
	<b>652,393</b>	<b>874,200</b>	<b>799,498</b>	



# GROUP – FINANCIAL HIGHLIGHTS

<b>INCOME STATEMENT</b>	<b>12 mths to 31 Jan 2006 RM'000</b>	<b>17 mths to 30 June 2007 RM'000</b>	<b>9 mths to 31 Mar 2008 RM'000</b>
<b>Gross Revenue</b>	566,920	810,242	471,774
<b>Cost Of Sales</b>	① (565,540)	(710,017)	(428,041)
<b>Gross Profit</b>	② 1,380	100,225	43,733
<b>Other Operating Income</b>	③ 66,246	③ 141,345	(69,219)
<b>Operating Expenses</b>	(24,758)	(39,994)	(23,883)
<b>Finance Cost</b>	(8,087)	(12,673)	(11,406)
<b>Share of Associate Co.Profits</b>	④ 744	④ 158	④ 776
<b>Profit/(Loss) Before Tax</b>	35,525	189,061	⑤ (59,999)
<b>Taxation</b>	⑥ 5,755	⑦ (73,800)	⑦ 21,603
<b>Profit After Tax</b>	41,280	115,261	(38,396)
<b>Minority Interest</b>	5,636	(10,417)	(4,788)
<b>Net Profit After Tax &amp; MI</b>	46,916	104,844	(43,184)

**Note 1**  
Inventory impairment loss (RM30m)

**Note 2**  
Drop in steel price & impairment loss, profit margin drop

**Note 3**  
Recognition of investment gain/(loss) on Gindalbie shares

**Note 4**  
Share of M3nergy's & PMP Galvanizers' results

**Note 5**  
LBT for 9 mths mainly due to MTM of Gindalbie shares at AUD0.71. Excluding the RM73.3m MTM loss, the pre-tax profit would be at RM13.3m. Gindalbie shares closed at AUD1.445 on 30 June 2008

**Note 6**  
Tax credit due to unabsorbed CA & losses

**Note 7**  
(Tax provision)/writeback for Gindalbie share MTM gain/(loss)



# GROUP FINANCIAL HIGHLIGHTS

	12 months ended 31 January										17 mths ended 30 Jun 07	9 mths ended 31 Mar 08
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
<b>Performance</b>												
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	471.8
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	(60.0)
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	(43.2)
<b>Balance Sheet</b>												
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
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	527.4
Total Assets (RM mil)	411.8	476.3	413.2	471.0	597.2	658.0	685.5	484.8	621.2	828.1	1181.9	1236.7
<b>Financial Info</b>												
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%	(11.4%)
Gearing	0.17	0.22	0.05	0.07	0.01	0.05	0.05	0.29	0.38	0.41	0.67	0.89
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	(48.6)
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	(38.2)
EBITDA before fair value gain/loss on financial assets (RM mil)	-	-	-	-	-	-	-	-	-	(12.8)	83.9	35.1
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	2.32
Earnings (RM ps) $\Omega$	0.21	0.21	0.04	0.30	0.28	0.26	0.27	0.31	0.22	0.22	0.33	(0.19)
<b>Dividends</b>												
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	-	-	-

Strong Profits

After dividend pay-out of 260%

After capital distribution of Mycron shares

Dividend pay-out of 260%

Φ Includes extraordinary capital gain of RM25.3 m in FYE 2004.

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.

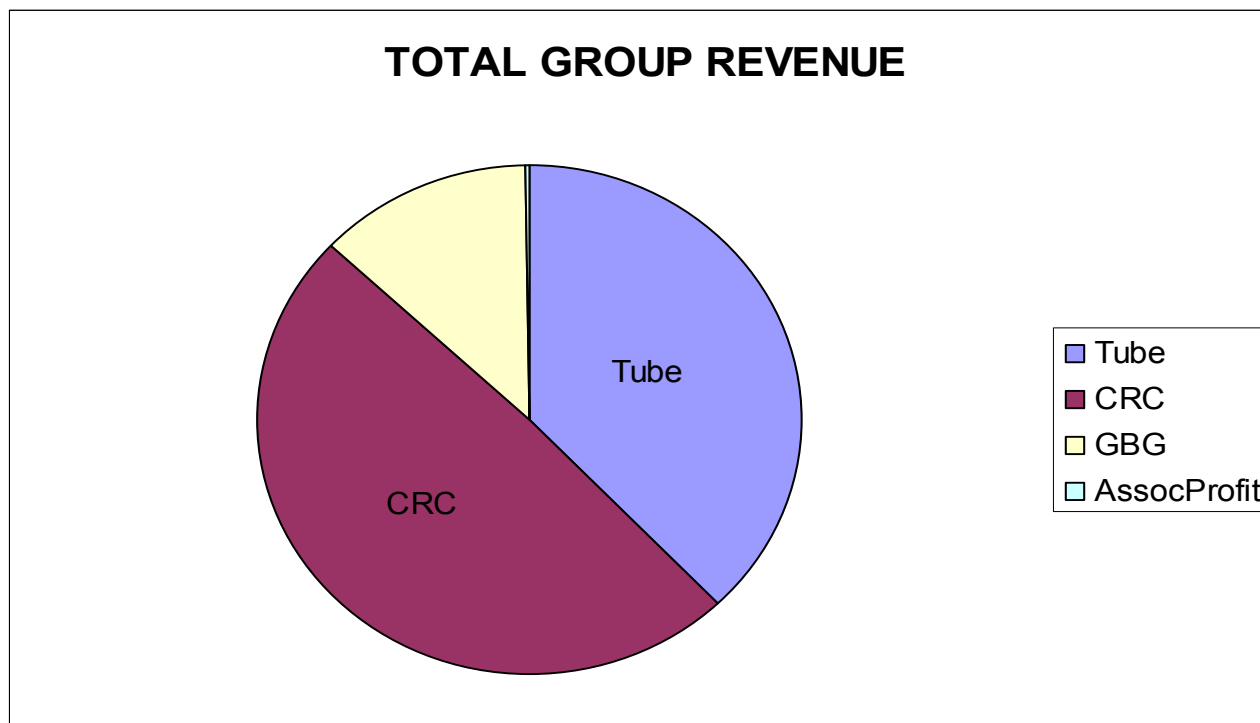
Earnings per share are restated for the previous financial year as a result of a 1 for 3 bonus issue during the financial period.



# MIG GROUP – SEGMENTAL ANALYSIS

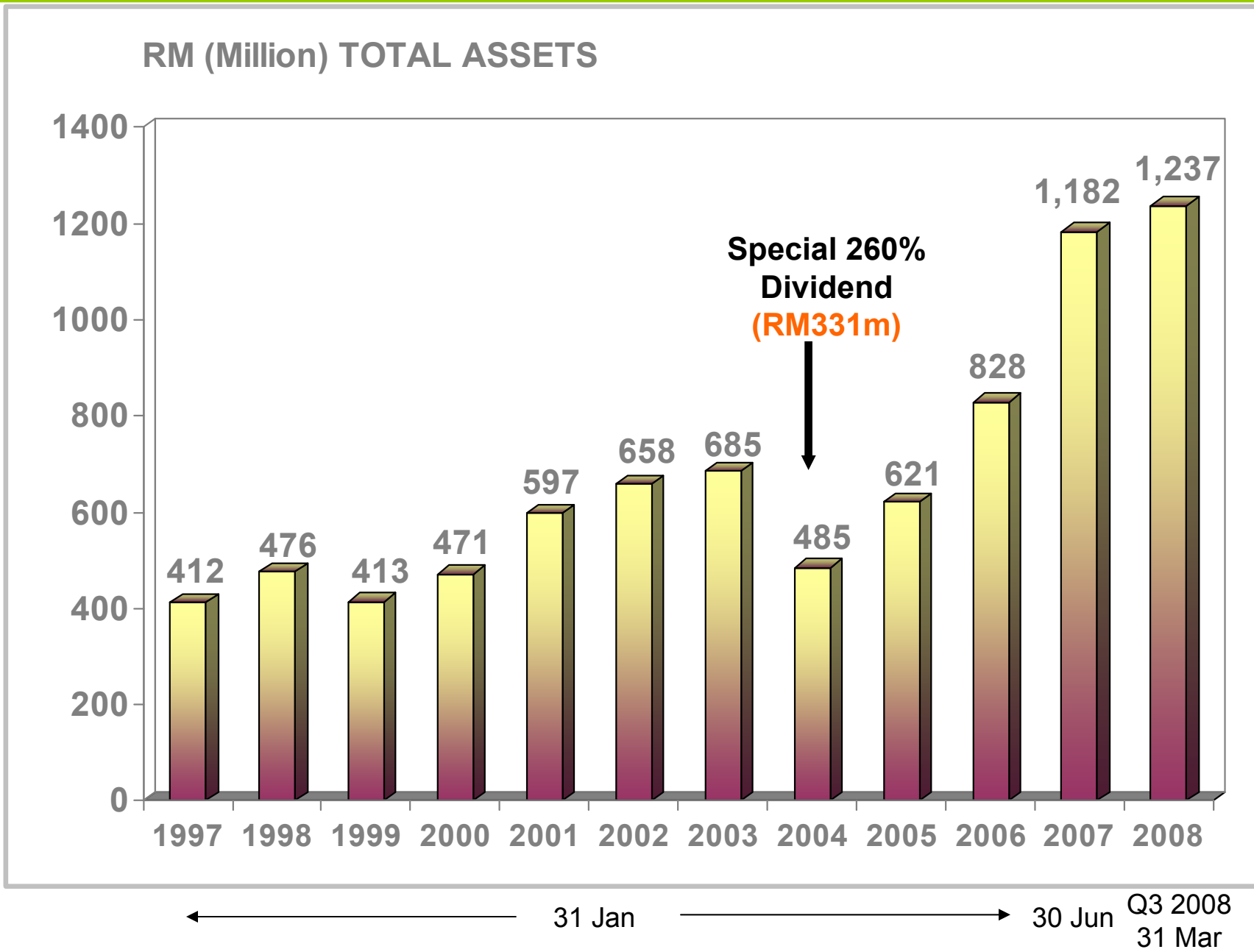
9 mths ended  
31 Mar 2008

	MIG Direct Operations			Other Inc (GBG) RM mil	Assoc Profit Sh RM mil	TOTAL RM mil
	Tube RM mil	CRC RM mil	Consol. RM mil			
Gross Revenue	215.4	282.2	(25.8)			471.8
Other Income (GBG)				(73.3)		(73.3)
Assoc.Co.Profit Share					0.8	0.8
<b>Total Revenue</b>	<b>215.4</b>	<b>282.2</b>	<b>(25.8)</b>	<b>(73.3)</b>	<b>0.8</b>	<b>399.3</b>
<b>Mix</b>	<b>54%</b>	<b>71%</b>	<b>-6%</b>	<b>-18%</b>	<b>0%</b>	<b>100%</b>



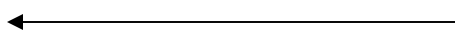
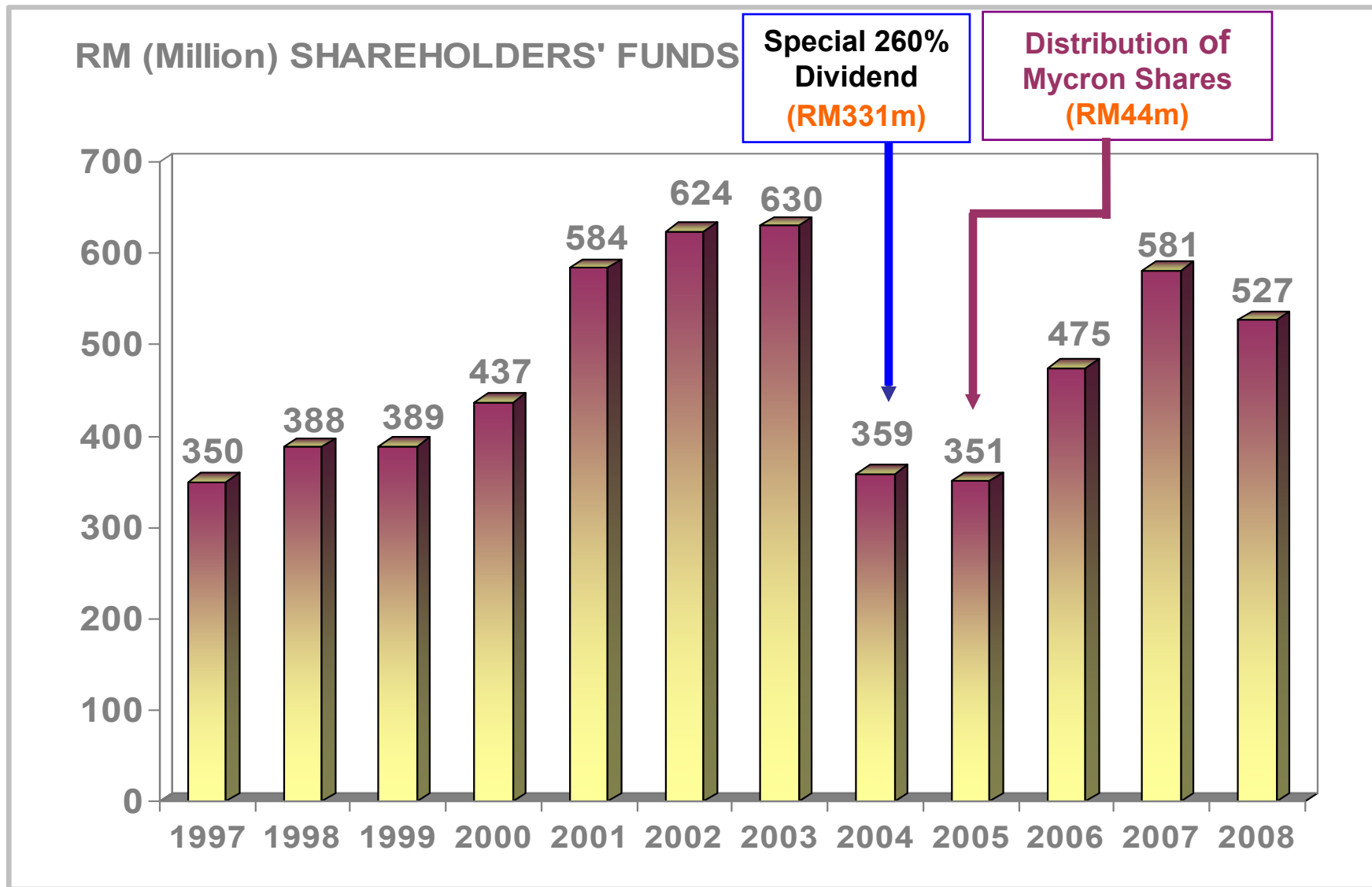


# GROUP – FINANCIAL HIGHLIGHTS

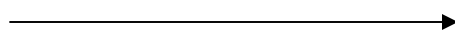




# GROUP – FINANCIAL HIGHLIGHTS



31 Jan



30 Jun

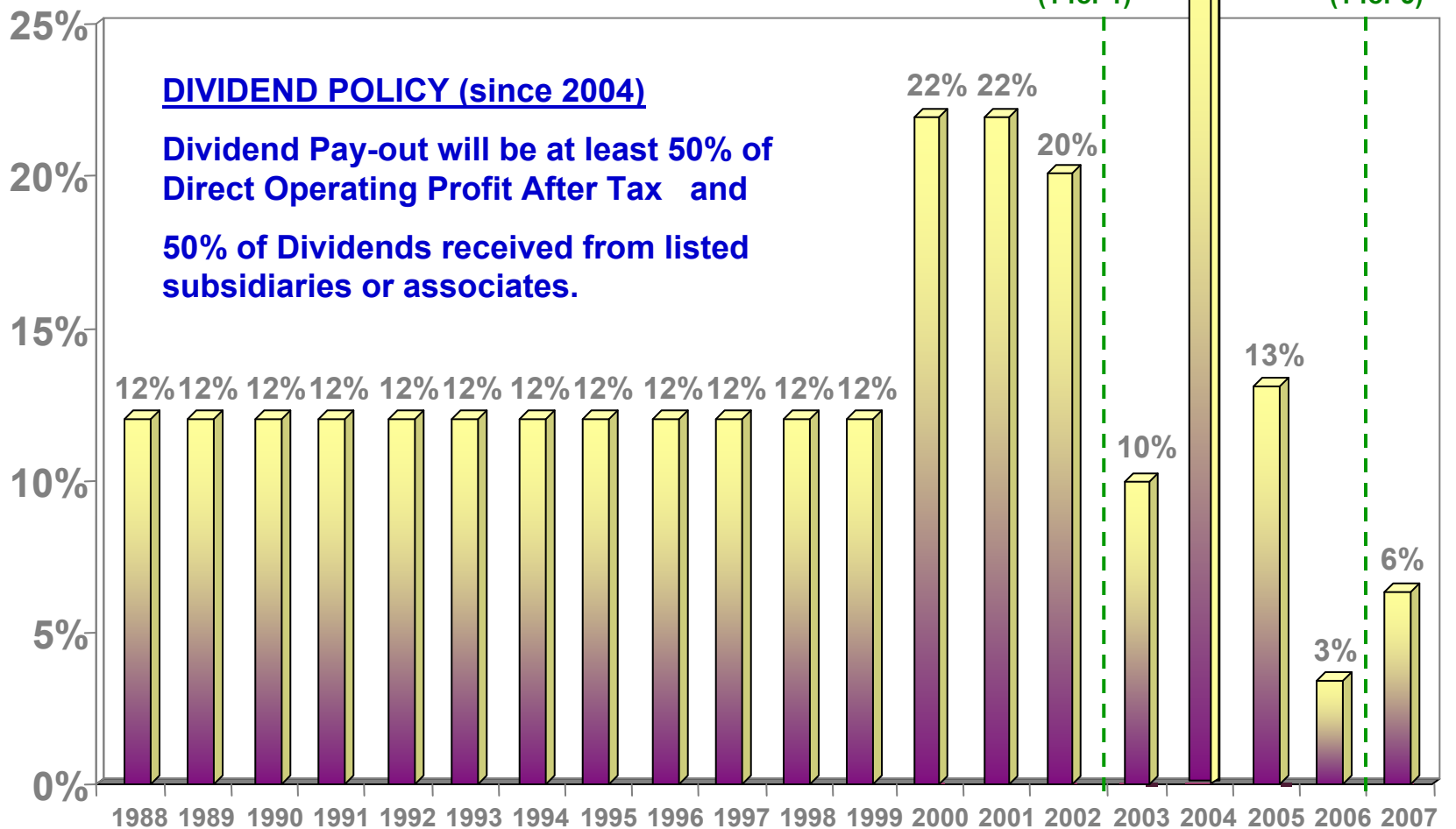
Q3 2008  
31 Mar



# GROUP – FINANCIAL HIGHLIGHTS

Unbroken dividend record since listing in 1986.

## DIVIDEND PAID (not adjusted for bonus issues)

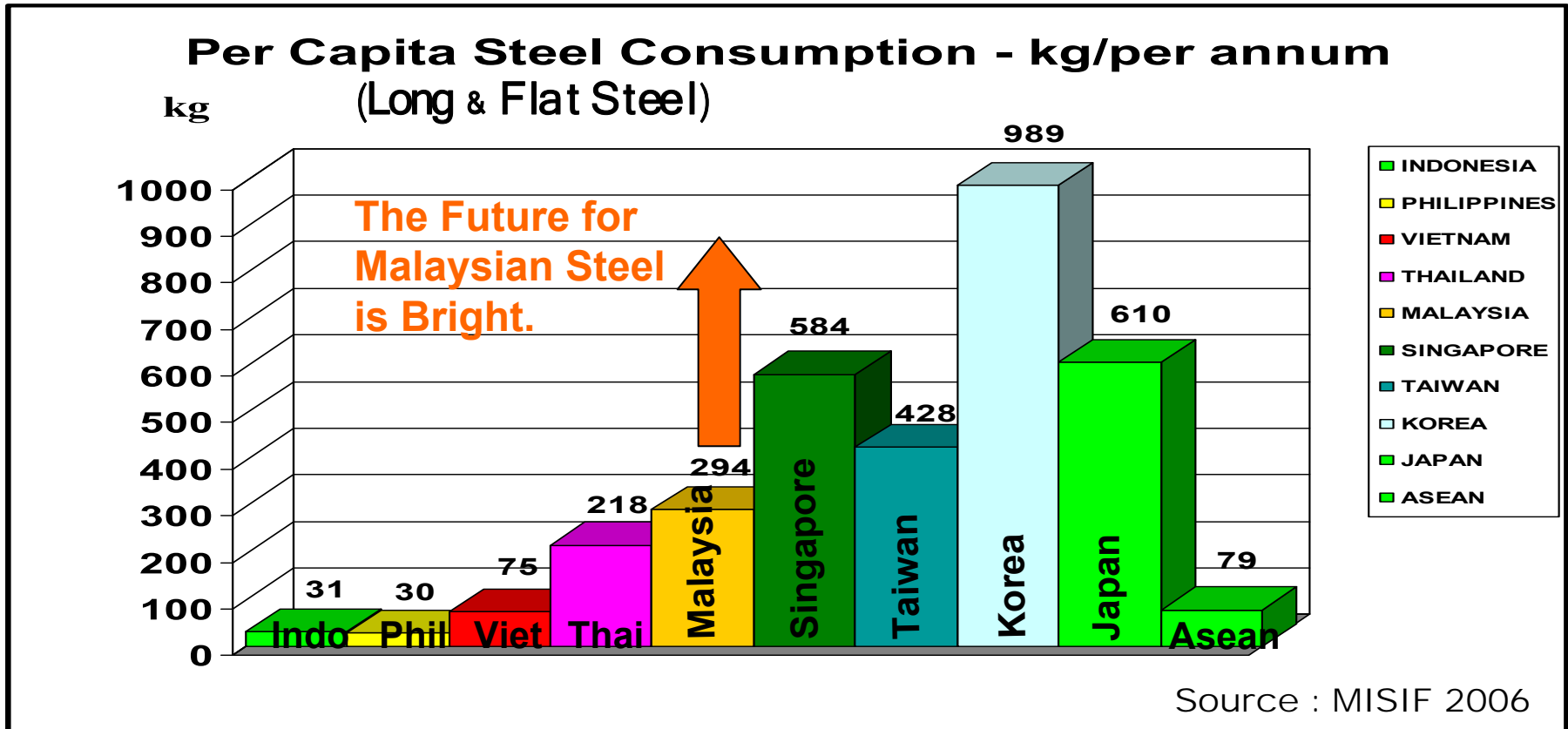




**BUSINESS OUTLOOK**



# OUTLOOK- STEEL CONSUMPTION



- Malaysia consumes 294 kg of steel per capita annually.
- As Malaysia's development continues, demand for steel will grow.
- Malaysian consumption should equal Taiwan by 2012.
- Current consumption is considered moderate.
- By Q2 2008 the 9<sup>th</sup> Malaysia Plan should see demand for steel increase.
- MISIF forecasts long-term demand growth of 6.0% per year.



# 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
<b>Domestic Production</b>	'000 t/yr 1,920	'000 t/yr 482
<b>Imports</b>	624	808
<b>Exports</b>	(780)	0
<b>Domestic Consumption</b>	<b>1,764</b>	<b>1,290</b>

## 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.**

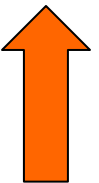


## CURRENT

- Share price is AUD 1.27 ps (4 Jul 08).
- High quality iron ore (Fe).
- Main deposit :
  - High Iron / Low Silica Iron Ore
  - 2.0 bil tonne (magnetite iron ore)
  - 100 mil tonne (haematite iron ore)
- Strong JV partner, **Anshan Group**.



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



## POTENTIAL

- Demand for steel is expected to remain strong for next decade.
- Iron ore demand will therefore 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 10 - 15% a year increase over the next 3 years.



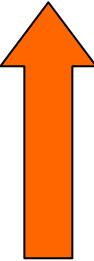
# OUTLOOK – ENERGY DIVISION

## 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 the 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.





## SUMMARY



# SUMMARY



## IRON & STEEL DIVISION

- **MIG is an established market leader in the steel tube industry.**  
Established branding :
  - “**MIG-Maruichi**” - 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**

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

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

➤ **OIL & GAS**

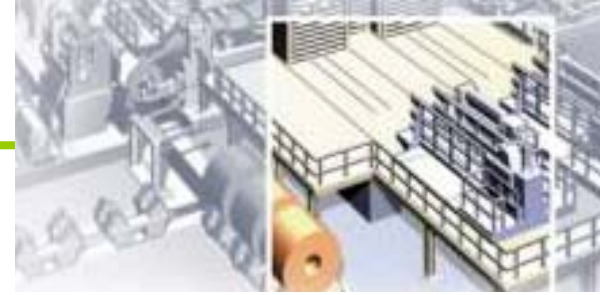
- M3nergy will enjoy steady income from FPSO / FSO and barite operations.

- 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



## ENGINEERING DIVISION

- **Strong & reliable team to ensure engineering production excellence in all manufacturing units.**
- **Melewar Integrated Engineering Sdn Bhd is an International Class engineering unit with capability to handle local and internal engineering works.**





# 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

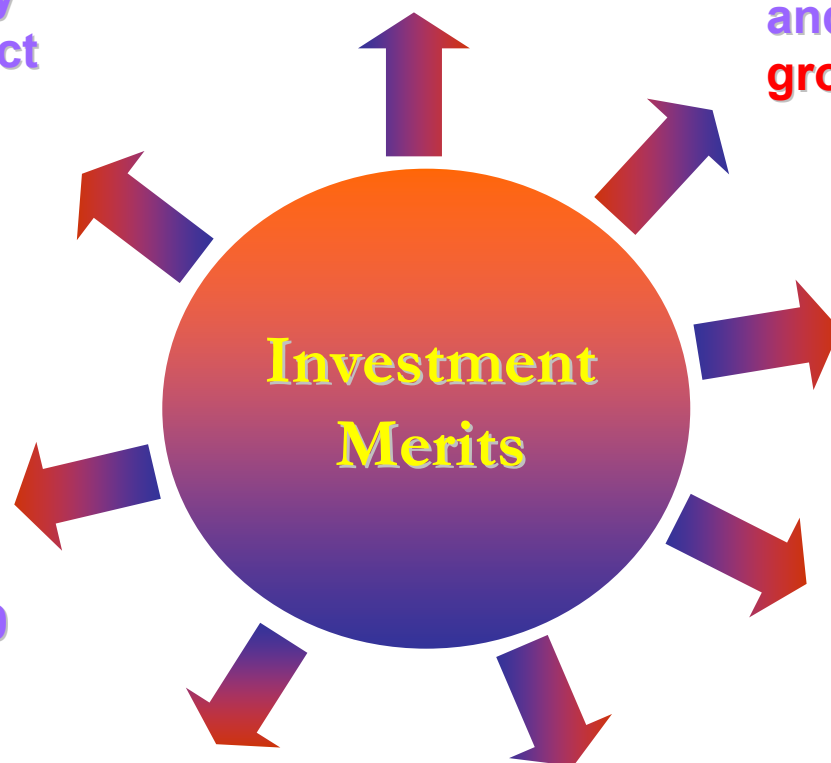
**Strong leadership in steel tube and CRC industry.**  
Established & respected **brand-names** developed over 37 years.

**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)**



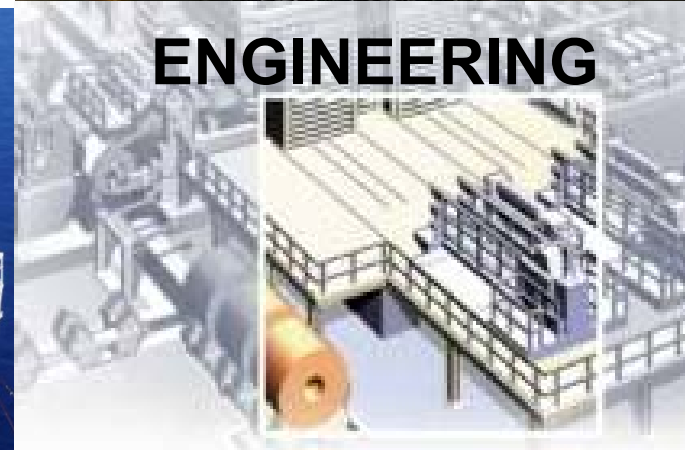


**MELEWAR INDUSTRIAL  
GROUP BERHAD**

**THANK YOU**



**ENERGY**



**ENGINEERING**