

Condensed Consolidated Income Statements for the third financial quarter ended 31 March 2007

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>(3 months)</u>		<u>(14 months)</u>	
	<u>Current year</u>	<u>Preceding year</u>	<u>Current</u>	<u>Preceding year</u>
	<u>Quarter</u>	<u>Corresponding</u>	<u>Year</u>	<u>Corresponding</u>
	<u>31-Mar-07</u>	<u>31-Mar-06</u>	<u>To date</u>	<u>Period</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	153,207	-	652,212	-
Operating expenses	(146,242)	-	(601,309)	-
Other operating income	886	-	13,276	-
Profit from operations	7,851	-	64,179	-
Finance cost	(2,261)	-	(8,977)	-
Share of profit of associates	722	-	1,816	-
Profit before tax	6,312	-	57,018	-
Income tax expense	(196)	-	(10,590)	-
Profit for the period	6,116	-	46,428	-
Attributable to:				
Equity holder of the parent	5,098	-	37,080	-
Minority interest	1,018	-	9,348	-
	6,116	-	46,428	-
EPS - Basic (sen)	2.26	-	16.46	-
- Diluted (sen)	N/A	-	N/A	-

(There are no comparative figures for the corresponding quarter of the preceding year because the Group has just changed its financial year end from 31 January 2007 to 30 June 2007, hence the financial period ended 31 March 2007 comprises results for 14 months).

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006).

(Due to the change of financial year end from 31 January to 30 June, Bursa Malaysia has advised that the financial quarter ended 31 March 2007 is the third financial quarter for the financial period ending 30 June 2007).

Condensed Consolidated Balance Sheets as at 31 March 2007

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(The figures have not been audited)

	As at 31-Mar-07 RM'000	As at 31-Jan-06 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	319,263	285,230
Investment properties	12,906	17,906
Prepaid lease rental	37,317	37,940
Investment in associates	94,302	86,199
Deferred tax assets	14	161
Available-for-sale financial assets	14,294	7,804
	<u>478,096</u>	<u>435,240</u>
Current assets		
Inventories	133,856	132,730
Trade receivables	92,540	81,133
Other receivables, deposits and prepayments	137,249	47,551
Other financial asset at fair value through profit or loss	96,412	85,098
Tax recoverable	4,955	8,654
Time deposits	9,828	10,218
Cash & bank balances	25,806	27,446
	<u>500,646</u>	<u>392,830</u>
Total assets	<u>978,742</u>	<u>828,070</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	226,227	169,940
Treasury shares	(1,954)	(1,663)
Reserves	287,448	307,191
	<u>511,721</u>	<u>475,468</u>
Minority interest	<u>111,710</u>	<u>109,094</u>
Total equity	<u>623,431</u>	<u>584,562</u>
Non-current liabilities		
Long-term borrowings	60,489	20,327
Deferred taxation	50,690	47,505
Total non-current liabilities	<u>111,179</u>	<u>67,832</u>
Current liabilities		
Trade payables	9,163	3,858
Other payables	20,567	12,834
Short term borrowings	214,534	158,965
Taxation	(132)	19
Total current liabilities	<u>244,132</u>	<u>175,676</u>
Total liabilities	<u>355,311</u>	<u>243,508</u>
Total equity and liabilities	<u>978,742</u>	<u>828,070</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006).

Condensed Consolidated Cash Flow Statements for the third financial quarter ended 31 March 2007

(The figures have not been audited)

	(14 months) 31-Mar-07 RM'000	31-Mar-06 RM'000
Net profit before tax	57,018	-
Adjustment for non-cash flow items:		
- Non-cash items	18,530	-
- Non-operating items	(5,329)	-
Operating profit before changes in working capital	70,219	-
Changes in working capital:		
- Net change in current assets	(102,231)	-
- Net change in current liabilities	13,037	-
Taxation paid	(3,058)	-
Net cash flows from operating activities	(22,033)	-
Investing activities:		
- Equity investments	(13,743)	-
- Other investments	(45,008)	-
	(58,751)	-
Financing activities:		
- Dividends paid	(5,074)	-
- Interest paid	(8,977)	-
- Proceeds from borrowings	94,877	-
- Dividends paid - minority interest	(1,781)	-
- Repurchase of own shares	(291)	-
	78,754	-
Net change in cash & cash equivalents	(2,030)	-
Cash & cash equivalents at beginning of the year	37,664	-
Cash & cash equivalents at end of the quarter	35,634	-

(There are no comparative figures for the corresponding quarter of the preceding year because the Group has just changed its financial year end from 31 January 2007 to 30 June 2007, hence the financial period ended 31 March 2007 comprises cashflow for 14 months).

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006).

Condensed Consolidated Statements of Changes in Equity for the third financial quarter ended 31 March 2007

(The figures have not been audited)

	----- Attributable to equity holders of the parent -----							Minority Interest	Total Equity	
	Share capital	Treasury shares	Share premium	Other reserves	Available for sale financial assets reserve	Asset revaluation reserve	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
14 months ended 31 March 2007										
Balance at beginning of the year	169,940	(1,663)	9,988	4,164	(7,324)	77,216	223,147	475,468	109,094	584,562
Prior year adjustments	-	-	-	-	-	-	-	-	-	-
	169,940	(1,663)	9,988	4,164	(7,324)	77,216	223,147	475,468	109,094	584,562
Movements during the period (cumulative)										
Realisation of revaluation surplus on property, plant & equipment, net of tax	-	-	-	-	-	(2,219)	2,772	553	-	553
Acquisition of existing subsidiary company	-	-	-	-	-	-	1,854	1,854	(4,508)	(2,654)
Acquisition of existing associated company	-	-	-	-	-	-	5,079	5,079	-	5,079
Post acquisition profit on acquisition of assoc co	-	-	-	-	-	-	(3,391)	(3,391)	-	(3,391)
Post acquisition profit on acquisition of subsi-co	-	-	-	-	-	-	443	443	(443)	-
Net profit/(loss) recognised directly in equity	-	-	-	-	-	(2,219)	6,757	4,538	(4,951)	(413)
Net profit for the period	-	-	-	-	-	-	37,080	37,080	9,348	46,428
Total recognised income and expense for the period	-	-	-	-	-	(2,219)	43,837	41,618	4,397	46,015
Dividends paid	-	-	-	-	-	-	(5,074)	(5,074)	(1,781)	(6,855)
Bonus issue	56,287	-	(9,988)	-	-	-	(46,299)	-	-	-
Shares repurchased	-	(291)	-	-	-	-	-	(291)	-	(291)
Balance as at 31 March 2007	226,227	(1,954)	-	4,164	(7,324)	74,997	215,611	511,721	111,710	623,431

(There are no comparative figures for the corresponding quarter of the preceding year because the Group has just changed its financial year end from 31 January 2007 to 30 June 2007,

hence the financial period ended 31 March 2007 comprises changes in equity for 14 months).

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006).

A1 Accounting policies and Basis of Preparation

The Quarterly Report has been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standards (“FRS”) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements, and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 January 2006.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2006.

The accounting policies and method of computation followed in this interim financial report are the same as compared with the financial statements for the year ended 31 January 2006 except for the adoption of the remaining 17 new and revised FRS issued by the MASB that are relevant to the Group’s operations. The Group had already adopted FRS 117 - Leases and FRS 124 – Related Party Disclosures, which are effective for financial period beginning 1 October 2006. In addition, the Group had adopted FRS 139 - Financial Instruments : Recognition and Measurement.

The adoption of these new and revised FRS does not have any significant financial impact on the Group except as follows:

FRS 101 - Presentation of Financial Statements

The presentation of the financial statements of the Group is based on FRS101, with the comparatives restated to conform to the presentation of the current financial period.

FRS 117 - Leases

The adoption of FRS 117 has resulted in the reclassification of leasehold land previously classified under Property, Plant and Equipment to Prepaid Lease Rental.

FRS 121 - The effects of changes in Foreign Exchange Rates

The adoption of FRS 121 has resulted in a change in functional currency for a few subsidiaries, due to a change to the underlying transactions of the subsidiaries.

FRS 140 - Investment Properties

The adoption of FRS 140 has resulted in the reclassification of certain properties previously classified under Property, Plant and Equipment to Investment Properties.

A2 Comparatives

Balances as at 31 January 2006	<-----Adjustments----->			
	Previously stated RM'000	FRS140 RM'000	FRS117 RM'000	Restated RM'000
Property, plant and equipment	341,076	(17,906)	(37,940)	285,230
Investment properties	-	17,906	-	17,906
Prepaid lease rental	-	-	37,940	37,940

A3 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31 January 2006 was not subject to any audit qualification.

A4 Seasonality or cyclicity of operations

The business of the Group is generally neither cyclical nor seasonal except for decreased activities during the Ramadan and Lunar New Year festive months.

EXPLANTORY NOTES: (AS PER FRS 134 – PARAGRAPH 16)
A5 Unusual items

There were no items affecting the assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A6 Changes in estimates

Not applicable to the Group.

A7 Issuances and repayment of debts and equity securities
(i) Employees' Share Option Scheme ("ESOS")

For the current financial quarter and the 14 months ended 31 March 2007, there was no exercise of ESOS options.

(ii) Share buy-back

There were no repurchase of own shares in the current financial quarter. Total repurchase of own shares from the open market for the 14 months ended 31 March 2007 remained at 276,100 shares. These shares were purchased at an average price of RM1.05 per share. All shares repurchased are held as treasury shares.

(iii) Conversion of warrants to ordinary shares

For the current financial quarter and the 14 months ended 31 March 2007, there was no conversion of warrants to ordinary shares.

(iv) Bonus Issue

On 26 February 2007, the Company issued 56,287,131 new ordinary shares of RM1.00 each on the basis of one (1) bonus share for every three (3) existing ordinary shares. As a result of the bonus issue, the Company also issued 7,728,113 additional warrants. The bonus shares and additional warrants were listed on Bursa Malaysia on 28 February 2007.

A8 Dividends paid

A first and final tax exempt dividend of 3% amounting to RM5,074,331 for the financial year ended 31 January 2006 was paid on 21 July 2006.

A9 Segmental reporting

Segmental information in respect of the Group's business segments is as follows:

	<u>Steel</u> <u>Manufacturing</u> RM'000	<u>Investment</u> <u>Holdings</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
External revenue	644,468	-	7,744	-	652,212
Inter-segment sales	155,258	-	22,094	(177,352)	-
Total Revenue	<u>799,726</u>	<u>-</u>	<u>29,838</u>	<u>(177,352)</u>	<u>652,212</u>
Segment Results					
Profit from operations	<u>61,508</u>	<u>4,943</u>	<u>5,744</u>	<u>(8,016)</u>	<u>64,179</u>

EXPLANTORY NOTES: (AS PER FRS 134 – PARAGRAPH 16)
A10 Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward, without amendment from the audited financial statements for the financial year ended 31 January 2006.

A11 Subsequent material events

There were no material events occurring between 31 March 2007 and the date of this announcement that have not been reflected in the financial statements for the quarter ended 31 March 2007.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group.

A13 Contingent liabilities or contingent assets

There were no contingent liabilities and contingent assets as at end of the reporting quarter.

A14 Change of financial year end

The financial year end date of the Group has been changed from 31 January to 30 June.

A15 Capital commitments

The details of the commitments as at 31 March 2007 are as follows:

	RM' 000
Property, plant and equipment	81,097
Acquisition of PMP Galvanisers Sdn. Bhd.	4,750
Total	85,847

EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENTS – PART A OF APPENDIX 9B)
B1 Review of the performance of the Company and its principal subsidiaries

For the 14 months ended 31 March 2007, the Group recorded a total revenue of RM652.2million and achieved a profit before tax of RM57.0million.

With the early adoption of FRS139, the Group has recognised an investment surplus of RM11.3million through the Income Statement.

For the 14 months ended 31 March 2007, the Company's principal subsidiary, Mycron Steel Berhad recorded a total revenue of RM389.8million and a profit before tax of RM27.3million.

Save as disclosed above, in the opinion of the Directors, the results for the financial quarter ended 31 March 2007 have not been affected by any transaction or event of a material or unusual nature.

B2 Material changes in the quarterly results compared to the results of the immediate preceding quarter

The Group's revenue of RM153.2million for the current quarter shows a growth of 17% as compared to RM130.5million for the preceding quarter due to higher sales volume.

The Group's profit from operations increased by RM0.6million or 8% over the preceding quarter. The marginal increase in profit from operations was caused by the growth in revenue due to higher sales volume, partially set-off by the decline in other operating income.

B3 Prospects for the current financial year

The Directors are of the opinion that if steel prices remain stable, the Group can expect to achieve satisfactory results for the financial period ending 30 June 2007.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

	Current Year Quarter 31-Mar-07 RM'000	Current Year To Date 31-Mar-07 RM'000
Current tax expense		
- current year	(2,452)	(6,606)
- over estimated in prior year	-	1
	(2,452)	(6,605)
Deferred tax expense		
- current year	2,256	(3,985)
	(196)	(10,590)

The effective tax rates of the Group for the current quarter and for the financial year to-date are lower compared to the statutory tax rate due to:

- (i) certain income which is not subject to tax; and
- (ii) utilisation of unabsorbed losses and unabsorbed capital allowances.

EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENTS – PART A OF APPENDIX 9B)
B6 Profit on sale of unquoted investments and / or properties

During the current financial quarter and for the 14 months ended 31 March 2007, the Group recorded a profit of RM0.69million from the sale of non-current assets held for sale.

B7 Purchase or disposal of quoted securities

(i) There was no purchase or disposal of quoted securities during the reporting quarter.

(ii) Investment in quoted securities as at 31 March 2007:

	RM'000
Total investments cost	21,413
Total investments at book value	96,412
Total investments at current market value	96,412

B8 Status of corporate proposals

(i) On 30 December 2005, Melewar Industrial Group Berhad (“MIG”) through its wholly-owned subsidiary, Mperial Power Ltd. (“Mperial”), entered into a share sale and purchase agreement with E Power Pte. Ltd. (“the Vendor”) for the acquisition of a 70% equity interest in Siam Power Generation Public Company Limited (formerly known as Siam Power Generation Co. Ltd.) (“SIPCO”) for a cash consideration of USD23.0 million or RM87.4 million (“Proposed Acquisition”).

Both the Vendor and Mperial have mutually agreed to extend the completion of the Proposed Acquisition to 31 Oct 2007, as there is a condition precedent pertaining to the power offtake, yet to be fulfilled.

(ii) The Company had on 30 August 2006 announced to Bursa Malaysia that it proposed to undertake a bonus issue of one (1) new ordinary share for every three (3) existing ordinary shares held by the existing shareholders of MIG (“Proposed Bonus Issue”).

A circular on the Proposed Bonus Issue was issued on 10 November 2006. The Proposed Bonus Issue was approved at an Extraordinary General Meeting held on 28 November 2006.

On 15 November 2006, the Company announced that the exercise price and the number of unexercised warrants would be adjusted pursuant to the Proposed Bonus Issue in accordance with the provisions of the Deed Poll dated 12 April 2005.

On 9 January 2007, OSK Investment Bank Berhad (formerly known as OSK Securities Berhad) on behalf of the Company, had submitted an application for the additional listing of ordinary shares of up to 65,894,607 new ordinary shares of RM1.00 each in MIG and up to 7,728,113 additional warrants to be issued pursuant to the Proposed Bonus Issue, to Bursa Malaysia. The approval was obtained on 19 January 2007 from Bursa Malaysia. The Company had subsequently on 25 January 2007 announced 12 February 2007 as the bonus share entitlement date.

Thereafter, bonus shares and additional warrants totalling 56,287,131 and 7,727,188 respectively arising from the Proposed Bonus Issue, were allotted on 26 February 2007 to the shareholders and warrant holders who have yet to exercise their warrants. The said bonus shares and additional warrants were listed on Bursa Malaysia on 28 February 2007.

EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENTS – PART A OF APPENDIX 9B)
B9 Group borrowings and debt securities

The Group's borrowings as at 31 March 2007 are as follows:

	<u>RM'000</u>
<u>Short term borrowings:</u>	
Unsecured	103,214
Secured	<u>111,320</u>
	214,534
<u>Long term borrowings:</u>	
Secured	<u>60,489</u>
Total borrowings	<u>275,023</u>

B10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risks as at the date of this announcement.

B11 Material litigation

There is no material litigation pending as at the date of this announcement.

B12 Dividends

The Company did not declare any interim dividend for the third financial quarter ended 31 March 2007.

B13 Earnings per share

 (i) Basic earnings per ordinary share

	Current year quarter 31-Mar-07 RM'000	Current year to date 31-Mar-07 RM'000
Profit attributable to shareholders	5,098	37,080
Weighted average no. of ordinary shares in issue ('000)	225,287	225,287
Basic earnings per share (sen)	2.26*	16.46*

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

 (ii) Diluted earnings per ordinary share

This is not applicable to the Group.

By order of the Board

LILY YIN KAM MAY (MAICSA 0878038)

SOON LEH HONG (MIA 4704)

Secretaries

Kuala Lumpur

29 May 2007