

**Condensed Consolidated Income Statements for the fourth financial quarter ended 30 June 2007**

(The figures have not been audited)

	<u>Individual Quarter</u> <u>(3 months)</u>		<u>Cumulative Quarters</u> <u>(17 months)</u>	
	Current year Quarter 30-Jun-07 RM'000	Preceding year Corresponding Quarter 30-Jun-06 RM'000	Current Year To date 30-Jun-07 RM'000	Preceding year Corresponding Period 30-Jun-06 RM'000
<b>Revenue</b>	158,030	-	810,242	-
Operating expenses	(148,594)	-	(749,903)	-
Other operating income	128,069	-	141,345	-
Profit from operations	137,505	-	201,684	-
Finance cost	(3,696)	-	(12,673)	-
Share of results of associates	(1,658)	-	158	-
<b>Profit before tax</b>	132,151	-	189,169	-
Income tax expense	(63,739)	-	(74,329)	-
<b>Profit for the period</b>	68,412	-	114,840	-
Attributable to:				
Equity holders of the Company	67,343	-	104,423	-
Minority interests	1,069	-	10,417	-
	68,412	-	114,840	-
Earnings before interest, tax, depreciation and amortisation	139,584	-	224,774	-
Earnings per share attributable to equity holders of the Company (sen):				
- Basic	29.90	-	46.36	-
- Diluted	N/A	-	N/A	-

(There are no comparative figures for the corresponding quarter of the preceding year because the Group has changed its financial year end from 31 January to 30 June, hence the financial period ended 30 June 2007 comprises results for 17 months).

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial 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 30 June 2007 is the fourth financial quarter for the financial period ended 30 June 2007).

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**Condensed Consolidated Balance Sheets as at 30 June 2007**

(The figures have not been audited)

	As at 30-Jun-07 RM'000	As at 31-Jan-06 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	348,640	303,136
Investment properties	4,285	-
Prepaid lease rental	36,649	37,406
Goodwill	551	-
Associates	112,625	86,199
Deferred tax assets	14	161
Available-for-sale financial assets	1,869	7,804
	<u>504,633</u>	<u>434,706</u>
<b>Current assets</b>		
Inventories	152,421	132,730
Trade receivables	95,035	81,133
Other receivables, deposits and prepayments	155,642	47,551
Other financial asset at fair value through profit or loss	225,236	85,098
Prepaid lease rental	534	534
Tax recoverable	2,840	8,654
Time deposits	23,946	10,218
Cash & bank balances	22,869	27,446
	<u>678,523</u>	<u>393,364</u>
<b>Total assets</b>	<u>1,183,156</u>	<u>828,070</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	226,227	169,940
Treasury shares	(1,954)	(1,663)
Reserves	357,385	307,191
	<u>581,658</u>	<u>475,468</u>
<b>Minority interests</b>	<u>113,238</u>	<u>109,094</u>
<b>Total equity</b>	<u>694,896</u>	<u>584,562</u>
<b>Non-current liabilities</b>		
Long-term borrowings	81,769	20,327
Deferred tax liabilities	98,086	47,505
<b>Total non-current liabilities</b>	<u>179,855</u>	<u>67,832</u>
<b>Current liabilities</b>		
Trade payables	9,507	3,858
Other payables	33,644	12,834
Short-term borrowings	255,650	158,965
Current tax liabilities	9,604	19
<b>Total current liabilities</b>	<u>308,405</u>	<u>175,676</u>
<b>Total liabilities</b>	<u>488,260</u>	<u>243,508</u>
<b>Total equity and liabilities</b>	<u>1,183,156</u>	<u>828,070</u>
<b>Net Tangible Assets per share attributable to equity holders of the Company</b>		
	<u>2.56</u>	<u>2.79</u>

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

**Condensed Consolidated Cash Flow Statements for the fourth financial quarter ended 30 June 2007**

(The figures have not been audited)

	(17 months) 30-Jun-07 RM'000	30-Jun-06 RM'000
Profit before tax	189,169	-
Adjustment for non-cash flow items:		
- Non-cash items	23,641	-
- Non-operating items	(129,288)	-
Operating profit before changes in working capital	83,522	-
Changes in working capital:		
- Net change in current assets	(141,686)	-
- Net change in current liabilities	26,459	-
Taxation paid	(3,838)	-
Net cash flows from operating activities	(35,543)	-
Investing activities:		
- Equity investments	(21,286)	-
- Other investments	(71,474)	-
	(92,760)	-
Financing activities:		
- Dividends paid	(5,074)	-
- Interest paid	(12,673)	-
- Proceeds from borrowings	157,273	-
- Dividends paid by a subsidiary - minority interests	(1,781)	-
- Repurchase of own shares	(291)	-
	137,454	-
Net change in cash & cash equivalents	9,151	-
Cash & cash equivalents at beginning of the year	37,664	-
Cash & cash equivalents at end of the quarter	46,815	-

**(There are no comparative figures for the corresponding quarter of the preceding year because the Group has changed its financial year end from 31 January to 30 June, hence the financial period ended 30 June 2007 comprises cashflow for 17 months).**

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

**Condensed Consolidated Statements of Changes in Equity for the fourth financial quarter ended 30 June 2007**

(The figures have not been audited)

	-----Attributable to equity holders of the Company-----								Minority Interests	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		
17 months ended 30 June 2007										
Balance at beginning of the financial period	169,940	(1,663)	9,988	4,164	(7,324)	77,216	223,147	475,468	109,094	584,562
Realisation of revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-	(2,819)	2,819	-	-	-
Reversal of deferred tax liability due to change in tax rate	-	-	-	-	-	2,645	-	2,645	398	3,043
Reversal of available for sale financial assets reserve	-	-	-	-	7,324	-	-	7,324	(4,508)	2,816
Share of reserve in associates	-	-	-	-	-	-	1,265	1,265	61	1,326
Dilution of associates	-	-	-	-	-	-	(4,545)	(4,545)	-	(4,545)
Post acquisition profit of subsidiary upon transfer from available for sale financial asset to cost of investment	-	-	-	-	-	-	443	443	(443)	-
Profit/(loss) recognised directly in equity	-	-	-	-	7,324	(174)	(18)	7,132	(4,492)	2,640
Profit for the period	-	-	-	-	-	-	104,423	104,423	10,417	114,840
Total recognised income and expense for the period	-	-	-	-	7,324	(174)	104,405	111,555	5,925	117,480
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 30 June 2007	226,227	(1,954)	-	4,164	-	77,042	276,179	581,658	113,238	694,896

(There are no comparative figures for the corresponding quarter of the preceding year because the Group has changed its financial year end from 31 January to 30 June, hence the financial period ended 30 June 2007 comprises changes in equity for 17 months).

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial 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 financial 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 early adopted FRS 117 - Leases and FRS 124 – Related Party Disclosures, which are effective for financial period beginning 1 October 2006.

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 introduced the concept of functional and presentation currency. The items included in the financial statements of each of the Group’s entities are measured using the currency of the primary environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company’s functional and presentation currency.

**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. The Group has adopted the fair value model, which requires the Investment Properties to be stated at fair value at each balance sheet date.

**A2 Comparatives**

Balances as at 31 January 2006	<-----Adjustments----->		
	Previously stated RM'000	FRS117 RM'000	Restated RM'000
Property, plant and equipment	341,076	(37,940)	303,136
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 financial 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 17 months ended 30 June 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 17 months ended 30 June 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 17 months ended 30 June 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 held. As a result of the bonus issue, the Company also issued 7,727,188 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 Manufacturing</u> RM'000	<u>Investment Holdings</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
External revenue	785,767	-	24,475	-	810,242
Inter-segment sales	211,942	-	36,382	(248,324)	-
<b>Total Revenue</b>	<u>997,709</u>	<u>-</u>	<u>60,857</u>	<u>(248,324)</u>	<u>810,242</u>
<b>Segment Results</b>					
Profit from operations	<u>67,430</u>	<u>72,654</u>	<u>73,390</u>	<u>(11,790)</u>	<u>201,684</u>

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

Investment Properties of the Group are carried at revalued amounts. These revalued amounts are brought forward from the previous financial year with changes to the revalued amounts of certain Investment Properties in the current financial period based on the latest valuations obtained from professional valuers, the effects of which have been recorded in the income statement.

**A11 Subsequent material events**

There were no material events occurring between 30 June 2007 and the date of this announcement that had not been reflected in the financial statements for the quarter ended 30 June 2007.

**A12 Changes in the composition of the Group**

Saved as disclosed in the Company's earlier general announcements, there were no changes in the composition of the Group during the 17 months ended 30 June 2007.

**A13 Contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets as at the 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 30 June 2007 are as follows:

	RM'000
Property, plant and equipment	55,163,901

**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 17 months ended 30 June 2007, the Group recorded a total revenue of RM810.2million and achieved a profit before tax of RM189.2million.

With the early adoption of FRS139, the Group has recognised a fair value gain of RM140.1million on other financial asset at fair value through profit or loss. The Group has also made a total tax provision of RM61.0million, which will be payable upon the realisation of the said financial asset.

For the 17 months ended 30 June 2007, the Company's principal subsidiary, Mycron Steel Berhad recorded a total revenue of RM482.3million and a profit before tax of RM29.4 million.

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

The Group's revenue of RM158.0 million for the current quarter shows a marginal growth of 3% as compared to RM153.2 million for the preceding quarter due to higher sales volume.

The Group's profit from operations improved by RM129.7million compared to the preceding quarter due to higher other operating income, arising mainly from the fair value gain recognised on other financial asset at fair value through profit or loss.

**B3 Prospects for the next financial year**

The Directors are of the opinion that the Group will continue to achieve satisfactory results for the financial year ending 30 June 2008.

**B4 Variance of actual profit from forecast profit**

The Group did not issue any profit forecast or profit guarantee.

**B5 Taxation**

	Current Year Quarter 30-June-07 RM'000	Current Year To Date 30-June-07 RM'000
Current tax expense		
- current year	(12,321)	(18,927)
- over estimated in prior year	(195)	(194)
	(12,516)	(19,121)
Deferred tax expense		
- current year	(51,223)	(55,208)
	(63,739)	(74,329)

The effective tax rates of the Group for the current quarter and for the financial period to-date are higher than the statutory tax rate due to:

- (i) the provision of deferred tax on the fair value gain recognised, at a higher rate compared to the statutory tax rate of 27%; and
- (ii) certain expenses which are not deductible for tax purposes.



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

For the 17 months ended 30 June 2007, the Group recorded a profit of RM0.6 million from the sale of land and building.

**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 30 June 2007:

	RM'000
Total investments cost	21,413
Total investments at book value	225,236
Total investments at current market value	225,236

**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 30 June 2007 are as follows:

	<u>RM'000</u>
<u>Short-term borrowings:</u>	
Unsecured	132,090
Secured	<u>123,560</u>
	255,650
<u>Long-term borrowings:</u>	
Secured	<u>81,769</u>
Total borrowings	<u>337,419</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 Directors recommend a first and final tax exempt dividend of 6% for the financial period ended 30 June 2007, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

**B13 Earnings per share**

 (i) Basic earnings per ordinary share

	Current year quarter 30-June-07 RM'000	Current year to date 30-June-07 RM'000
Profit attributable to shareholders	67,343	104,423
Weighted average no. of ordinary shares in issue ('000)	225,264	225,264
Basic earnings per share (sen)	29.90*	46.36*

\* 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 as the warrants and ESOS options are anti-dilutive.

By order of the Board

LILY YIN KAM MAY (MAICSA 0878038)

SOON LEH HONG (MIA 4704)

Secretaries

Kuala Lumpur

28 August 2007