	Year ended 31 January				
	2000	2001	2002	2003	2004
	RM	RM	RM	RM	RM
Gross EPS	0.27	0.22	0.14	0.25	0.24
Net EPS	0.27	0.22	0.28	0.18	0.18

Note:

(a) *The Group's proforma consolidated financial results are prepared from the audited financial statements of MSB and MSCRC for the following period/years.*

MSB : *financial period from 24 July 2003 to 31 January 2004*

MSCRC : *financial years ended 31 January 2000, 2001, 2002, 2003 and 2004*

The Group's proforma consolidated financial results have been prepared based on accounting policies consistent with those adopted in the preparation of audited financial statements of MSB and those previously adopted by MSCRC, unless they are inconsistent with applicable approved accounting standards issued and adopted by the Malaysian Accounting Standards Board in force at the present moment, in which case the latter standards have been used retrospectively as the basis of preparation of the proforma consolidated financial results.

(b) *There are no minority interests in the financial years under review.*

(c) *There are no extraordinary or exceptional items during the financial years under review.*

(d) *Earnings per share for the respective years under review is calculated based on the proforma profit attributable to shareholders of MSB and the number of ordinary shares of RM1.00 each in issue.*

The number of ordinary shares in issue is based on the enlarged issued and paid-up share capital of MSB after the issuance of shares as consideration for the Acquisition of MSCRC, but before the Public Offer.

7.2 **MSB**

The summarised result of MSB based on its audited financial statements for financial period under review is set out below:

	Period ended 31 January 2004 RM'000
Gross revenue	-
Gross profit	-
Loss before finance cost, depreciation and tax expense	6
Finance cost	-
Depreciation	-
Loss before tax	6
Tax expense	-
Loss after tax	6

7.3 MSCRC

The summarised results of MSCRC based on the audited financial statements for the financial years under review are set out below:

		Year ended 31 January				
		2000	**2001**	**2002**	**2003**	**2004**
		RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Gross Revenue		197,927	181,724	160,194	201,085	269,577
Gross profit		41,299	34,269	21,039	38,341	37,599
Profit before finance costs, depreciation and tax expense/income		47,513	40,435	28,979	43,217	43,706
Finance costs		(52)	-	-	-	(1,896)
Depreciation		(10,646)	(10,379)	(9,926)	(9,323)	(9,155)
Profit before tax		36,815	30,056	19,053	33,894	32,655
Tax (expense)/income		(30)	(63)	18,556	(9,949)	(9,079)
Profit after tax		36,785	29,993	37,609	23,945	23,576
Paid-up capital comprising ordinary shares of RM1.00 each ('000)		60,000	60,000	60,000	60,000	60,000
Gross EPS	(RM)	0.61	0.50	0.32	0.56	0.54
Net EPS	(RM)	0.61	0.50	0.63	0.40	0.39
Gross dividend rate	(%)	20	20	20	20	180

Notes:

(a) *In 2000, the increase in revenue is mainly due to the increase in demand for the cold rolled steel sheets in coils by the construction industry.*

In 2003, the increase is because the Malaysian Government introduced import controls and measures in order to protect the local steel industry. The measures require the local buyers to source the steel products locally although their prices are more expensive.

In 2004, the increase in revenue is mainly due to the increase in the sales volume and coupled with the increase in the selling price of the cold rolled steel sheets in coils. The increase in sales volume is due to change in marketing strategy of the Company in order to increase its market share. The increase in the selling price is due to the increase in the purchase price of the raw materials.

(b) *The finance costs in 2004 represent the interest charged on banker's acceptance utilised during the year.*

(c) *The effective tax rates compared to the statutory tax rates are:*

	Year ended 31 January				
	2000	**2001**	**2002**	**2003**	**2004**
	%	%	%	%	%
Effective tax rate	0.08	0.21	-	29.37	27.80
Statutory tax rate	28.00	28.00	28.00	28.00	28.00

The tax expenses of MSCRC is in respect of interest income only.

In 2000, there is no tax expense on business income due to the availability of tax incentive. The tax incentive is in respect of pioneer status granted to MSCRC which expired on 30 September 2000 under Section 14A of the Promotion of Investments Act, 1986.

In 2001, 2002, 2003 and 2004, there is no tax expense on business income because of the availability of unabsorbed capital allowances brought forward to set-off against the adjusted profit of the respective years.

In 2002, MSCRC has a net tax income of RM18,556,000 arising from the recognition of deferred tax asset amounting to RM19,000,000 relating to future tax benefits and deductible timing differences as there was reasonable expectation that sufficient future taxable income will be generated to allow such benefits to be realised.

In 2003, the effective tax rate is marginally high compared to the statutory tax rate because of the crystallisation of deferred tax asset of RM9,607,000 and certain expenses being disallowed in arriving at the taxable profit.

In 2004, the effective tax rate approximates the statutory tax rate and deferred tax asset crystallised during the year amounted to RM8,881,000.

(d) *There are no extraordinary or exceptional items during the financial years under review.*

(e) *Earnings per share is calculated based on profit after tax and the number of ordinary shares of RM1.00 each in issue.*

8. SUMMARISED BALANCE SHEETS

8.1 MSB

The summarised balance sheet of MSB at 31 January 2004 is set out below:

	31 January 2004
	RM
Current asset	
Cash balance	2
	2
Less:	
Current liability	
Other payables	(5,600)
Net current liability	(5,598)
Financed by:	
Share capital	2
Accumulated loss	(5,600)
	(5,598)

8.2 MSCRC

The summarised balance sheets of MSCRC at the end of its past five financial years at 31 January 2004 are set out below:

	31 January				
	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000
PROPERTY, PLANT AND EQUIPMENT	128,199	146,583	137,524	128,304	126,879
DEFERRED TAX ASSET	-	-	17,481	7,874	-
CURRENT ASSETS					
Inventories	29,445	53,096	27,738	51,941	46,542
Trade and other receivables	32,515	25,840	23,692	29,039	33,114
Amount owing by holding company	-	-	-	2,198	2,959
Amount owing by related company	-	-	-	-	726
Time deposits	2,600	15,400	57,722	23,200	1,400
Cash and bank balances	455	235	103	1,883	5,506
	65,015	94,571	109,255	108,261	90,247
Less: **CURRENT LIABILITIES**					
Trade and other payables	2,525	2,087	13,277	9,872	6,801
Amount owing to holding company	36,239	40,486	28,272	-	11,500
Amount owing to a related company	1,001	-	-	-	-
Bank borrowing	-	-	-	-	61,589
Tax payable	29	67	106	17	27
	39,794	42,640	41,655	9,889	79,917
NET CURRENT ASSETS	25,221	51,931	67,600	98,372	10,330
	153,420	198,514	222,605	234,550	137,209

	31 January				
	2000	2001	2002	2003	2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Financed by:					
SHARE CAPITAL	60,000	60,000	60,000	60,000	60,000
ASSET REVALUATION RESERVE, non-distributable	-	25,577	25,577	25,577	23,653
UNAPPROPRIATED PROFIT	93,420	111,413	137,028	148,973	52,549
SHAREHOLDERS' EQUITY	153,420	196,990	222,605	234,550	136,202
DEFERRED TAX LIABILITIES	-	1,524	-	-	1,007
	153,420	198,514	222,605	234,550	137,209
Net tangible assets per ordinary share of RM1.00 each (RM)	2.56	3.28	3.71	3.91	2.27

Notes:

MSCRC's summarised balance sheets have been prepared after incorporating the following:

(i) the reclassification of dividend payable included under current liabilities to unappropriated profit to comply with MASB 19 : Events After the Balance Sheet Date with respect to the recognition of liabilities.

(ii) *the prior year adjustments as a result of the adoption of the new standard MASB 25: Income Taxes.*

For the year ended 31 January 2004, the Company changed its accounting policy with respect to the recognition of deferred taxation in compliance with MASB 25. In prior years, the Company accounted for deferred taxation under the partial basis. In the current financial year, this policy had been changed to the comprehensive basis so as to comply with new standard. As a result of the adoption of MASB 25, the Company recognised deferred tax liability on the surplus arising from the revaluation of properties. The cumulative effects of this change in accounting policy are shown below and have been applied retrospectively against the unappropriated profit brought forward. Accordingly, the comparatives have been amended to conform to this change in policy.

	As previously reported RM'000	*Effect of change in accounting policy RM'000*	*As restated RM'000*
MSCRC			
Unappropriated profit			
at 31 January 2002	*137,022*	*6*	*137,028*
at 31 January 2003	*148,961*	*12*	*148,973*
	======	======	======
Deferred tax asset			
at 31 January 2002	*19,000*	*(1,519)*	*17,481*
at 31 January 2003	*9,387*	*(1,513)*	*7,874*
	======	======	======
Deferred tax liability			
at 31 January 2001	-	*(1,524)*	*(1,524)*
	======	======	======
Asset revaluation reserve			
at 31 January 2001	*27,101*	*(1,524)*	*25,577*
at 31 January 2002	*27,101*	*(1,524)*	*25,577*
at 31 January 2003	*27,101*	*(1,524)*	*25,577*
	======	======	======

9. PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

The proforma consolidated statement of assets and liabilities of MSB at 31 January 2004 which has been presented for illustrative purposes only on the assumption that the Acquisition of MSCRC in Section 2.4 and the Public Offer in Section 2.5 above had been effected at 31 January 2004. The proforma consolidated statement of assets and liabilities has been prepared from the audited financial statements of MSB and MSCRC and it should be read in conjunction with the notes thereon as set out in Section 11.

	Note	**RM'000**
PROPERTY, PLANT AND EQUIPMENT	*11.3*	126,879
CURRENT ASSETS		
Inventories	*11.4*	46,542
Trade and other receivables	*11.5*	33,114
Amount owing by holding company	*11.6*	2,959
Amount owing by related company		726
Time deposits	*11.7*	1,400
Cash and bank balances		40,417
		125,158
Less:		
CURRENT LIABILITIES		
Trade and other payables	*11.8*	6,806
Amount owing to holding company	*11.6*	11,500
Bank borrowing	*11.9*	36,589
Tax payable		27
		54,922
NET CURRENT ASSETS		70,236
		197,115

	Note	**RM'000**
Financed by:		
SHARE CAPITAL	*11.10*	179,000
SHARE PREMIUM		14,975
UNAPPROPRIATED PROFIT		2,133
SHAREHOLDERS' EQUITY		196,108
DEFERRED TAX LIABILITIES	*11.11*	1,007
		197,115

10. PROFORMA CONSOLIDATED CASH FLOW STATEMENT

The proforma consolidated cash flow statement of MSB for the year ended 31 January 2004 which has been presented for illustrative purposes only on the assumption that the Acquisition of MSCRC in Section 2.4 had been effected at 31 January 2004. The proforma consolidated cash flow statement has been prepared from the audited financial statements of MSB and MSCRC.

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	32,649
Adjustments for:	
Depreciation	9,155
Gain on disposal of property, plant and equipment	(60)
Interest income	(732)
Interest expenses	1,896
Operating profit before working capital changes	42,908
Changes in inventories	5,399
Changes in receivables	(5,564)
Changes in payables	(3,065)
Cash generated from operations	39,678
Interest received	732
Interest paid	(1,896)
Tax paid	(188)
Net cash from operating activities	38,326

	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(9,681)
Proceeds from disposal of property, plant and equipment	87
Net cash used in investing activities	(9,594)
CASH FLOWS FROM FINANCING ACTIVITIES	
Drawdown of banker's acceptance	61,589
Dividend paid	(120,000)
Advances from holding company	11,500
Net cash used in financing activities	(46,911)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(18,179)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	25,083
CASH AND CASH EQUIVALENTS CARRIED FORWARD	6,904
Represented by:	
TIME DEPOSITS	1,400
CASH AND BANK BALANCES	5,504
	6,904

11. NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

11.1 Significant accounting policies

(a) ***Basis of accounting***

The financial statements have been prepared under the historical cost convention modified to include the valuation of land and building, unless otherwise indicated in the accounting policies set out below.

The financial statements comply with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The new accounting standards adopted in these financial statements are as follows:

- MASB 25 "Income Taxes"
- MASB 29 "Employee Benefits"

With the exception of MASB 25, there are no changes in accounting policy that affect net profit or shareholders' equity as the Company was already following the recognition and measurement principles in MASB 29.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results may differ from those estimates.

(b) ***Subsidiary company***

A subsidiary company is a company in which the Company has the power to control the financial and operating policies so as to obtain benefits from its activities.

The Company's interest in subsidiary company is stated at cost less accumulated impairment loss. The investment is written down when there is an impairment loss on the value of such investment. The impairment loss is charged to the income statement.

(c) ***Basis of consolidation***

The proforma consolidated statement of assets and liabilities incorporates the assets and liabilities of the Company and of its subsidiary company at 31 January 2004. All inter-company balances are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised gains on transactions are eliminated in full and unrealised losses are also eliminated in full unless cost cannot be recovered.

The financial statements of the subsidiary company are consolidated on the acquisition method of accounting and the results of subsidiary company acquired or disposed of are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

At the date of acquisition, the fair values of the subsidiary company's net assets are determined and these values, if any, are reflected in the proforma consolidated statement of assets and liabilities.

(d) ***Goodwill or discount on acquisition***

The difference, if any, between the acquisition cost and the fair values of attributable net assets acquired at the date of acquisition is reflected as goodwill or discount on acquisition as appropriate.

Goodwill or discount on acquisition is written off/credited in the year of acquisition against unappropriated profit in the consolidated statement of changes in equity.

(e) ***Property, plant and equipment***

(i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss except for the freehold properties which are stated at valuation carried out in year 2004 less accumulated depreciation and accumulated impairment loss.

The Group revalues its properties comprising land and buildings at least once in every five years. Surplus arising from revaluation is dealt with through the asset revaluation reserve account. Any deficit arising is set-off against the asset revaluation reserve to the extent of a previous increase for the same property. In all cases, a decrease in carrying amount will be charged to the income statement.

(ii) Depreciation

Freehold land is not amortised. Depreciation is calculated to write off the cost or valuation of other property, plant and equipment on the straight line basis over their expected useful lives at the following annual rates:

Buildings	2%
Plant, machinery and equipment and electrical installation	5 – 10%
Motor vehicle	20%
Furniture, fittings and office equipment	10%

(f) ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and in the case of finished goods and work-in-progress comprises materials, direct labour, other direct charges and an appropriate proportion of factory overheads.

(g) ***Receivables***

Receivables are stated at their nominal values and an allowance is made for any receivables considered to be doubtful of collection. Known bad debts are written off.

(h) ***Payables***

Payables are stated at their nominal values which are the fair values of the consideration to be paid in the future for goods and services received.

(i) ***Share capital***

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares is accounted for as a deduction from share premium, otherwise, it is charged to the income statement.

Dividends on the ordinary shares when declared or proposed by the directors of the Company are disclosed within the components of equity. Upon approval and when paid, such dividends will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividends are paid.

(j) ***Impairment of assets***

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the estimated net selling price of the asset and its value in use. Value in use is measured by using the discounted future cash flows expected to be generated from continuing use of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount. The impairment loss, if any, is charged to the income statement.

Any subsequent increase in recoverable amount of an asset is recognised as reversal of previous impairment loss and should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(k) ***Foreign currencies***

Transactions in foreign currencies during the financial year are converted to Ringgit Malaysia at rates of exchange ruling on transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the closing rates. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

(l) ***Deferred taxation***

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

(m) ***Cash equivalents***

Cash equivalents comprise deposits held at call with financial institutions, cash and bank balances and other short term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

(n) ***Employee benefits***

Wages, salaries, paid annual leave and sick leave and bonuses are accrued in the period in which the associated services are rendered by the employees of the Company.

(o) ***Financial instruments***

The recognised financial instruments of the Group comprise cash and liquid resources, bank borrowing, receivables and payables as well as ordinary shares. These financial instruments are recognised when a contractual relationship has been established. All the financial instruments are denominated in Ringgit Malaysia, unless otherwise stated. The accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied, are disclosed above. The information on the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes to the financial statements. There are no financial instruments not recognised in the balance sheet.

(p) ***Rounding of amounts***

Unless otherwise indicated, the amounts shown in this proforma consolidated statement of assets and liabilities have been rounded to the nearest thousand. The currency used is Ringgit Malaysia ("RM").

11.2 Financial risk management objectives and policies

The financial risk management objectives and policies of the Group are consistent with those of its holding company which ensure that the Group creates value and maximises returns to its shareholders.

The Group does not find it necessary to enter into derivative transactions based on its current level of operations.

The main risks arising from the financial instruments of the Group are credit risk and interest rate risk. The management of the Group monitors its financial position closely with an objective to minimise potential adverse effects on the performance of the Group. The management reviews and agrees on policies for managing each of these risks and they are summarised below. These policies have remained unchanged during the year.

Credit risk

Credit risk arises when sales are made on deferred terms and when surplus cash is invested.

The Group has credit policies in place to manage the credit risk exposure. The risk is managed through the application of the Group's extensive credit management procedures which include the application of credit approvals, adherence to credit limits, regular monitoring and follow up procedures.

As regards to surplus cash, the Group invests its cash assets safely and profitably by depositing them with licensed financial institutions.

The Group considers the risk of material loss from the non-performance on the part of a financial counter-party to be negligible.

Interest rate risk

The Group is exposed to interest rate risk in respect of its time deposits placed with financial institutions. This risk is managed through the use of fixed interest rate financial instruments. It is the policy of the Group not to trade in interest rate swap agreements.

11.3 Property, plant and equipment

Cost/Valuation	RM'000
At valuation	
Freehold land and buildings	71,067
At cost	
Plant, machinery, equipment and electrical installation	166,717
Motor vehicles	527
Furniture, fittings and office equipment	141
	238,452
Accumulated Depreciation	
Freehold land and buildings	39
Plant, machinery, equipment and electrical installation	111,290
Motor vehicles	126
Furniture, fittings and office equipment	118
	111,573
Net Book Value	
At valuation	
Freehold land and buildings	71,028
At cost	
Plant, machinery, equipment and electrical installation	55,427
Motor vehicles	401
Furniture, fittings and office equipment	23
	126,879

The directors of the Group adopted the valuation of the freehold properties comprising freehold land and buildings on 31 January 2004 based on valuation carried out by an independent firm of professional valuers on open market value basis. The resultant revaluation deficit amounting to RM1,923,956 (including adjustments for revaluation in accumulated depreciation) has been debited directly to the asset revaluation reserve account.

Details of the independent firm of professional valuers are as follows:

Name of firm	:	Azmi & Co Sdn Bhd
Name of valuer	:	S. Gopala Krishnan
Qualification of valuer	:	FRICS, FISM, ARVA Registered Valuer (V054)
Date of valuation	:	22 October 2003

Included in the freehold land and buildings is a freehold land acquired in 2003 amounting to RM8,250,000. The risks, rewards and effective title to the freehold land acquired have been passed to MSCRC upon unconditional completion of the sale and purchase agreement. MSCRC has submitted the relevant documents to the land authorities for transfer of legal title to the Company.

The net carrying amount of the revalued freehold properties that would have been included in the financial statements had the properties been carried at cost less accumulated depreciation is RM37,174,085.

11.4 Inventories

	RM'000
Inventories stated at cost comprise:	
Raw materials	20,169
Work-in-progress	10,685
Finished goods	14,908
Consumables	780
	46,542

11.5 Trade and other receivables

	RM'000
Trade receivables	32,412
Other receivables	177
Sundry deposits	85
Prepayments	440
	33,114

Trade receivables represent amounts receivable from the sales of goods to customers. Other receivables are from the normal business transactions of the Group. All trade receivables are granted credit periods of 30 to 60 days.

11.6 Amount owing by/to holding company

The holding company is Melewar Industrial Group Berhad (formerly known as Maruichi Malaysia Steel Tube Berhad), a company incorporated in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad which holds 52.3% of the proforma issued and paid up share capital of the company.

The amount owing by the holding company represents trade receivables whereas the amount owing to the holding company represents advances. All the amounts owing are unsecured, interest free and have no fixed terms of repayment.

11.7 Time deposits

The time deposits are placed with licensed banks and have maturity periods of less than one year. The effective interest rates of the time deposits are between 2.20% and 2.68% per annum.

11.8 Trade and other payables

	RM'000
Trade payable	4,340
Other payables	1,077
Accruals	1,389
	6,806

Trade payable represents amount outstanding for trade purchases from Megasteel Sdn Bhd. Other payables are from the normal business transactions of the Group. The normal credit period granted by the trade creditor is 7 days.

11.9 Bank borrowing

The unsecured banker's acceptance bears effective interest rates of between 3.34% and 4.16% per annum and repayable between 1 and 6 months.

11.10 Share capital

	RM'000
Authorised	
500,000,000 ordinary shares of RM1 each	500,000
	======
Issued and fully paid	
179,000,000 ordinary shares of RM1 each	179,000
	======

11.11 Deferred tax liabilities

The net deferred tax liabilities comprise:

	RM'000
Deferred tax liabilities arising from taxable temporary differences	
- relating to revaluation of properties	1,507
- between net book value and tax written down value of property, plant and equipment	3,530

	5,037
Deferred tax asset recognised on unabsorbed capital allowances	(4,030)

Net deferred tax liabilities	1,007
	======

11.12 Dividends

Dividends paid or declared by MSCRC since the end of the previous financial year were as follows:

	RM'000
(a) In respect of the year ended 31 January 2003	
- Interim dividend of 20% tax exempt paid on 7 February 2003	12,000
	======
(b) In respect of the year ended 31 January 2004	
- Interim dividend of 150% tax exempt paid on 23 July 2003	90,000
- Interim dividend of 30% tax exempt paid on 29 January 2004	18,000

	108,000
	======

12. SEGMENT ANALYSIS

No segment analysis is prepared as the Group is involved in a single industry relating to the manufacturing and trading of cold rolled steel sheets in coils. The business of the Group is entirely carried out in Malaysia.

13. PROFORMA CONSOLIDATED NET TANGIBLE ASSETS COVER

Based on the proforma consolidated statement of assets and liabilities of MSB at 31 January 2004 as set out in Section 9 above, the proforma consolidated net tangible assets cover will be as follows:

	RM'000
Net tangible assets per proforma consolidated statement of assets and liabilities	196,108
Number of ordinary shares of RM1.00 each in issue ('000)	179,000
Proforma consolidated net tangible assets per share of RM1.00 each	RM1.10

14. EVENT SUBSEQUENT TO BALANCE SHEET DATE

(i) On 26 March 2004, MSB increased its authorised share capital from 100,000 ordinary shares of RM1.00 each to 500,000,000 ordinary shares of RM1.00 each.

(ii) On 29 March 2004, MSB completed the acquisition of 60,000,000 ordinary shares of RM1.00 each in MSCRC, representing 100% of its issued and paid up share capital from MIG at a total purchase consideration of RM134,061,998 satisfied by the issuance of 134,061,998 new ordinary shares of RM1.00 each in MSB.

15. AUDITED FINANCIAL STATEMENTS

No audited financial statements have been prepared in respect of any period subsequent to 31 January 2004.

Yours faithfully

MOORES ROWLAND
No. AF: 0539
Chartered Accountants

GAN MORN GHUAT
No. 1499/5/05 (J)
Partner