

12. VALUATION CERTIFICATE

(Prepared for inclusion in this Prospectus)



MOHD AZMI ARIFFIN
FRICS FISM Dip. P.A. (M)
Registered Valuer

S. GOPALA KRISHNAN SMS PJK
FRICS FISM ARVA
Registered Valuer

Our Reference : SC 0018/03/SGK & SC 0019/03/SGK

Your Reference :

18 May 2004

The Board of Directors
Mycron Steel Berhad
Lot 717, Jalan Sungai Rasau
40200 Shah Alam
SELANGOR DARUL EHSAN

Dear Sirs,

**VALUATION OF PROPERTIES BELONGING TO
COLD ROLLING INDUSTRY (MALAYSIA) SDN BHD**

This letter has been prepared for inclusion in the Prospectus of Mycron Steel Berhad ("MSB") to be dated 25 May 2004 in connection with the proposed listing of the entire issued and paid-up share capital of MSB, comprising 179,000,000 shares on the Main Board of the Bursa Malaysia Securities Exchange Berhad ("Bursa Malaysia").

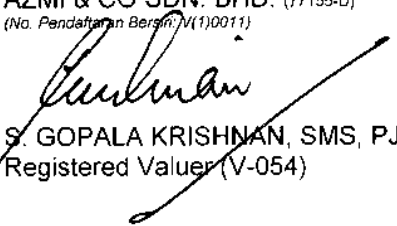
In accordance with the instruction from MSB, we have assessed the Market Value of the properties vide our Valuation Reports under reference as set out herein. These Reports and Valuations were prepared in conjunction with the listing of MSB on the Main Board of the Bursa Malaysia Securities Exchange Berhad.

The inspection of the properties was carried out on 16 July 2003 and 22 October 2003. We have also verified the land titles at the Registry of Titles, Land Office, Klang, Selangor Darul Ehsan.

The Valuation Reports as set out herein have been prepared based on the "Guidelines on Asset Valuation for Submission to the Securities Commission" issued by the Securities Commission and the Manual of Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

We certify that in our opinion the total market value for the existing use of the below mentioned properties using the valuation methods as stated amounts to RM70.45 million (RINGGIT MALAYSIA: SEVENTY MILLION AND FOUR HUNDRED FIFTY THOUSAND ONLY)

Yours faithfully
AZMI & CO SDN. BHD. (77155-D)
(No. Pendaftaran Berlesen) (10011)


S. GOPALA KRISHNAN, SMS, PJK, FRICS, FISM, ARVA
Registered Valuer (V-054)

MNA/nsc

AZMI & CO
AZMI & CO SDN BHD
(77155-D)

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12. VALUATION CERTIFICATE

The particulars of the property are as follows:

Ref. No.	Land Ownership	1) Title Particulars 2) Land Area 3) Tenure	Description of Property & Existing Use	1) Restriction of Interest 2) Encumbrances	Method of Valuation	Market Value (RM)	Dates of 1) Inspection 2) Valuation
SC 0018/03/ SGK	Maruichi Malaysia Steel Tube Berhad	1) GM Nos. 1650 and 1651 for Lot Nos. 23043 and 23044, respectively, both situated in the Mukim of Kapar, District of Klang, State of Selangor Darul Ehsan. 2) 4.625 acres or 1.872 hectares. 3) Freehold.	Two (2) parcels of industrial land located along Jalan Sungai Rasau in Section 16, Shah Alam. Together, the lots form a regular shape and is more or less level with the frontage road. The subject property is designated and approved for industrial land use. As at the date of inspection, the subject land is unimproved and is vacant.	1) Nil 2) Nil	Comparison Approach	8.25 million	1) 16 July 2003 2) 16 July 2003

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Ref. No.	Land Ownership	1) Title Particulars 2) Land Area 3) Tenure	Description of Property & Existing Use	1) Restriction of Interest 2) Encumbrances	Method of Valuation	Market Value (RM)	Dates of 1) Inspection 2) Valuation
SC 0019/03/ SGK	Cold Rolling Industry (Malaysia) Sdn. Bhd.	1) GM Nos. 1810, 1826, 1015 and 942 for Lot Nos. 26332, 26333, 17493 and 17496 respectively, all situated in the Mukim of Kapar, District of Klang, State of Selangor Darul Ehsan bearing postal address Lot 717, Jalan Sungai Rasau, Seksyen 16, P.O. Box 7168, 40706 Shah Alam, Selangor Darul Ehsan. 2) 13.314 acres or 5.387 hectares. 3) Freehold	Four (4) parcels of adjacent industrial land located along Jalan Sungai Rasau in Section 16, Shah Alam. Together, the lots form a regular shape and is more or less level with the frontage road. The subject property is designated and approved for Industrial land use. As at the date of inspection, the subject land is improved with a double-storey office building (7,200 sq. ft.), Main factory building (201,886 sq. ft.), Packing Yard/Recoiling Line (21,600 sq. ft.), New Coil Yard/Roll Shop/Shot Blast Building (24,486 sq. ft.), New Coil Yard (21,600 sq. ft.), Guardhouse (420 sq. ft.), Tenaga National Berhad Substation (5,394 sq. ft.) and Water Treatment Plant (20,568 sq. ft.). The buildings are approximately 4 to 14 years old and issued with Certificate of Fitness on 19 July 1990, 29 November 1994 (for the two-storey office block and the extension of existing factory) and 23 October 1998 (for the extension of the existing factory).	1) Nil 2) Charged to The Bank of Tokyo Limited Vide Presn. No. 4167/90 Jilid 219 Folio 37 dated 23 August 1990.	Cost Approach	62.2 million	1) 22 October 2003 2) 22 October 2003

13. DIRECTORS' REPORT



MYCRON STEEL BERHAD (622819-D)



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(Company no. 622819-D)
Registered Office
Suite 20.03, 20th Floor
Menara MAA
No. 12, Jalan Dewan Bahasa
50460 Kuala Lumpur

18 May 2004

The Shareholders
Mycron Steel Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of Mycron Steel Berhad ("MSB"), I report that after making due enquiries in relation to the interval between 31 January 2004, being the date to which the last audited accounts of the MSB Group have been made up, and 18 May 2004, being a date not earlier than fourteen days before the issue of this Prospectus:

- (i) the business of the Group has, in the opinion of the Board of Directors of MSB, been satisfactorily maintained;
- (ii) in the opinion of the Board of Directors of MSB, no circumstances have arisen since the last audited accounts of the MSB Group which have adversely affected the trading or the value of the assets of the MSB Group;
- (iii) the current assets of the MSB Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) save as disclosed in this Prospectus under **Section 14.9**, no contingent liabilities have arisen by reason of any guarantee or indemnity given by the MSB Group;
- (v) save as disclosed in this Prospectus, the Board of Directors of MSB are not aware of any default or any known events that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of the MSB Group since the last audited accounts of the MSB Group; and
- (vi) save as disclosed in the Accountants' Report set out in **Section 11** of this Prospectus, there have been no changes to the published reserves or any unusual factors affecting the profits of the MSB Group since the last audited accounts of the Company.

Yours faithfully
For and on behalf of the Board of Directors of
MYCRON STEEL BERHAD

Y.M. TUNKU DATO' YA'ACOB BIN TUNKU ABDULLAH
Non-Independent Non Executive Director