

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action to be taken or may require advice in relation to the Offer (as defined herein), you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

If you have sold or transferred all your Offer Shares (as defined in this Offer Document), you should at once hand this Offer Document and the accompanying Form of Acceptance and Transfer to the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

Pursuant to Section 13(5) of the Malaysian Code on Take-Overs and Mergers 1998 ("Code"), the Securities Commission ("SC") has granted its consent to this Offer Document. However, such consent shall not be taken to indicate that the SC recommends the Offer. It merely means that this Offer Document has complied with the disclosure requirements of the Code.

The SC assumes no responsibility for the contents of this Offer Document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document.

CONDITIONAL TAKE-OVER OFFER

BY

OSK

OSK Investment Bank Berhad (14152-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

ON BEHALF OF

MELEWAR EQUITIES (BVI) LTD

(Company No. 95686)

(Incorporated in the British Virgin Islands under the International Business Companies Ordinance, (No.8 of 1984))

TO ACQUIRE

- (I) **ALL THE REMAINING ORDINARY SHARES OF RM1.00 EACH IN M3ENERGY BERHAD ("M3") ("M3 SHARES") NOT ALREADY HELD BY MELEWAR EQUITIES (BVI) LTD ("MEBL") AND PERSONS ACTING IN CONCERT WITH MEBL; AND**
- (II) **ALL THE REMAINING M3 SHARES THAT MAY BE ALLOTTED AND ISSUED UP TO THE CLOSE OF THE OFFER PURSUANT TO THE EXERCISE OF THE OUTSTANDING OPTIONS GRANTED TO THE EMPLOYEES OF M3 UNDER THE EMPLOYEE SHARE OPTION SCHEME,**

FOR A CASH CONSIDERATION OF RM1.20 PER SHARE (AS DEFINED HEREIN)

Acceptances must be received by 5.00 p.m. on 29 October 2008, being the closing date of the Offer, or such later date(s) as may be announced by OSK Investment Bank Berhad on behalf of the Offeror.

You are advised to refer to Appendix III of this Offer Document for the procedures to accept the Offer. The Form of Acceptance and Transfer is enclosed together with this Offer Document.

This Offer Document is dated 8 October 2008

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, words and expressions defined in the Malaysian Code on Take-Overs and Mergers, 1998 (including any amendments made thereto from time to time), shall have the same meaning when used herein and the following definitions shall apply throughout this Offer Document and the accompanying Form of Acceptance and Transfer:-

"Accepting Holder(s)"	:	Holder(s) who accepts the Offer
"Act"	:	Companies Act, 1965 and any amendments (including any subsequent re-enactment) thereto from time to time
"ADA"	:	Authorised Depository Agent
"ADA Code"	:	ADA (Broker) Code
"ADM"	:	Authorised Direct Member
"ATM"	:	Automated teller machine
"Board"	:	Board of Directors
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	Central Depository System
"Closing Date"	:	The First Closing Date, or in the event the Offer is revised or extended in accordance with the Code, such other revised or extended closing date(s) as the Offeror may decide and as may be announced by OSK on behalf of the Offeror
"Code"	:	Malaysian Code on Take-Overs and Mergers, 1998 and any amendments thereto from time to time
"Court"	:	(a) A High Court established under Article 121 of the Federal Constitution or a Judge of the High Court; or (b) A Sessions Court or a Magistrate's Court established under section 3 of the Subordinate Courts Act 1948 or a Sessions Judge or a Magistrate
"Despatch Date"	:	The date of the despatch of this Offer Document, which also means the date of this Offer Document
"ECU"	:	Equity Compliance Unit of the SC
"EPS"	:	Earnings per share
"ESOS"	:	Employee share option scheme of M3 which came into effect on 8 June 2007
"FIC"	:	Foreign Investment Committee
"First Closing Date"	:	29 October 2008, being twenty-one (21) days from the Posting Date
"FPE"	:	Financial period ended / ending
"FYE"	:	Financial year ended / ending
"Holder(s)"	:	Holder(s) of the Offer Shares
"Independent Advice Circular"	:	The circular to be issued by the Independent Adviser, pursuant to Section 15 of the Code, to the Holders and the Board of M3 in relation to the Offer
"Irrevocable Undertakings"	:	The irrevocable undertakings from the relevant PAC such that these PAC will not be accepting the Offer
"Kenanga" or "Independent Adviser"	:	Kenanga Investment Bank Berhad (15678-H), the independent adviser of M3
"Listing Requirements"	:	Listing Requirements of Bursa Securities
"LAT"	:	Loss after tax

DEFINITIONS (Cont'd)

"LBT"	:	Loss before tax
"LPD"	:	22 September 2008, being the latest practicable date prior to the printing of the Offer Document
"M3" or the "Offeree"	:	M3nergy Berhad (206596-H)
"M3 Group" or the "Group"	:	M3 and its subsidiaries, collectively
"M3 Share(s)" or the "Share(s)"	:	Ordinary share(s) of RM1.00 each in M3
"MAA"	:	Malaysian Assurance Alliance Berhad (8029-A)
"Market Day"	:	Any day between Monday to Friday (inclusive), excluding public holidays, and a day on which Bursa Securities is open for trading of securities
"MSS"	:	Melewar Steel Services Sdn Bhd (21834-P)
"NA"	:	Net assets
"Notice"	:	The notice of conditional voluntary take-over offer dated 12 September 2008 issued by MEBL and served on the Board of M3
"Offer"	:	Conditional voluntary take-over offer by OSK on behalf of the Offeror to acquire the Offer Shares upon the terms and conditions as contained in this Offer Document
"Offer Document"	:	This document together with the Form of Acceptance and Transfer enclosed herein
"Offer Period"	:	The period commencing from 12 September 2008, being the date the Notice was served on the Board of M3 and the announcement on the Offer until:- (a) the First Closing Date; or (b) the date when this Offer becomes or is declared unconditional as to acceptances, lapses or is withdrawn, if this date is later than the date referred to in paragraph (a) above
"Offer Price"	:	Cash offer price for the Offer Shares, being RM1.20 per Offer Share, subject to any adjustment, where applicable, in the manner set out in Section 2 of this Offer Document
"Offer Share(s)"	:	All the remaining ordinary shares of RM1.00 each in M3 not already held by MEBL and PAC
"Offeror" or "MEBL"	:	Melewar Equities (BVI) Ltd (95686)
"Options"	:	Outstanding options granted to the employees of M3 under the ESOS of M3 which came into effect on 8 June 2007
"OSK"	:	OSK Investment Bank Berhad (14152-V)
"PAC"	:	The persons who are regarded to be acting in concert with the Offeror in relation to the Offer, pursuant to Section 33(2) and (3) of the SCA, namely, MSS, MAA and Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PBR"	:	Price-to-book ratio
"PER"	:	Price-to-earnings ratio
"Posting Date"	:	8 October 2008, being the date of posting of this Offer Document
"Relevant Day"	:	Market Day following the day on which the Offer is closed, revised or extended

DEFINITIONS (Cont'd)

"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"Rules of Bursa Depository"	:	Rules of Bursa Depository as issued under the SICDA
"SC"	:	Securities Commission of Malaysia
"SCA"	:	Securities Commission Act, 1993
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991
"VWAP"	:	Volume weighted average market price

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Offer Document shall be a reference to Malaysian time, unless otherwise specified.

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EXECUTIVE SUMMARY

This Executive Summary provides a brief summary of the salient information relating to terms of the Offer and should be read in conjunction with the full text of this Offer Document.

The brief terms and conditions contained in this Executive Summary are not intended to substitute those set out in this Offer Document. As such, you are advised to refer to the relevant sections of this Offer Document for further consideration before making a decision whether to accept or reject the Offer.

1. THE OFFER

- Offer** : The Offeror is making an offer to acquire the Offer Shares for a cash consideration of RM1.20 per Offer Share.
- Consideration** : Each Holder is offered a cash payment of RM1.20 per Offer Share.
- Condition** : The Offer is conditional upon receiving valid acceptances in respect of the minimum number of Offer Shares.
- Duration** : The Offer shall remain open for acceptances until **5.00 p.m. on 29 October 2008**, being twenty one (21) days after the Posting Date, unless MEBL revises or extends the Offer **with the consent of the SC**.
- Details of irrevocable undertaking** : As at the LPD, neither the Offeror nor the PAC has received any irrevocable undertaking from any Holder to accept the Offer.
- Method/ Expected date of settlement** : The settlement of the consideration for the Offer will be effected via the remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) in respect of valid acceptances, at their own risk.

The settlement of the Offer shall be in the following manner:-

- (a) where the valid acceptances are received during the period when the Offer is still conditional, the consideration for the Offer Shares shall be posted within twenty-one (21) days from the date the Offer becomes or is declared unconditional; or
- (b) where the valid acceptances are received during the period when the Offer has become or has been declared unconditional, settlement shall be within twenty-one (21) days from the date the valid acceptances are received.

- Listing status** : **The Offeror does not intend to maintain the listing status of M3.** As such, regardless of the level of acceptances received under the Offer, the Offeror does not intend to take any step in maintaining the minimum 25% public shareholding spread requirement of M3, as a result of which Bursa Securities may suspend trading in M3's securities and thereafter de-list M3.
- Compulsory acquisition** : In the event the Offeror is able to obtain acceptances in respect of nine-tenths (9/10) or more in the nominal value of the Offer Shares (other than M3 Shares already held at the date of the Notice by the Offeror and the PAC, which will be subject to the receipt of the Irrevocable Undertakings) upon completion of the Offer, the Offeror intends to invoke the provisions of Section 34 of the SCA to compulsorily acquire any remaining Offer Shares from the Holders who have elected not to accept the Offer.

Pursuant to Section 34B of the SCA, when a Holder exercises his/her rights under Section 34A of the SCA, the Court may, on an application made by such Holder or MEBL, order that the terms on which MEBL shall acquire the shares shall be as the Court thinks fit.

The details of the Offer are set out in Sections 2, 4 and 8, as well as Appendix II of this Offer Document.

EXECUTIVE SUMMARY (Cont'd)

2. RATIONALE FOR THE OFFER

MEBL and the PAC currently own a 26.50% (calculated by dividing the shares held by the PAC with the total number of ordinary shares in issue, excluding 828,200 treasury shares held by M3) stake in M3. The Offer would therefore provide MEBL with the opportunity to increase its equity interest in M3 to a more meaningful stake.

The Offer provides an opportunity for the Holders to dispose of his/her Offer Share(s) for a cash consideration of RM1.20 per Offer Share. The Offer Price of RM1.20 per share represents a premium of approximately 31.9% and 25% over the 5-days VWAP and the closing market price as at 12 September 2008 of RM0.91 per M3 Share and RM0.96 per M3 Share respectively.

The Offer Price was derived at, by MEBL after taking into consideration of the following:-

- (i) The historical trading price of M3 Shares prior to the Offer. The Offer represents a premium of RM0.35 representing a 41.2% premium over the three (3) months VWAP of M3 Shares prior to the Offer, of RM0.85; and
- (ii) The earnings of M3 Group. The Offer Price of RM1.20 represents a PER of 206.90 times and 16.22 times over the audited EPS for the FPE 30 June 2007 and the audited EPS for the FYE 30 June 2008, respectively.

3. FINANCIAL CONSIDERATIONS FOR ACCEPTANCE OR NON-ACCEPTANCE OF THE OFFER

Holders are advised to consider, amongst others, the financial considerations and effects set out below before deciding whether to accept or reject the Offer:-

(a) Market prices and capital value

The Offer Price of RM1.20 per share represents the following premiums to the market prices of M3 Shares:-

	Market price/ VWAP RM	Premium of the Offer Price over market price/ VWAP	
		RM	%
Last traded market price of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	0.96	0.24	25.0
5-day VWAP of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	0.91	0.29	31.9
1-month VWAP of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	0.89	0.31	34.8
3-month VWAP of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	0.85	0.35	41.2

(Source: Bloomberg)

EXECUTIVE SUMMARY (Cont'd)

(b) PER

The PER of M3, based on the Offer Price and its audited EPS for the eighteen (18)-month FPE 30 June 2007 and audited EPS for the FYE 30 June 2008 are as follows:-

	EPS (Sen)	PER based on the Offer Price (times)
Audited EPS for the FPE 30 June 2007	0.58	206.90
Audited EPS for the FYE 30 June 2008	7.40	16.22

(c) NA and PBR

The PBR of M3, based on the Offer Price and its audited NA per M3 Share for the eighteen (18)-month FPE 30 June 2007 and audited NA per M3 Share for the FYE 30 June 2008 are as follows:-

	NA per M3 Share (RM)	PBR based on the Offer Price (times)
Audited NA per M3 Share as at 30 June 2007	3.27	0.37
Audited NA per M3 Share as at 30 June 2008	3.38	0.36

The details of the financial considerations for acceptance or non-acceptance of the Offer are set out in Section 5 of this Offer Document.

4. FUTURE PLANS FOR THE M3 GROUP

MEBL intends to continue with the M3 Group's existing businesses and operations. However, MEBL is also cognizant of the price volatility and capital intensive nature of the oil and gas sector in which the M3 Group substantially operates. Hence, in order to optimize resources and enhance future growth, MEBL may reorganize and/or rationalize the M3 Group's businesses. This may encompass changes to M3 Group's corporate structure, integration of businesses or redeployment or disposal of assets. Thus, unless as warranted by the aforesaid factors, there should not be any major changes in the continuation of the business of M3 within a period of twelve (12) months from the completion of the Offer.

Further, as at the date of this Offer Document, MEBL has no knowledge or has not entered into any arrangement, agreement, understanding or whatsoever that will result into the following:-

- (i) any major change in the continuation of the business of M3;
- (ii) any major change to the business of M3, including any plans to liquidate M3, sell / re-deploy the fixed and major assets or effect any major change in the structure of M3; and
- (iii) any major change to the continued employment of the employees of M3.

In addition, MEBL does not have any immediate plan to liquidate M3.

MEBL does not have any immediate plan to dismiss or make redundant any of the employees of the M3 Group as a direct consequence of the Offer. However, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of MEBL's subsequent review of M3's employment structure, role of individual employees, rationalisation of business activities and/or direction within twelve (12) months from the completion of the Offer.

The details of the future plans of MEBL for the M3 Group are set out in Section 7 of this Offer Document.

EXECUTIVE SUMMARY (Cont'd)

5. TENTATIVE TIMETABLE

The tentative timetable for the Offer is as follows:-

<u>Event</u>	<u>Date</u>
Posting of Offer Document	8 October 2008
Last date for M3 to issue the Independent Advice Circular	18 October 2008
First Closing Date*	29 October 2008

Note:-

- * *The Offer will remain open for acceptances for a period of not less than twenty-one (21) days from the Posting Date, i.e. until 5.00 p.m. on 29 October 2008, unless MEBL revise or extend the Offer, in which event an announcement will be made by OSK on behalf of MEBL.*

HOLDERS OF THE OFFER SHARES ARE ADVISED TO CAREFULLY READ THIS OFFER DOCUMENT AND THE INDEPENDENT ADVICE CIRCULAR, WHICH WILL BE DESPATCHED TO THEM WITHIN TEN (10) DAYS FROM THE DATE OF THIS OFFER DOCUMENT. HOLDERS SHOULD CONSIDER THE RECOMMENDATION OF THE INDEPENDENT ADVISER CAREFULLY PRIOR TO MAKING ANY DECISION REGARDING THE OFFER.

HOLDERS WHO INTEND TO ACCEPT THE OFFER SHOULD COMPLETE AND SIGN THE ACCOMPANYING FORM OF ACCEPTANCE AND TRANSFER ACCORDING TO THE INSTRUCTIONS THEREIN. SPECIAL INSTRUCTIONS FOR NON-RESIDENT HOLDERS ON ACCEPTING THE OFFER ARE SET OUT IN APPENDIX III OF THIS OFFER DOCUMENT.

HOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IF THEY DECIDE NOT TO ACCEPT THE OFFER.

8 October 2008

Registered office of
MELEWAR EQUITIES (BVI) LTD

P.O. Box 71, Craigmuir Chambers
Road Town, Tortola
British Virgin Islands

Registered office of
OSK INVESTMENT BANK BERHAD

20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur

To: The Holders of the Offer Shares

Dear Sir/Madam,

CONDITIONAL TAKE-OVER OFFER BY OSK ON BEHALF OF MEBL TO ACQUIRE ALL THE REMAINING M3 SHARES AND M3 SHARES THAT MAY BE ALLOTTED AND ISSUED UP TO THE CLOSE OF THE OFFER PURSUANT TO THE EXERCISE OF THE OPTIONS GRANTED TO THE EMPLOYEES OF M3 UNDER THE ESOS, FOR A CASH CONSIDERATION OF RM1.20 PER OFFER SHARE

1. INTRODUCTION

On 12 September 2008, MEBL served the Notice on the Board of M3 in respect of MEBL's intention to undertake an Offer to acquire the following:-

- (a) all the outstanding 124,235,972 M3 Shares, representing the entire issued and paid-up share capital of M3 (excluding treasury shares) as at 29 August 2008; and
- (b) all the M3 Shares that may be allotted and issued up to the close of the Offer pursuant to the exercise of the Options under the ESOS which came into effect on 8 June 2007,

for a cash consideration of RM1.20 per Offer Share, subject to the provisions for adjustments as set out in Section 2 of this letter. A copy of the Notice is set out in Appendix I of this Offer Document.

The persons deemed to be acting in concert with MEBL are as follows:-

- (a) MSS, a substantial shareholder, with direct shareholdings in M3;
- (b) MAA, a substantial shareholder, with direct shareholdings in M3; and
- (c) Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah, a Director and a substantial shareholder, with indirect shareholdings in M3.

As at LPD, MEBL does not hold any M3 Shares whilst the PAC collectively held 32,926,678 M3 Shares, representing 26.50% (calculated by dividing the shares held by the PAC with the total number of ordinary shares in issue, excluding 828,200 treasury shares held by M3) of the issued and paid-up share capital of M3. Details of the shareholdings of MEBL and PAC in M3 are set out in Section 5 of Appendix VI.

As at LPD, M3 has granted 9,483,700 Options to the eligible employees and directors of M3 and its subsidiary companies pursuant to M3's ESOS, all of which remain unexercised. Eligible employees and directors of M3 and its subsidiary companies that hold options granted under M3's ESOS must validly exercise their options in accordance with the by-laws for the ESOS, and be allotted and issued new M3 Shares before the Closing Date in order to be entitled to accept the Offer.

The Offer is not extended to the M3 Shares currently held as treasury shares by M3 ("Treasury Shares"). In the event these Treasury Shares are disposed in the open market or distributed as share dividends by M3 prior to the close of the Offer, the Offer would be extended to include such number of Treasury Shares so disposed or distributed as share dividends by M3. On the other hand, should M3 purchase any further M3 Shares from the open market, the Offer would only involve such number of remaining M3 Shares which are not held as treasury shares.

MEBL has obtained the necessary approvals required to implement the Offer:-

- (a) approval of the SC under the FIC's Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests, which was obtained vide its letter dated 29 September 2008 subject to the condition that OSK and M3 shall inform the SC upon completion of the Offer; and
- (b) the consent of the SC for the contents of this Offer Document vide its letter dated 7 October 2008 in respect of the disclosure requirements of the Code. However, such consent shall not be taken to indicate that the SC recommends the Offer.

MEBL has received irrevocable undertakings from the PAC not to accept the Offer, the details which are set out in Section 7 of Appendix VI of this Offer Document. The persons deemed to be acting in concert with MEBL in relation to the Offer and the details of the shareholdings of the PAC in M3 are set out in Appendix VI of this Offer Document.

As at the LPD, no employees of MEBL have exercised their ESOS since the scheme was established on 8 June 2007.

On 30 September 2008, M3 announced that Kenanga has been appointed as the Independent Adviser for the Offer. However, the aforesaid appointment is subject to the approval of SC which is currently pending at this juncture.

The purpose of this Offer Document is for OSK, on behalf of MEBL, to extend a formal Offer to the Holders of the Offer Shares, to acquire the Offer Shares at the Offer Price, payable in cash. The Offer is made to each of the Holders of the Offer Shares equally and in respect of all or part of their Offer Shares, subject to the terms and conditions as set out in this Offer Document.

HOLDERS OF THE OFFER SHARES ARE ADVISED TO CAREFULLY READ THIS OFFER DOCUMENT AND THE INDEPENDENT ADVICE CIRCULAR, WHICH WILL BE DESPATCHED TO THEM WITHIN TEN (10) DAYS FROM THE DATE OF THIS OFFER DOCUMENT. HOLDERS SHOULD CONSIDER THE RECOMMENDATION OF THE INDEPENDENT ADVISER CAREFULLY PRIOR TO MAKING ANY DECISION REGARDING THE OFFER.

2. PRINCIPAL TERMS AND CONDITIONS OF THE OFFER

The principal terms and conditions of the Offer, unless otherwise directed or permitted to be varied by the SC, will be as follows:-

Offer Price : Each Holder is offered a cash payment of RM1.20 per Offer Share.

In the event M3 declares any dividend and/or other distributions before the close of the Offer and the Holder is entitled to retain such dividend and/or other distributions, MEBL will reduce the consideration for each Offer Share by the quantum of the net dividend and/or other distributions per M3 Share which such Holder is entitled to retain.

Holder may accept the Offer in respect of all or part of their Offer Shares. Fractions of a sen will not be paid to the Accepting Holders and entitlements to the cash payment will be rounded down to the nearest whole sen.

Condition : The Offer is conditional upon receiving valid acceptances in respect of the minimum number of Offer Shares.

Duration : The Offer shall remain open for acceptances **until 5.00 p.m. on 29 October 2008**, being twenty one (21) days after the Posting Date, unless MEBL revises or extends the Offer **with the consent of the SC**.

**Method/
Expected date of
settlement** : The settlement of the Offer will be effected via the remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) in respect of valid acceptances, at their own risk.

The settlement of the Offer shall be in the following manner:-

- (a) where the valid acceptances are received during the period when the Offer is still conditional, the consideration for the Offer Shares shall be posted within twenty-one (21) days from the date the Offer becomes or is declared unconditional; or
- (b) where the valid acceptances are received during the period when the Offer has become or has been declared unconditional, settlement shall be within twenty-one (21) days from the date the valid acceptances are received.

Please refer to Appendix II of this Offer Document for further details on the terms and conditions of the Offer.

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3. RATIONALE FOR THE OFFER

MEBL and the PAC currently own a 26.50% (calculated by dividing the shares held by the PAC with the total number of ordinary shares in issue, excluding 828,200 treasury shares held by M3) stake in M3. The Offer would therefore provide MEBL with the opportunity to increase its equity interest in M3 to a more meaningful stake.

The Offer provides an opportunity for the Holders to dispose of his/her Offer Share(s) for a cash consideration of RM1.20 per Offer Share. The Offer Price of RM1.20 per share represents a premium of approximately 31.9% and 25% over the 5-days VWAP and the closing market price as at 12 September 2008 of RM0.91 per M3 Share and RM0.96 per M3 Share respectively.

The Offer Price was derived at, by MEBL after taking into consideration of the following:-

- (i) The historical trading price of M3 Shares prior to the Offer. The Offer represents a premium of RM0.35 representing a 41.2% premium over the three (3) months VWAP of M3 Shares prior to the Offer, of RM0.85; and
- (ii) The earnings of M3 Group. The Offer Price of RM1.20 represents a PER of 206.90 times and 16.22 times over the audited EPS for the FPE 30 June 2007 and the audited EPS for the FYE 30 June 2008, respectively.

4. LISTING STATUS OF M3 / COMPULSORY ACQUISITION

4.1 Listing status of M3

Under Rule 8.15 of the Listing Requirements, in order to ensure the continued listing of M3, M3 must satisfy the public shareholding spread requirement that at least 25% of the total issued and paid-up share capital of M3 are in the hands of a minimum of 1,000 public shareholders holding not less than 100 M3 Shares each.

A listed issuer which fails to maintain the required shareholding spread may request for an extension of time to rectify the situation. Where no extension of time is granted by Bursa Securities, Bursa Securities may suspend trading in the securities of the listed issuer and/or de-list the listed issuer.

In the event that the public shareholding spread of a listed issuer is equal to or below 10% of the total number of its listed shares, Bursa Securities shall:-

- (a) in the case of a take-over offer whereby 90% or more of the listed shares of the said listed issuer are being held by a shareholder either singly or jointly with associates of the said shareholder, suspend the trading in the listed issuer's shares immediately upon the expiry of five (5) Market Days from the date of the immediate announcement in view that 90% or more of the listed shares of the listed issuer are held by a shareholder either singly or jointly with associates of the said shareholder;
- (b) in any other case whereby the listed issuer becomes aware, either in conjunction with the preparation of its semi-annual returns or otherwise, that its public shareholding spread is 10% or less of the total number of listed shares, suspend the trading in the listed issuer's shares immediately upon the expiry of thirty (30) Market Days from the date of the immediate announcement in view that the public shareholding spread of the listed issuer is equal to or below 10% of the total number of listed shares.

Notwithstanding the paragraph above, in relation to a take-over offer, all the securities of the listed issuer shall be removed from the Official List of Bursa Securities upon announcement by the listed issuer pursuant to the paragraph above unless the offeror has provided in the offer document:-

- (a) its intention to maintain the listing status of the listed issuer and not to invoke the provisions under Section 34 of the SCA; and
- (b) detailed plans, the complete implementation of which would result in full compliance by the listed issuer with all the provisions of the Listing Requirements.

MEBL does not intend to maintain the listing status of M3 in the event M3 does not comply with the shareholding spread requirement of Bursa Securities as a result of acceptances received under the Offer. As such, regardless of the level of acceptances received under the Offer, MEBL does not intend to take any step in maintaining the minimum 25% public shareholding spread requirement of M3, as a result of which Bursa Securities may suspend trading in M3's securities and thereafter de-list M3 from Bursa Securities within six (6) months from the completion of the Offer. If applicable, MEBL may procure M3 to apply to Bursa Securities for the withdrawal of M3's listing from the official list of Bursa Securities in accordance with the Listing Requirements.

4.2 Compulsory acquisition

Section 34(1) of the SCA states:-

"Subject to Section 34B, where a take-over offer by an offeror to acquire all the shares or all the shares in any particular class or classes in an offeree has, within four (4) months after the making of the take-over offer, been accepted by the holders of not less than nine-tenths in the nominal value of those shares or of the shares of that class or classes (other than shares already held at the date of the take-over offer by the offeror or by a nominee for or a related corporation of the offeror), the offeror may, at any time within two (2) months after the take-over offer has been so accepted, give notice in the manner prescribed under the Code to any dissenting shareholder that it desires to acquire his shares together with a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied."

In the event the Offeror is able to obtain acceptances in respect of nine-tenths (9/10) or more in the nominal value of the Offer Shares (other than M3 Shares already held at the date of the Notice and the PAC, which will be subject to the receipt of the Irrevocable Undertakings) upon completion of the Offer, the Offeror intends to invoke the provisions of Section 34 of the SCA to compulsorily acquire any remaining Offer Shares from the Holders who have elected not to accept the Offer.

Notwithstanding the above, in the event MEBL receives acceptances from the Holders resulting in MEBL and the PAC holding not less than nine-tenths in nominal value for the existing issued and paid-up share capital of M3 on or before the Closing Date, a Holder may exercise his/her rights, pursuant to Section 34A of the SCA, by serving a notice on MEBL to require MEBL to acquire his/her M3 Shares on the same terms as set out in this Offer Document or such other terms as may be agreed upon by MEBL and the Holder concerned, subject to Section 34B of the SCA. Pursuant to Section 34B of the SCA, when a Holder exercises his/her rights under Section 34A of the SCA, the Court may, on an application made by such Holder or MEBL, order that the terms on which MEBL shall acquire the shares shall be as the Court thinks fit.

An announcement will be made should the non-accepting Holders invoke the provisions of Section 34A of the SCA to require the compulsory acquisition by MEBL of any outstanding Offer Shares after the completion of the Offer.

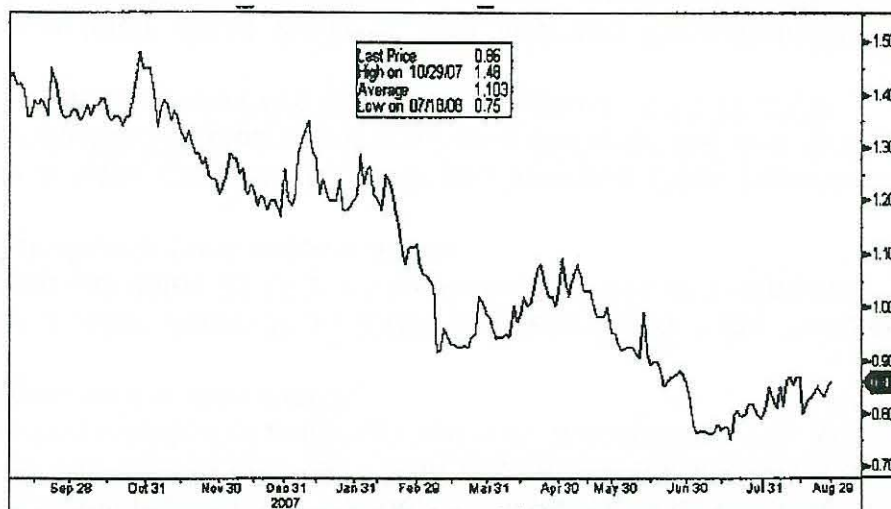
Each non-accepting Holder whose Offer Shares are compulsorily acquired will receive the consideration on the same basis as the Offer and in accordance with Section 34 of the SCA.

5. FINANCIAL CONSIDERATIONS FOR ACCEPTANCE OR NON-ACCEPTANCE OF THE OFFER

Holders are advised to consider, amongst others, the financial considerations and effects as set out below before deciding whether to accept or reject the Offer:-

5.1 Market prices and capital value

The closing market prices of M3 Shares for the past one (1) year up to the LPD are shown in the chart below:-



(Source: Bloomberg)

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The monthly highest and lowest prices, as well as volume traded of M3 Shares, as traded on Bursa Securities for the past one (1) year are set out below:-

	High (RM)	Low (RM)	Volume traded (No. of shares)
2007			
October	1.50	1.32	8,182,900
November	1.48	1.21	2,796,200
December	1.33	1.17	1,468,300
2008			
January	1.38	1.06	1,926,700
February	1.30	1.06	2,492,100
March	1.09	0.90	3,562,800
April	1.11	0.94	893,100
May	1.10	0.92	502,200
June	1.00	0.84	904,100
July	0.85	0.74	1,894,000
August	0.89	0.77	1,189,700
September	1.20	0.76	19,624,800

(Source: Bloomberg)

A comparison of the Offer Price against the market prices or VWAP of M3 Shares is set out below:-

	Market price/ VWAP RM	Premium of the Offer Price over market price/ VWAP	
		RM	%
Last traded market price of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	0.96	0.24	25.0
5-day VWAP of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	0.91	0.29	31.9
1-month VWAP of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	0.89	0.31	34.8
3-month VWAP of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	0.85	0.35	41.2

(Source: Bloomberg)

As at LPD, M3 has 90,606,716 M3 Shares, representing 72.45% of its total issued and paid-up share capital in the hands of 7,193 public shareholders holding not less than 100 M3 Shares each.

Based on the preceding table, a comparison of the financial position, in terms of capital value, of a Holder with 100 Offer Shares if the Holder was to accept or sell his/her Offer Share(s) in the open market, is illustrated below:-

Basis of comparison for the Offer Shares	Accept the Offer (RM)	Sell the Offer Shares in the open market (RM)	Potential gain if a Holder accepts the Offer	
			(RM)	(%)
Last traded market price of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	120	96	24	25.0
5-day VWAP of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	120	91	29	31.9
1-month VWAP of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	120	89	31	34.8
3-month VWAP of M3 Shares on 12 September 2008, being the last trading day before the serving of the Notice	120	85	35	41.2

As set out above, the VWAP of M3 Shares in the recent months prior to the Notice being served on the Board of M3 were lower than the Offer Price.

5.2 PER

The PER of M3, based on the Offer Price and its audited EPS for the eighteen (18)-month FPE 30 June 2007 and audited EPS for the FYE 30 June 2008 are as follows:-

	EPS (Sen)	PER based on the Offer Price (times)
Audited EPS for the eighteen (18)-month FPE 30 June 2007	0.58	206.90
Audited EPS for the FYE 30 June 2008	7.40	16.22

5.3 NA and PBR

The PBR of M3, based on the Offer Price and its audited NA per M3 Share for the eighteen (18)-month FPE 30 June 2007 and audited NA for the FYE 30 June 2008 are as follows:-

	NA per M3 Share (RM)	PBR based on the Offer Price (times)
Audited NA per M3 Share as at 30 June 2007	3.27	0.37
Audited NA per M3 Share as at 30 June 2008	3.38	0.36

Holders of the Offer Shares should consider the contents of this Offer Document as well as the Independent Advice Circular to be issued and the recommendations therein before deciding whether to accept or reject the Offer. In addition, such Holders should also take into consideration the latest market prices of M3 Shares and the future prospects of the M3 Group prior to making a decision on the Offer.

6. BACKGROUND INFORMATION ON MEBL AND M3

6.1 MEBL

MEBL was incorporated in the British Virgin Islands on 20 September 1993 under the International Business Companies Ordinance (No. 8 of 1984). It is principally an investment holding company.

It has an authorised share capital of USD50,000 comprising 50,000 ordinary shares of USD1.00 each, of which USD1.00 have been issued and fully paid-up.

Further details on MEBL are set out in Appendix IV of this Offer Document.

6.2 M3

M3 was incorporated in Malaysia under the Act on 19 October 1990 under the name of Trenergy (Malaysia) Sdn Bhd. Subsequently the company was converted into a public company on 12 July 1991 and was listed on the Second Board of Bursa Securities on 19 August 1992. It then transferred its listing status to the Main Board on 18 July 2007. It assumed its present name on 6 June 2005.

The principal activities of M3 are investment holding and the provision of management services to its subsidiaries. The principal activities of its subsidiary companies are set out in Section 5 of Appendix V of this Offer Document.

It has an authorised share capital of RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM125,064,172 comprising 125,064,172 ordinary shares of RM1.00 each.

Further details on M3 are set out in Appendix V of this Offer Document.

7. FUTURE PLANS FOR THE M3 GROUP

The future plans of MEBL for the M3 Group and its employees following the Offer are summarised below:-

(a) Continuation / Major changes to the M3 Group's business

MEBL intends to continue with the M3 Group's existing businesses and operations. However, MEBL is also cognizant of the price volatility and capital intensive nature of the oil and gas sector in which the M3 Group substantially operates. Hence, in order to optimize resources and enhance future growth, MEBL may reorganize and/or rationalize the M3 Group's businesses. This may encompass changes to M3 Group's corporate structure, integration of businesses or redeployment or disposal of assets. Thus, unless as warranted by the aforesaid factors, there should not be any major changes in the continuation of the business of M3 **within a period of twelve (12) months** from the completion of the Offer.

Further, as at the date of this Offer Document, MEBL has no knowledge or has not entered into any arrangement, agreement, understanding or whatsoever that will result into the following:-

- (i) any major change in the continuation of the business of M3;
- (ii) any major change to the business of M3, including any plans to liquidate M3, sell / re-deploy the fixed and major assets or effect any major change in the structure of M3; and
- (iii) any major change to the continued employment of the employees of M3.

In addition, MEBL does not have any immediate plan to liquidate M3.

(b) Employees of the M3 Group

MEBL does not have any immediate plan to dismiss or make redundant any of the employees of the M3 Group as a direct consequence of the Offer. However, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of MEBL's subsequent review of M3's employment structure, role of individual employees, rationalisation of business activities and/or direction **within twelve (12) months** from the completion of the Offer.

8. ACCEPTANCES OF THE OFFER

As at the LPD, neither MEBL nor the PAC has received any irrevocable undertaking from any Holder to accept the Offer.

Meanwhile, MEBL has received written irrevocable undertakings from the PAC not to accept the Offer in respect of their direct and indirect shareholdings in M3, as at the LPD, the details of which are set out in Section 5.2 of Appendix VI.

9. FINANCIAL RESOURCES OF MEBL

The total cash consideration payable for the Offer, assuming that all Holders of the Offer Shares as at 29 August 2008 accept the Offer, is approximately RM109,571,152.80 for 91,309,294 Offer Shares (excluding the M3 Shares held by the PAC of which the Irrevocable Undertakings will be procured).

OSK confirmed that the Offer will not fail due to any insufficient financial capability and that every Holder who wishes to accept the Offer will be paid in full by cash.

The Offer will be fully financed by MEBL. MEBL has confirmed and OSK is satisfied that the Offer will not fail due to the insufficient financial capability of MEBL and that every Holder who wishes to accept the Offer will be paid in full by cash. For the avoidance of doubt, MEBL shall be solely responsible for the purchase of the Offer Shares and settlement of the Offer Price

10. PROCEDURES FOR ACCEPTANCE AND EXPECTED SETTLEMENT DATE

Bursa Securities has prescribed M3 Shares as prescribed securities. In consequence thereof, all dealings in M3 Shares will be carried out in accordance with the SICDA and the Rules of Bursa Depository.

The Form of Acceptance and Transfer is enclosed together with this Offer Document. The Transfer of Securities Request Form (FTF10) can be obtained from your ADA/ADM.

Holders who wish to accept the Offer should complete and sign the Form of Acceptance and Transfer, and Transfer of Securities Request Form (FTF10) in accordance with the instructions contained therein.

All relevant completed and duly signed documents should be sent at the Accepting Holder's own risk, by registered post or by hand, to the Registrar at the address stated below, and to be received by the Registrar not later than 5.00 p.m. on the Closing Date:-

Trace Management Services Sdn Bhd
Suite 20.03, 20th Floor, Menara MAA
No. 12 Jalan Dewan Bahasa
50460 Kuala Lumpur

Telephone : (603) 2141 3060
Facsimile : (603) 2141 3061

Subject to valid acceptances being received from the Accepting Holders in accordance with the terms and conditions of this Offer Document, settlement of the Offer will be effected via remittances in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at their own risk within the time frame as set out in Section 2 above.

11. OTHER MATTERS

The Board of M3 had on 27 August 2007 and 10 December 2007 made the following announcements as set out below:-

- (i) The Board of M3 announced that M3, had on 25 August 2007, received an invitation from Core Attributes (M) Sdn Bhd ("CASB") dated 25 August 2007 in respect of the invitation to M3 to sell its stake in Malaysian Merchant Marine Berhad ("MMM") to CASB.

The offer is to acquire from M3 the following equity instruments:-

- (a) 50,375,884 ordinary shares of RM1.00 each presently held by M3 in the capital of MMM; and
(b) 470,000 of the Islamic Preference Shares of RM1.00 each held by M3B in the capital of MMM;

for a total cash consideration of RM33.5 million ("Proposed Disposal"); and

- (ii) The Board of Maveric Ltd. ("Maveric") had on 10 December 2007 announced that the Company had entered into a sale and purchase agreement with Messrs Tan Keng Siong Thomas, Tan Sek khoo and Yeo Ai Tee to acquire the entire issued and paid-up share capital of Kim Heng Marine & Oilfield Pte Ltd, Kim Heng Maritime Pte Ltd, Kim Heng Tubulars Pte Ltd, Kim Heng Shipbuilding & Engineering Pte Ltd, Darwin Offshore Logistics Base Pty Ltd, Darwin Base Waste Pty Ltd and Alpine Progress Shipping Pte Ltd ("Proposed Acquisition").

The aforesaid Proposed Disposal resulted in a gain of RM3.3 million for the FYE 30 June 2008 at the M3 Group level.

On the other hand, the recent Proposed Acquisition entered by Maveric on 10 December 2007 is not expected to have any financial effect on M3 for the FYE 30 June 2008. Based on the assumption that the Proposed Acquisition will be completed by FYE 30 June 2009, the Proposed Acquisition is expected to reduce M3's equity interest from 55.0% to approximately 5.0% in Maveric, as such, Maveric will cease to be a subsidiary which in turn is to be classified as an investment for M3.

12. FURTHER INFORMATION

For further information, please refer to the appendices that form part of this Offer Document.

HOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IF THEY DECIDE NOT TO ACCEPT THE OFFER. HOLDERS WHO INTEND TO ACCEPT THE OFFER SHOULD COMPLETE AND SIGN THE ACCOMPANYING FORM OF ACCEPTANCE AND TRANSFER ACCORDING TO THE INSTRUCTIONS THEREIN.

Yours faithfully,
For and behalf of
OSK INVESTMENT BANK BERHAD

JOSEPH SOO HONG WENG
Director / Head
Corporate Finance

TAN MENG KIM
Associate Director
Corporate Finance

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008

MELEWAR EQUITIES (BVI) LTD

2nd Floor, Mahkota Melewar
Jalan Parlimen 50480 Kuala Lumpur
Tel: 03-2913333 Fax:03-2916060 Telex: TMC33007
GPO Box 12222, 50770 Kuala Lumpur, Malaysia.

12 September 2008

The Board of Directors
M3ENERGY BERHAD
Level 25, Wisma UOA II
21, Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

NOTICE OF CONDITIONAL VOLUNTARY TAKE-OVER OFFER ("NOTICE")

1. INTRODUCTION

We, Melewar Equities (BVI) Ltd ("MEBL" or "Offeror"), wish to notify you of our intention to undertake a conditional voluntary take-over offer ("Offer") to acquire the following :

- (a) all the outstanding 124,235,972 ordinary shares of RM1.00 each in M3nergy Berhad ("M3") ("M3 Shares"), representing 100% of the issued and paid-up share capital of M3 (excluding treasury shares) as at 29 August 2008; and
- (b) all the M3 Shares that may be allotted and issued up to the close of the Offer (as defined below) pursuant to the exercise of the outstanding options ("Options") granted to the employees of M3 under the Employee Share Option Scheme of M3 which came into effect on 8 June 2007 ("ESOS"),

for a cash consideration of RM1.20 per Offer Share ("Offer Price"), subject to the provisions for adjustments as set out in Section 4.1 below.

All the M3 Shares which are the subject of the Offer are hereinafter referred to as the "Offer Shares".

As present, we do not hold any M3 Shares whilst certain persons acting in concert with us ("PAC") directly and collectively hold 32,926,678 M3 Shares, representing 26.50% of the issued and paid-up share capital of M3. We intend to procure irrevocable undertakings from the relevant PAC such that these PAC will not be accepting the Offer ("Irrevocable Undertakings"). The persons deemed to be acting in concert with us in relation to the Offer and the details of the shareholdings of the PAC in M3 are set out in Section 7 of this Notice.

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008 (Cont'd)

2. THE OFFER

We, as the Offeror hereby serve this Notice of the Offer ("Notice") on the Board of Directors ("Board") of M3 to acquire the Offer Shares. Subject to the provisions for adjustments as set out in Section 4.1 below, the total consideration for the Offer Shares shall be RM109,571,152.80 (excluding the M3 Shares held by the PAC of which the Irrevocable Undertakings will be procured by us) or at the Offer Price of RM1.20 per Offer Share. The Offer Price of RM1.20 per share represents premiums of approximately 48% and 49% over the 5-days volume weighted average market price and the closing market price as at 11 September 2008 of RM0.8104 per M3 Share and RM0.805 per M3 Share respectively.

Holders of the Offer Shares ("Holders") who wish to accept the Offer should refer to the procedures for acceptances which will be detailed in the offer document outlining the Offer ("Offer Document"), together with the accompanying Form of Acceptance and Transfer, to be despatched in due course, subject to the consent of the Securities Commission ("SC"). The Offer will be made to each Holder for all their Offer Shares (save for the Offer Shares held by the PAC upon the receipt by us of the PAC's respective Irrevocable Undertakings).

Employees of M3 must validly exercise their options in accordance with the by-laws for the ESOS, and be allotted and issued new M3 Shares before the close of the Offer.

The Offer is not extended to the M3 Shares currently held as treasury shares by M3 ("Treasury Shares"). In the event these Treasury Shares are disposed in the open market or distributed as share dividends by M3 prior to the close of the Offer, the Offer would be extended to include such number of Treasury Shares so disposed or distributed as share dividends by M3. On the other hand, should M3 purchase any further M3 Shares from the open market, the Offer would only involve such number of remaining M3 Shares which are not held as treasury shares.

3. INFORMATION ON THE OFFEROR

MEBL was incorporated in the British Virgin Islands on 20 September 1993 under the BVI Business Companies Act, 2004. It is principally an investment holding company.

It has an authorised share capital of USD50,000 comprising 50,000 ordinary shares of USD1.00 each, of which USD1.00 have been issued and fully paid-up.

4. TERMS AND CONDITIONS OF THE OFFER

The principal terms and conditions of the Offer, unless otherwise directed or permitted to be varied by the SC, will be as follows:-

4.1 Consideration for the Offer

The Holders who accept the Offer shall be paid RM1.20 in cash for each Offer Share, in accordance with the terms to be set out in the Offer Document.

If M3 declares any dividend and/or other distributions before the close of the Offer and the Holder is entitled to retain such dividend and/or other distributions, we will reduce the consideration for each Offer Share by the quantum of the net dividend and/or other distributions per M3 Share which such Holder is entitled to retain.

Holders may accept the Offer in respect of all or part of their Offer Shares. Fractions of a sen will not be paid to the accepting Holders and entitlements to the cash payment will be rounded down to the nearest whole sen.

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008 (Cont'd)

4.2 Conditions of the Offer

The Offer is conditional upon us receiving valid acceptances in respect of the minimum number of Offer Shares which would result in us and the PAC (upon receipt by us of the Irrevocable Undertakings) holding in aggregate, together with such M3 Shares that are already acquired, held or entitled to be acquired or held by us and the PAC, more than 50% of the issued and paid-up share capital in M3.

The Offer is also conditional upon the following:-

- (a) approval of the Equity Compliance Unit of the SC ("ECU") approving under the Foreign Investment Committee's Guideline on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests;
- (b) the clearance of the SC of the Offer Document;
- (c) approvals of any other relevant parties, if required; and
- (d) receipt by us of the Irrevocable Undertakings from the PAC.

In any case, the above conditions will have to be fulfilled within twenty-one (21) days after the First Closing Date (as defined in Section 4.5 below) or after the Offer is declared unconditional as to acceptances (whichever is the later) or such other period as may be approved by the SC, failing which the Offer shall lapse.

4.3 Despatch of the Offer Document

Barring unforeseen circumstances or unless otherwise directed or permitted by the SC to defer in doing so, the Offer will be made and the Offer Document shall be despatched not later than twenty-one (21) days from the date of this Notice. We will via our financial adviser make an application to the SC if the posting of the Offer Document is deferred beyond the requisite twenty-one (21) days.

We will via our financial adviser post the Offer Document to the Board of M3 and to all the Holders whose names appear in the Record of Depositors of M3 as at the latest practicable date prior to the despatch of the Offer Document.

4.4 Warranty

The Offer Shares are to be acquired by us on the basis of an acceptance of the Offer by a Holder in accordance with the Offer Document. Such acceptance will be deemed to constitute a warranty by the Holder that the Offer Shares, to which the acceptance relates, are sold:-

- (a) free from all moratorium, claims, charges, liens, encumbrances, options, rights of pre-emption, third party rights and equities; and
- (b) with all rights, benefits and entitlements attaching thereto, including the rights to all dividends rights, allotments and/or any other distributions declared, paid or made on or after the date of the Offer Document.

4.5 Duration of the Offer

- (a) Provided that we do not withdraw the Offer with the SC's approval and every person is released from any obligation incurred under the Offer, the Offer will remain open for acceptances from the date of posting of the Offer Document ("Posting Date") for a period of not less than twenty-one (21) days from the Posting Date ("First Closing Date"), unless we revise or extend the Offer (such revised or extended date shall be referred to hereinafter as the "Closing Date").

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008 (Cont'd)

- (b) If the Offer is revised after the Posting Date, it will remain open for acceptances for a period of at least fourteen (14) days from the date of posting of the written notification of the revision to the Holders. Where any of the terms of the Offer are revised, the Holders who have previously accepted the Offer shall also be entitled to receive the revised consideration that is to be paid or provided for the acceptance of the Offer.
- The Offer may not be revised after the forty-sixth (46th) day from the Posting Date.
- (c) If there is any announcement of an extension of the Offer, the next expiry date of the Offer will be stated.
- (d) If the Offer has become or is declared unconditional as to acceptances on any day on or before the forty-sixth (46th) day from the Posting Date, the Offer will remain open for acceptances for not less than fourteen (14) days from the date on which the Offer becomes or is declared unconditional which shall, in any event, not be later than the sixtieth (60th) day from the Posting Date.
- (e) Where the Offer has become or is declared unconditional as to acceptances on any day after the forty-sixth (46th) day from the Posting Date, the Offer will remain open for acceptances for not less than fourteen (14) days from the date on which the Offer becomes or is declared unconditional which shall, in any event, not be later than the seventy fourth (74th) day from the Posting Date.
- (f) We shall give at least fourteen (14) days' notice in writing ("Closing Notice") to the Holders of the Offer Shares before closing the Offer. Save and subject to the SC's approval, no Closing Notice shall be given where the Offer has become unconditional as to acceptances before an expiry date and where the Offer Document clearly states that the Offer will be closed on a specific date.
- (g) We shall not give the Closing Notice where a competing offer has been announced unless the competing offer has reached its conclusion or the holders of 50% or more of the voting shares of M3 have irrevocably rejected the competing offer in favour of the Offer.

4.6 Rights of withdrawal by an accepting Holder

- (a) All acceptances of the Offer by a Holder **SHALL BE IRREVOCABLE**. However, a Holder is entitled to withdraw his/her acceptance in the event we fail to comply with any of the requirements set out in Section 4.9(a) below by the close of trading on the market day following the day on which the Offer is closed, revised or extended ("**Relevant Day**"). In such an event, the Holder is entitled to withdraw his/her acceptance immediately after the Relevant Day.
- (b) The SC may terminate the above right of withdrawal if:-
- (i) we have complied with the requirements of Section 4.9(a) below within eight (8) days from the Relevant Day, provided that the expiry of the eight (8)-day period from the Relevant Day shall not fall after the sixtieth (60th) day from the Posting Date; and
 - (ii) we have confirmed in a statement by way of a press notice given to at least three (3) daily newspapers circulating generally throughout Malaysia, one of which shall be in Bahasa Malaysia and one in the English language ("**Press Notice**"), that the Offer is still unconditional as to acceptances.

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008 (Cont'd)

Notwithstanding the foregoing, the rights of any person who has already withdrawn his/her acceptance under Section 4.6(a) above shall not be prejudiced by the termination of such right of withdrawal by the SC.

4.7 Withdrawal of the Offer by the Offeror

We may only withdraw the Offer with the prior written approval of the SC.

4.8 Method of settlement

The settlement of the consideration for the Offer will be effected via the remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the accepting Holders (or their designated agents, as they may direct) in respect of valid acceptances, at their own risk.

The settlement of the Offer shall be in the following manner:-

- (a) where the valid acceptances are received during the period when the Offer is still conditional, the consideration for the Offer Shares shall be posted within twenty-one (21) days from the date the Offer becomes or is declared unconditional; or
- (b) where the valid acceptances are received during the period when the Offer has become or has been declared unconditional, settlement shall be within twenty-one (21) days from the date the valid acceptances are received.

Except with the consent of the SC, which would only be granted in certain circumstances in which all Holders are to be treated similarly, and save for our right to reduce the cash consideration of the Offer Shares as set out in Section 4.1 above, settlement of the consideration to which any accepting Holder is entitled under the Offer will be implemented in full, in accordance with the terms of the Offer, without regard to any lien, right of set-off, counter-claim or other analogous rights to which we may otherwise be, or claim to be, entitled against the accepting Holder. This, however, is without prejudice to our rights to make any claim against the accepting Holder after such full settlement in respect of a breach of the warranty as set out in Section 4.4 above.

4.9 Announcement of acceptances

- (a) We shall inform the SC and Bursa Malaysia Securities Berhad ("Bursa Securities") and simultaneously announce by way of Press Notice before trading in the securities of M3 commences on Bursa Securities on the Relevant Day:-
 - (i) the position of the Offer, that is, as to whether the Offer is closed, revised or extended; and
 - (ii) the total number of Offer Shares (together with the percentage of the issued and paid-up share capital of M3 represented by such shares):-
 - (aa) for which acceptances of the Offer have been received after the Posting Date;
 - (bb) held by us and the PAC as at the Posting Date (subject to the receipt by us of the Irrevocable Undertakings); and
 - (cc) acquired or agreed to be acquired by us during the offer period.

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008 (Cont'd)

- (b) In computing the acceptances of Offer Shares represented for announcement purposes, we may include or exclude acceptances which are not in order in all respects or which are subject to verification.
- (c) References to the making of an announcement or the giving of notice by us include the following:-
- (i) release of an announcement by our financial adviser or our advertising agent(s) to the press; or
 - (ii) delivery of or transmission by telex, facsimile or Bursa Securities' Listing Information Network (also known as Bursa LINK) of an announcement to Bursa Securities.
- (d) An announcement made otherwise than to Bursa Securities shall be notified simultaneously to Bursa Securities.

4.10 Purchases in the open market

Should we or any of the PAC purchase or agree to purchase Offer Shares during the offer period at a consideration that is higher than RM1.20 per Offer Share, we shall increase the consideration for the Offer to be not less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by us or the PAC for Offer Shares during the offer period.

4.11 General

- (a) All communications, notices, documents and payments to be delivered or despatched to the Holders or their designated agents will be despatched by ordinary mail to the Holders' registered address last maintained with Bursa Malaysia Depository Sdn Bhd at their own risk. Unless the contrary is proved, delivery of the communication, notice, document or payment shall be presumed to be effected by properly addressing, prepaying and posting by ordinary mail the communication, notice, document or payment and shall be presumed to have been effected at the time when the document would have been delivered in the ordinary course of the mail.
- (b) The Offer and all acceptances received under the Offer will be construed under and governed by Malaysian law. It will be provided in the Offer Document that the Offeror and the Holders shall submit to the exclusive jurisdiction of the courts of Malaysia.
- (c) Holders may accept the Offer made to them in respect of all or part of their Offer Shares.
- (d) The Form of Acceptance and Transfer which will accompany the Offer Document will contain the following:-
- (i) provisions for the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or their appointed nominees;
 - (ii) instructions to complete the Form of Acceptance and Transfer; and
 - (iii) other matters incidental to the acceptance of the Offer and the transfer of the Offer Shares to the Offeror.

No acknowledgement of the receipt of the Form of Acceptance and Transfer will be issued.

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008 (Cont'd)

- (e) All costs and expenses of or incidental to the preparation and posting of the Offer Document (other than professional fees and other costs relating to the Offer incurred by M3) will be borne by us. Malaysian stamp duty and Malaysian transfer fees, if any, resulting from acceptances of the Offer will also be borne by us. For the avoidance of doubt, the payment of any transfer fees, taxes, duties, costs, expenses or other requisite payments due in a jurisdiction outside Malaysia or the payment of any levy for the repatriation of capital or income tax shall not be borne by us.
- (f) The accidental omission to despatch the Offer Document and the Form of Acceptance and Transfer to any person to whom the Offer is made shall not invalidate the Offer in any way.

5. LISTING STATUS OF M3 AND COMPULSORY ACQUISITION

5.1 Listing status of M3

Under Rule 8.15 of the Listing Requirements of Bursa Securities ("Listing Requirements"), in order to ensure the continued listing of M3, M3 must satisfy the public shareholding spread requirement that at least 25% of the total issued and paid-up share capital of M3 are in the hands of a minimum of 1,000 public shareholders holding not less than 100 M3 Shares each.

A listed issuer which fails to maintain the required shareholding spread may request for an extension of time to rectify the situation. Where no extension of time is granted by Bursa Securities, Bursa Securities may suspend trading in the securities of the listed issuer and/or de-list the listed issuer.

In the event that the public shareholding spread of a listed issuer is equal to or below 10% of the total number of its listed shares, Bursa Securities shall:-

- (a) in the case of a take-over offer whereby 90% or more of the listed shares of the said listed issuer are being held by a shareholder either singly or jointly with associates of the said shareholder, suspend the trading in the listed issuer's shares immediately upon the expiry of five (5) market days from the date of the immediate announcement in view that 90% or more of the listed shares of the listed issuer are held by a shareholder either singly or jointly with associates of the said shareholder;
- (b) in any other case whereby the listed issuer becomes aware, either in conjunction with the preparation of its semi-annual returns or otherwise, that its public shareholding spread is 10% or less of the total number of listed shares, suspend the trading in the listed issuer's shares immediately upon the expiry of thirty (30) market days from the date of the immediate announcement in view that the public shareholding spread of the listed issuer is equal to or below 10% of the total number of listed shares.

Notwithstanding the paragraph above, in relation to a take-over offer, all the securities of the listed issuer shall be removed from the Official List of Bursa Securities upon announcement by the listed issuer pursuant to the paragraph above unless the offeror has provided in the offer document:-

- (a) its intention to maintain the listing status of the listed issuer and not to invoke the provisions under Section 34 of the Securities Commission Act, 1993 ("SCA"); and
- (b) detailed plans, the complete implementation of which would result in full compliance by the listed issuer with all the provisions of the Listing Requirements.

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008 (Cont'd)

We do not intend to maintain the listing status of M3 in the event M3 does not comply with the shareholding spread requirement of Bursa Securities as a result of acceptances received under the Offer. As such, we do not intend to take any steps in resolving any failure of M3 to meet the minimum 25% public shareholding spread requirement, as a result of which Bursa Securities may suspend trading in M3's securities and thereafter de-list M3. If necessary, we may procure M3 to apply to Bursa Securities for the withdrawal of M3's listing from the Official List of Bursa Securities in accordance with the Listing Requirements of Bursa Securities.

5.2 Compulsory acquisition

Section 34(1) of the SCA states:-

"Subject to Section 34B, where a take-over offer by an offeror to acquire all the shares or all the shares in any particular class or classes in an offeree has, within four (4) months after the making of the take-over offer, been accepted by the holders of not less than nine-tenths in the nominal value of those shares or of the shares of that class or classes (other than shares already held at the date of the take-over offer by the offeror or by a nominee for or a related corporation of the offeror), the offeror may, at any time within two (2) months after the take-over offer has been so accepted, give notice in the manner prescribed under the Code to any dissenting shareholder that it desires to acquire his shares together with a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied."

In the event we are able to obtain acceptances in respect of nine-tenths (9/10) or more in the nominal value of the Offer Shares (other than M3 Shares already held at the date of the Notice by us and the PAC, which will be subject to the receipt by us of the Irrevocable Undertakings) upon completion of the Offer, we intend to invoke the provisions of Section 34 of the SCA to compulsorily acquire any remaining Offer Shares from the Holders who have elected not to accept the Offer.

Notwithstanding the above, in the event we receive acceptances from the Holders resulting in us and the PAC holding not less than nine-tenths in nominal value for the existing issued and paid-up share capital of M3 on or before the Closing Date, a Holder may exercise his/her rights, pursuant to Section 34A of the SCA, by serving a notice on us to require us to acquire his/her M3 Shares on the same terms as set out in the Offer Document or such other terms as may be agreed upon by us and the Holder concerned, subject to Section 34B of the SCA. Pursuant to Section 34B of the SCA, when a Holder exercises his/her rights under Section 34A of the SCA, the Court may, on an application made by such Holder or us, order that the terms on which we shall acquire the shares shall be as the Court thinks fit.

An announcement will be made should the non-accepting Holders of the Offer Shares invoke the provisions of Section 34A of the SCA to require the compulsory acquisition by us of any outstanding Offer Shares after the Offer.

Each non-accepting Holder whose Offer Shares are compulsorily acquired will receive the consideration on the same basis as the Offer and in accordance with Section 34 of the SCA.

6. FINANCIAL RESOURCES OF THE OFFEROR

The total cash consideration payable for the Offer, assuming that all Holders of the Offer Shares as at 29 August 2008 accept the Offer, is approximately RM109,571,152.80 for 91,309,294 Offer Shares (excluding the M3 Shares held by the PAC of which the Irrevocable Undertakings will be procured by us).

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008 (Cont'd)

We confirmed that the Offer will not fail due to any insufficient financial capability and that every Holder who wishes to accept the Offer will be paid in full by cash.

The Offer will be fully financed by us via a loan facility. We have mandated TAEI Management Co. (Cayman) Ltd as the arranger for the loan facility and have accepted their term sheet for the loan facility. Based on this acceptance, TAEI Management Co. (Cayman) Ltd is reasonably satisfied that there are sufficient financial resources available to the Offeror such that the Offer would not fail due to the insufficient financial capability of the Offeror and that every Holder who wishes to accept the Offer will be paid in full by cash.

7. DISCLOSURE OF INTERESTS IN M3

As at 29 August 2008, the direct and/or indirect interests of the Offeror and the PAC in M3 Shares are as follows:-

	Direct		Indirect	
	No. of M3 Shares	%	No. of M3 Shares	%
MEBL	-	-	32,926,678 ⁽¹⁾	26.50
Melewar Steel Services Sdn Bhd	28,249,678	22.73		
Malaysian Assurance Alliance Berhad	4,677,000	3.76		
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	-	-	32,926,678 ⁽¹⁾	26.50

Notes:-

(1) Deemed interested through his substantial shareholdings in Melewar Steel Services Sdn Bhd and Malaysian Assurance Alliance Berhad pursuant to Section 6A of the Act.

As at the date of this Notice, neither we nor the PAC has received any irrevocable undertaking from any Holder of the Offer Shares to accept the Offer.

Neither we nor the PAC has any options or has entered into any agreements for any options to acquire any additional Offer Shares.

As at the date of this Notice, we are not aware of any existing or proposed agreement, arrangement or understanding in relation to the Offer Shares between us or the PAC, and the Holders of the Offer Shares.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Notice, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other material facts, the omission of which would make any statement in this Notice false or misleading.

9. PUBLIC RELEASE

In accordance with the provisions of the Malaysian Code on Take-Overs and Mergers, 1998, copies of this Notice will be released to the press and forwarded to the SC and Bursa Securities for public release.

NOTICE OF THE OFFER DATED 12 SEPTEMBER 2008 (Cont'd)

We would be grateful if you would acknowledge receipt by signing and returning to us the duplicate of this Notice.

Yours faithfully,
For and behalf of
MELEWAR EQUITIES (BVI) LTD



**TUNKU DATO' YA'ACOB BIN
TUNKU TAN SRI ABDULLAH**
Director

TO: MELEWAR EQUITIES (BVI) LTD

We, M3nergy Berhad, hereby acknowledge receipt of this Notice of Conditional Voluntary Take-Over Offer dated 12 September 2008.



Authorised Signatory

DATUK SHAHRAZI SHA'ARI
Group Managing Director/
Chief Executive Officer

Designation

Name

12 SEP 2008

Date

TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer, unless otherwise directed or permitted to be varied by the SC, are as follows:-

1. CONSIDERATION FOR THE OFFER

The Holders who accept the Offer shall be paid RM1.20 in cash for each Offer Share, in accordance with the terms to be set out in the Offer Document.

If M3 declares any dividend and/or other distributions before the close of the Offer and the Holder is entitled to retain such dividend and/or other distributions, MEBL will reduce the consideration for each Offer Share by the quantum of the net dividend and/or other distributions per M3 Share which such Holder is entitled to retain.

2. CONDITIONS OF THE OFFER

The Offer is conditional upon MEBL receiving valid acceptances in respect of the minimum number of Offer Shares.

3. WARRANTY

The Offer Shares are to be acquired on the basis of an acceptance of the Offer by a Holder in accordance with the Offer Document. Such acceptance will be deemed to constitute a warranty by the Holder that the Offer Shares, to which the acceptance relates, are sold:-

- (a) free from all moratorium, claims, charges, liens, encumbrances, options, rights of pre-emption, third party rights and equities; and
- (b) with all rights, benefits and entitlements attaching thereto, including the rights to all dividends rights, allotments and/or any other distributions declared, paid or made on or after the date of the Offer Document.

4. DURATION OF THE OFFER

- (a) Provided that MEBL do not withdraw the Offer with the SC's approval and every person is released from any obligation incurred under the Offer, the Offer will remain open for acceptances for a period of not less than twenty-one (21) days from the Posting Date, unless MEBL revise or extend the Offer.
- (b) If the Offer is revised after the Posting Date, it will remain open for acceptances for a period of at least fourteen (14) days from the date of posting of the written notification of the revision to the Holders. Where any of the terms of the Offer are revised, the Holders who have previously accepted the Offer shall also be entitled to receive the revised consideration that is to be paid or provided for the acceptance of the Offer.

The Offer may not be revised after the forty-sixth (46th) day from the Posting Date.

- (c) If there is any announcement of an extension of the Offer, the next expiry date of the Offer will be stated.

TERMS AND CONDITIONS OF THE OFFER (Cont'd)

- (d) If the Offer has become or is declared unconditional as to acceptances on any day on or before the forty-sixth (46th) day from the Posting Date, the Offer will remain open for acceptances for not less than fourteen (14) days from the date on which the Offer becomes or is declared unconditional which shall, in any event, not be later than the sixtieth (60th) day from the Posting Date.
- (e) Where the Offer has become or is declared unconditional as to acceptances on any day after the forty-sixth (46th) day from the Posting Date, the Offer will remain open for acceptances for not less than fourteen (14) days from the date on which the Offer becomes or is declared unconditional which shall, in any event, not be later than the seventy fourth (74th) day from the Posting Date.
- (f) MEBL shall give at least fourteen (14) days' notice in writing ("**Closing Notice**") to the Holders of the Offer Shares before closing the Offer. Save and subject to the SC's approval, no Closing Notice shall be given where the Offer has become unconditional as to acceptances before an expiry date and where the Offer Document clearly states that the Offer will be closed on a specific date.
- (g) MEBL shall not give the Closing Notice where a competing offer has been announced unless the competing offer has reached its conclusion or the holders of 50% or more of the voting shares of M3 have irrevocably rejected the competing offer in favour of the Offer.

5. RIGHTS OF WITHDRAWAL BY AN ACCEPTING HOLDER

- (a) All acceptances of the Offer by an Accepting Holder **SHALL BE IRREVOCABLE**. However, a Holder is entitled to withdraw his/her acceptance in the event MEBL fail to comply with any of the requirements set out in Section 8(a) below by the close of trading on the Relevant Day, the Holder is entitled to withdraw his/her acceptance immediately after the Relevant Day.
- (b) The SC may terminate the above right of withdrawal if:-
 - (i) MEBL have complied with the requirements of Section 8(a) below within eight (8) days from the Relevant Day, provided that the expiry of the eight (8)-day period from the Relevant Day shall not fall after the sixtieth (60th) day from the Posting Date; and
 - (ii) MEBL have confirmed in a statement by way of a press notice given to at least three (3) daily newspapers circulating generally throughout Malaysia, one of which shall be in Bahasa Malaysia and one in the English language ("**Press Notice**"), that the Offer is still unconditional as to acceptances.

Notwithstanding the foregoing, the rights of any person who has already withdrawn his/her acceptance under Section 5(a) above shall not be prejudiced by the termination of such right of withdrawal by the SC.

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TERMS AND CONDITIONS OF THE OFFER (Cont'd)

6. WITHDRAWAL OF THE OFFER BY MEBL

MEBL may only withdraw the Offer with the prior written approval of the SC.

7. METHOD OF SETTLEMENT

The settlement of the consideration for the Offer will be effected via the remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) in respect of valid acceptances, at their own risk.

The settlement of the Offer shall be in the following manner:-

- (a) where the valid acceptances are received during the period when the Offer is still conditional, the consideration for the Offer Shares shall be posted within twenty-one (21) days from the date the Offer becomes or is declared unconditional; or
- (b) where the valid acceptances are received during the period when the Offer has become or has been declared unconditional, settlement shall be within twenty-one (21) days from the date the valid acceptances are received.

Except with the consent of the SC, which would only be granted in certain circumstances in which all Holders are to be treated similarly, and save for MEBL's rights to reduce the cash consideration of the Offer Shares as set out in Section 1 above, settlement of the consideration to which any Accepting Holder is entitled under the Offer will be implemented in full, in accordance with the terms of the Offer, without regard to any lien, right of set-off, counter-claim or other analogous rights to which MEBL may otherwise be, or claim to be, entitled against the Accepting Holder. This, however, is without prejudice to MEBL's rights to make any claim against the Accepting Holder after such full settlement in respect of a breach of the warranty as set out in Section 3 above.

8. ANNOUNCEMENT OF ACCEPTANCES

- (a) MEBL shall inform the SC and Bursa Securities and simultaneously announce by way of Press Notice before trading in the securities of M3 commences on Bursa Securities on the Relevant Day:-
 - (i) the position of the Offer, that is, as to whether the Offer is closed, revised or extended; and
 - (ii) the total number of Offer Shares (together with the percentage of the issued and paid-up share capital of M3 represented by such shares):-
 - (aa) for which acceptances of the Offer have been received after the Posting Date;
 - (bb) held by MEBL and the PAC as at the Posting Date; and
 - (cc) acquired or agreed to be acquired by MEBL during the Offer Period.
- (b) In computing the acceptances of Offer Shares represented for announcement purposes, MEBL may include or exclude acceptances which are not in order in all respects or which are subject to verification.

TERMS AND CONDITIONS OF THE OFFER (Cont'd)

- (c) References to the making of an announcement or the giving of notice by MEBL include the following:-
- (i) release of an announcement by OSK or MEBL' advertising agent(s) to the press; or
 - (ii) delivery of or transmission by telex, facsimile or Bursa Securities' Listing Information Network (also known as Bursa LINK) of an announcement to Bursa Securities.
- (d) An announcement made otherwise than to Bursa Securities shall be notified simultaneously to Bursa Securities.

9. PURCHASES IN THE OPEN MARKET

Should MEBL or any of the PAC purchase or agree to purchase Offer Shares during the Offer Period at a consideration that is higher than RM1.20 per Offer Share, MEBL shall increase the consideration for the Offer to be not less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by MEBL or the PAC for Offer Shares during the Offer Period.

10. GENERAL

- (a) All communications, notices, documents and payments to be delivered or despatched to the Holders or their designated agents will be despatched by ordinary mail to the Holders' registered address last maintained with Bursa Depository at their own risk. Unless the contrary is proved, delivery of the communication, notice, document or payment shall be presumed to be effected by properly addressing, prepaying and posting by ordinary mail the communication, notice, document or payment and shall be presumed to have been effected at the time when the document would have been delivered in the ordinary course of the mail.
- (b) The Offer and all acceptances received under the Offer will be construed under and governed by Malaysian law. It will be provided in this Offer Document that MEBL and the Holders shall submit to the exclusive jurisdiction of the courts of Malaysia.
- (c) Holders may accept the Offer made to them in respect of all or part of their Offer Shares.
- (d) The Form of Acceptance and Transfer which will accompany this Offer Document will contain the following:-
- (i) provisions for the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or their appointed nominees;
 - (ii) instructions to complete the Form of Acceptance and Transfer; and
 - (iii) other matters incidental to the acceptance of the Offer and the transfer of the Offer Shares to the Offeror.

No acknowledgement of the receipt of the Form of Acceptance and Transfer will be issued.

- (e) All costs and expenses of or incidental to the preparation and posting of this Offer Document (other than professional fees and other costs relating to the Offer incurred by M3) will be borne by MEBL. Malaysian stamp duty and Malaysian transfer fees, if any, resulting from acceptances of the Offer will also be borne by MEBL. For the avoidance of doubt, the payment of any transfer fees, taxes, duties, costs, expenses or other requisite payments due in a jurisdiction outside Malaysia or the payment of any levy for the repatriation of capital or income tax shall not be borne by MEBL.

TERMS AND CONDITIONS OF THE OFFER (Cont'd)

- (f) The accidental omission to despatch this Offer Document and the Form of Acceptance and Transfer to any person to whom the Offer is made shall not invalidate the Offer in any way.

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PROCEDURES FOR ACCEPTANCE

1. PROCEDURES FOR ACCEPTANCE**1.1 For Holders of the Offer Shares**

Paragraphs (a) to (b) below set out the steps required to be taken by you (either individuals or corporations) to accept the Offer:-

(a) Step 1: Obtain transfer documents

- (i) The Form of Acceptance and Transfer is enclosed with this Offer Document. You can also obtain a copy from the Registrar for the Offer, Trace Management Services Sdn Bhd, whose contact details are set out in Section 1.8 below.
- (ii) Obtain the Bursa Depository Transfer of Securities Request Form (FTF010) ("Bursa Depository Transfer Form") from your ADA/ADM.

(b) Step 2: Complete the transfer documents

Offer Shares already credited into your CDS account	Offer Shares purchased before the Closing Date but yet to be credited into your CDS account as at the Closing Date ⁽¹⁾
(i) Complete and sign the Form of Acceptance and Transfer. ⁽²⁾	Complete and sign the Form of Acceptance and Transfer. ⁽²⁾
(ii) Complete and sign the Bursa Depository Transfer Form according to the instructions printed on the reverse side of the form.	

Notes:-

- (1) *If you have purchased the Offer Shares before the Closing Date but the Offer Shares have yet to be credited into your CDS account as at the Closing Date, please obtain the contract note from your ADA as evidence of your beneficial ownership to the Offer Shares as at the Closing Date. You need to forward the contract note to the Registrar for the Offer, Trace Management Services Sdn Bhd, and follow the procedures set out in Section 1.1 (c) below if you wish to accept the Offer.*
- (2) *If you are a corporation, you must affix your common seal which must be witnessed in accordance with your Articles of Association or other regulations and signed on your behalf by an authorised officer or attorney.*

(c) Step 3: Lodging of transfer documents

Offer Shares already credited into your CDS account	Offer Shares purchased before the Closing Date but yet to be credited into your CDS account as at the Closing Date
(i) Lodge the completed and signed Bursa Depository Transfer Form with your ADA/ADM on any Market Day. The transfer request shall be submitted by 4.00 p.m. to effect the transfer on the same Market Day provided that the request for the transfer is in compliance with the directions and the Rules of Bursa Depository.	(i) Lodge the completed and signed Form of Acceptance and Transfer and the contract note as evidence of beneficial ownership to the Offer Shares with the Registrar for the Offer, Trace Management Services Sdn Bhd, at the address shown in Section 1.8 below by the Closing Date.

PROCEDURES FOR ACCEPTANCE (Cont'd)

(c) Step 3: Lodging of transfer documents (Cont'd)

Offer Shares already credited into your CDS account	Offer Shares purchased before the Closing Date but yet to be credited into your CDS account as at the Closing Date
<p>(ii) Send the following to the Registrar for the Offer, Trace Management Services Sdn Bhd, at the address shown in Section 1.8 below, by the Closing Date:-</p> <p>(aa) the completed and signed Form of Acceptance and Transfer; and</p> <p>(bb) the Depositor's Copy of the Bursa Depository Transfer Form duly verified and acknowledged by your ADA/ADM.</p>	<p>(ii) Once the Offer Shares have been credited into your CDS account, complete and sign the Bursa Depository Transfer Form according to the instructions printed on the reverse side of the form and lodge it with your ADA/ADM and forward within seven (7) days from the Closing Date, the Depositor's Copy of the Bursa Depository Transfer Form, verified and acknowledged by your ADA/ADM to the Registrar for the Offer, Trace Management Services Sdn Bhd, at the address shown in Section 1.8 below.</p> <p>MEBL will deem your acceptance to be complete and valid in all respects in accordance with the terms and conditions of the Offer only if the Depositor's Copy of the Bursa Depository Transfer Form is received by the Registrar for the Offer, Trace Management Services Sdn Bhd, within seven (7) days from the Closing Date.</p>

- 1.2 You do not need to take any action if you do not wish to accept the Offer.
- 1.3 The Registrar of the Offer, Trace Management Services Sdn Bhd, will not acknowledge receipt of the Form of Acceptance and Transfer (or the Depositor's Copy of the Bursa Depository Transfer Form or other document(s) of title or the relevant contract note). All acceptances and accompanying documents despatched by post are at your own risk.
- 1.4 If you fail to comply with any of the terms or conditions set out in this Appendix or in the Form of Acceptance and Transfer, MEBL may, at its discretion, consider that you have not accepted the Offer.
- 1.5 You may obtain additional copies of this Offer Document and the accompanying Form of Acceptance and Transfer from the office of the Registrar for the Offer, Trace Management Services Sdn Bhd, during normal business hours, i.e. from 8.30 a.m. to 5.30 p.m., from the Posting Date to the Closing Date.
- 1.6 You should address all enquiries concerning the acceptance procedures for this Offer to the Registrar of the Offer, Trace Management Services Sdn Bhd, at the address or contact numbers stated in Section 1.8 below.
- 1.7 Under Section 14(1) of the SICDA, Bursa Securities has prescribed M3 Shares as securities required to be deposited into the CDS. Therefore, all dealings in the M3 Shares have been and will be carried out in accordance with the SICDA and the Rules of Bursa Depository.

PROCEDURES FOR ACCEPTANCE (Cont'd)

- 1.8 The details of the Registrar for the Offer, whose normal business hours are from 8.30 a.m. to 5.30 p.m. on Mondays to Fridays (excluding public holidays), are as follows:-

Trace Management Services Sdn Bhd
 Suite 20.03, 20th Floor, Menara MAA
 No. 12 Jalan Dewan Bahasa
 50460 Kuala Lumpur

Telephone : (603) 2141 3060
 Facsimile : (603) 2141 3061

This Offer is made in compliance with the laws of Malaysia only. As such, this Offer Document together with the Form of Acceptance and Transfer only comply with Malaysian laws. OSK and MEBL shall not accept any responsibility or liability in the event that any acceptance of the Offer by a Non-resident Holder is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions outside Malaysia.

Non-resident Holders should therefore immediately consult their professional advisers in relation to the observance of the above and any other applicable laws. Non-resident Holders shall be responsible for payment of any fee or commission that may be required in connection with their acceptance of the Offer or remittance of any amount due to them and shall keep MEBL, the PAC, Trace Management Services Sdn Bhd and OSK indemnified for the payment of such fee or commission. Please refer to Section 3 of this Appendix for further information.

2. METHOD OF SETTLEMENT

- 2.1 The Offerror will settle the consideration in full, in accordance with the terms of the Offer without regard to any lien, right of set-off, counter-claim or other analogous rights to which MEBL may otherwise be, or claim to be, entitled against the Accepting Holder. This, however, is without prejudice to MEBL's rights to make any claim against the Accepting Holder after such full settlement in respect of a breach of the warranty as set out in Section 3 of Appendix II of this Offer Document.
- 2.2 The settlement of the consideration for the Offer will be effected via the remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) in respect of valid acceptances, at their own risk.
- The settlement of the Offer shall be in the following manner:-
- (a) where the valid acceptances are received during the period when the Offer is still conditional, the consideration for the Offer Shares shall be posted within twenty-one (21) days from the date the Offer becomes or is declared unconditional; or
 - (b) where the valid acceptances are received during the period when the Offer has become or has been declared unconditional, settlement shall be within twenty-one (21) days from the date the valid acceptances are received.
- 2.3 Non-resident Holders are advised that the settlement for the acceptance of the Offer will be made in RM. Non-resident Holders who wish to convert the consideration received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective financial institutions. Please refer to Section 3 below for more information on the same.

PROCEDURES FOR ACCEPTANCE (Cont'd)

3. NON-RESIDENT HOLDERS

All references to "you" in this Section are to a Non-resident Holder.

3.1 Responsibility of a Non-resident Holder

- (a) The making of the Offer to you may be affected by the laws of the relevant jurisdiction of your residence. You should keep yourself informed about and observe any applicable legal requirements in your relevant jurisdiction.
- (b) You may not treat this Offer Document and/or the Form of Acceptance and Transfer as an invitation or offer to sell your securities or participate in the Offer in any jurisdiction other than Malaysia.
- (c) If you wish to accept the Offer, you are solely responsible to satisfy yourself as to the full observance of the laws of your relevant jurisdiction and in Malaysia. You are responsible for obtaining any governmental or other consents which may be required, and complying with the necessary formalities and legal regulatory requirements.
- (d) You will be responsible for the payment of any transfer fees or taxes or other requisite payments due in such jurisdiction. MEBL, the PAC, Trace Management Services Sdn Bhd and OSK shall be entitled to be fully indemnified and held harmless by you for any transfer fees or taxes or other requisite payments which you may be required to pay.
- (e) You should consult your professional advisers in the relevant jurisdiction on compliance with legal and other applicable requirements. In accepting the Offer, you represent and warrant to MEBL, the PAC, Trace Management Services Sdn Bhd and OSK the following:-
 - (i) that you are in full observance of the laws of your relevant jurisdiction;
 - (ii) that you are in full compliance with all necessary formalities and legal requirements; and
 - (iii) that you do not cause MEBL, the PAC, Trace Management Services Sdn Bhd and OSK to be in breach of the laws of your relevant jurisdiction.

3.2 Treatment of this Offer Document and/or the Form of Acceptance and Transfer in relation to a Non-resident Holder

- (a) You (including without limitation, your custodians, nominees and trustees) must not in connection with the Offer, distribute or send this Offer Document and/or the Form of Acceptance and Transfer to any jurisdiction where it would or might be in contravention of local laws or regulations. If you or your agent or nominee receives this Offer Document and/or the Form of Acceptance and Transfer in any jurisdiction where it would or might be in contravention of local laws and regulations, the Offer may be deemed invalid and may not be accepted.
- (b) Your acceptance may be invalid and disregarded unless you have fully complied with the laws of your relevant jurisdiction. If you forward this Offer Document and/or the Form of Acceptance and Transfer into any jurisdiction where it would or might be in contravention of local laws or regulations, whether because of a contractual or legal obligation or otherwise, you must inform the recipient of the contents of this section. MEBL reserve the right to reject a purported acceptance of the Offer from any Non-resident Holder in such jurisdiction.

PROCEDURES FOR ACCEPTANCE (Cont'd)

3.3 MEBL's reservation of right over acceptance by a Non-resident Holder

MEBL reserves the right, in absolute discretion, to treat any acceptance as invalid if it believes such acceptance may violate applicable legal or regulatory requirements. However, MEBL reserves the right to permit your acceptance of the Offer under circumstances where MEBL are satisfied that your acceptance will not constitute a breach of any securities law or other relevant legislation or impose any obligations on MEBL not contemplated by the Offer.

3.4 Procedures for acceptance

The procedures for acceptance of the Offer as set out in Section 1 of this Appendix also apply to you.

3.5 Mode of settlement

The method of settlement set out in Section 2 of this Appendix also applies to you.

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INFORMATION ON MEBL

1. HISTORY AND BUSINESS

MEBL was incorporated in the British Virgin Islands on 20 September 1993 under the International Business Companies Ordinance (No. 8 of 1984). It is principally an investment holding company and the principal activities of its subsidiary and associated companies are set out in Section 5 of this Appendix.

It has an authorised share capital of USD50,000 comprising 50,000 ordinary shares of USD1.00 each, of which USD1.00 have been issued and fully paid-up.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of MEBL are as follows:-

	No. of MEBL Shares	Par value (USD)	Total (USD)
Authorised	50,000	1.00	50,000
Issued and fully paid-up	1	1.00	1

As at the LPD, there are no changes in the authorised and issued and paid-up share capital of MEBL since its date of incorporation.

3. SUBSTANTIAL SHAREHOLDERS

Based on the Register of Members as at the LPD, the substantial shareholders of MEBL are as follows:-

Substantial shareholders	Nationality / Place of incorporation	Direct		Indirect	
		No. of MEBL Shares	%	No. of MEBL Shares	%
Melewar Equities Sdn Bhd	Malaysia	1	100	-	-
Itemum Melewar Sdn Bhd	Malaysia	-	-	1	100 ^(a)
Khyra Legacy Berhad	Malaysia	-	-	1	100 ^(b)
Melewar Group Berhad	Malaysia	-	-	1	100 ^(c)
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	Malaysian	-	-	1	100 ^(d)
Tunku Dato' Seri Iskandar bin Tunku Tan Sri Abdullah	Malaysian	-	-	1	100 ^(e)
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	Malaysian	-	-	1	100 ^(e)
Tunku Marinah binti Tunku Tan Sri Abdullah	Malaysian	-	-	1	100 ^(e)
Tunku Dato' Kamil Ikram bin Tunku Tan Sri Abdullah	Malaysian	-	-	1	100 ^(e)

INFORMATION ON MEBL (Cont'd)

Notes:-

- (a) Deemed interested by virtue of its holding of 35,109,460 shares representing approximately 64.3% of the issued and paid up share capital it holds in Melewar Equities Sdn Bhd.
- (b) Deemed interested by virtue of its holdings of 19,475,540 shares representing approximately 35.7% of the issued and paid up share capital it holds in Melewar Equities Sdn Bhd.
- (c) Deemed interested by virtue of its holding of 2,000 shares representing 20% of the issued and paid up share capital it holds in Iternum Melewar Sdn Bhd.
- (d) Deemed interested by virtue of his substantial direct interest in Khyra Legacy Berhad and Melewar Group Berhad.
- (e) Deemed interested by virtue of their family relationship with Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah and 16 shares representing approximately 16.7% of the issued and paid-up capital of Melewar Group Berhad.

4. DIRECTORS

Based on the Register of Directors' Shareholdings as at the LPD, the particulars of the Director of MEBL and their shareholdings in MEBL are as follows:-

Directors	Nationality	Designation	Direct		Indirect	
			No. of MEBL Shares	%	No. of MEBL Shares	%
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	Malaysian	Director	-	-	1	100 ^(a)

Notes:-

- (a) Deemed interested by virtue of his substantial direct interest in Khyra Legacy Berhad and Melewar Group Berhad.

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

The subsidiary and associated companies of MEBL as at the LPD are as follows:-

Name	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest held (%)	Principal activities
Melewar Industrial Group Berhad ("MIG")	24.02.1969 Malaysia	RM226,745,011	26.6	Manufacturing and trading of steel pipes and tubes, and investment holdings.
Melewar Steel* Services Sdn Bhd	25.01.1975 Malaysia	RM670,000	26.6	Investment holding.
Melewar Steel Tube Sdn Bhd*	02.12.1983 Malaysia	RM60,000,000	26.6	Providing engineering services, and manufacturing and trading of steel pipes and tubes.
Melewar Integrated Engineering Sdn Bhd [@]	22.02.2003 Malaysia	RM300,000	18.6	Provision of engineering and technical consultancy services.
Melewar Steel Assets Sdn Bhd*	21.10.1977 Malaysia	RM165,134	26.6	Property investment.
Melewar Steel Mills Sdn Bhd*	25.02.1983 Malaysia	RM6,000,000	26.6	Manufacturing, distributing and trading of steel and iron products.
Melewar Steel Ventures Ltd*	25.05.2004 Labuan	RM1	26.6	Investment holding.

INFORMATION ON MEBL (Cont'd)

Name	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest held (%)	Principal activities
Melewar Steel Engineering Sdn Bhd*	03.10.2005 Malaysia	RM1,000,000	26.6	Investment holding.
M-Power TT Ltd#	18.10.2005 Labuan	USD100	26.6	Project management.
Mperial Power Ltd#	15.12.2005 Labuan	USD100	26.6	Investment holding.
Melewar MycroSmelt Technology Ltd&	16.03.2006 British Virgin Islands	USD2	22.6	Dormant.
Melewar Metro Sdn Bhd*	06.06.2006 Malaysia	RM2	26.6	Dormant.
Melewar (Perang) Bhd^	25.01.2007 Malaysia	RM2	26.6	Dormant.
Siam Generation Company Limited+	09.02.1996 Thailand	Baht 1,078,902,510	25.3	Power generation.

Notes:-

- * A wholly-owned subsidiary of MIG.
- @ A 70% owned subsidiary of MIG.
- # A wholly-owned subsidiary of Melewar Steel Engineering Sdn Bhd.
- & A company owned by Melewar Integrated Engineering Sdn Bhd and Melewar Steel Mills Sdn Bhd holding 50% each.
- ^ A wholly-owned subsidiary of Melewar Metro Sdn Bhd.
- + A 95.03% owned subsidiary of Mperial Power Ltd.

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INFORMATION ON MEBL (Cont'd)**6. PROFIT AND DIVIDEND RECORD**

A summary of the results based on the management accounts of MEBL for the past five (5) years ended 31 December 2007 are as follows:-

	2003 (RM'000)	2004 (RM'000)	2005 (RM'000)	2006 (RM'000)	2007 (RM'000)
Turnover	78,985	4,185	5,783	2,693	6,341
PBT and exceptional items	-	-	-	-	-
Exceptional items	-	-	-	-	-
PBT	65,880	1,706	3,379	(1,613)	3,856
Taxation	-	-	-	-	-
PAT before extraordinary items	65,880	1,706	3,379	(1,613)	3,856
Extraordinary items	-	-	-	-	-
PAT after extraordinary items	65,880	1,706	3,379	(1,613)	3,856
Less: Minority interest	-	-	-	-	-
PAT after minority interest	65,880	1,706	3,379	(1,613)	3,856
No. of MEBL Shares in issue	1	1	1	1	1
Share capital (RM)	0.0025	0.0025	0.0025	0.0025	0.0025
Basic EPS (sen)	26,352.0	682.4	1,351.6	-	1,542.4
NA	19,123	20,829	24,208	22,595	26,451
NA per MEBL Share (RM)	7649.2	8331.6	9683.2	9038.0	10580.4
Dividend rate (gross) (%)	-	-	-	-	-

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INFORMATION ON MEBL (Cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of MEBL based on management balance sheets for the year ended 31 December 2007 is as follows:-

As at 30 June	2007 (RM'000)
QUOTED INVESTMENTS	233,308
<u>CURRENT ASSETS</u>	
Other debtors	24,100
Amount owing by Holding company	39,973
Cash and bank	887
	64,960
<u>CURRENT LIABILITIES</u>	
Short Term Loan	20,542
Other creditors & accruals	203,712
Amount owing to a director	47,563
	271,817
NET CURRENT LIABILITIES	(206,857)
	26,451
<u>FINANCED BY</u>	
Share Capital	-
Profit & Loss A/C	26,451
	26,451

INFORMATION ON M3

1. HISTORY AND BUSINESS

M3 was incorporated in Malaysia under the Act on 19 October 1990 under the name of Trenergy (Malaysia) Sdn Bhd. Subsequently the company was converted into a public company on 12 July 1991 and was listed on the Second Board of Bursa Securities on 19 August 1992. It then transferred its listing status to the Main Board on 18 July 2007. It assumed its present name on 6 June 2005.

The principal activities of M3 are investment holding and the provision of management services to its subsidiaries. The principal activities of its subsidiary companies are set out in Section 5 of this Appendix.

It has an authorised share capital of RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM125,064,172 comprising 125,064,172 ordinary shares of RM1.00 each.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of M3 are as follows:-

	No. of M3 Shares	Par value (RM)	Total (RM)
Authorised	500,000,000	1.00	500,000,000
Issued and fully paid-up	125,064,172	1.00	125,064,172

The changes in the issued and paid-up share capital of M3 since the date of incorporation are as follows:-

Date	No. of shares	Par value (RM)	Consideration	Amount (RM)
19.10.1990	2	1.00	Cash	2
20.05.1992	6,999,998	1.00	Cash	7,000,000
26.05.1992	8,000,000	1.00	Rights issue at par on the basis of 8 new ordinary shares for every 7 ordinary shares held	15,000,000
08.03.1994	3,333,000	1.00	Cash	18,333,000
19.09.1994	90,000	1.00	ESOS	18,423,000
26.10.1994	28,000	1.00	ESOS	18,451,000
07.11.1994	4,000	1.00	ESOS	18,455,000
18.01.1996	20,000	1.00	ESOS	18,475,000
18.03.1996	230,000	1.00	ESOS	18,705,000
28.03.1996	5,000	1.00	ESOS	18,710,000
11.04.1996	27,712,500	1.00	Rights issue at RM2.35 per share on the basis of 3 ordinary shares for every 2 ordinary shares held	46,422,500

INFORMATION ON M3 (Cont'd)

Date	No. of shares	Par value (RM)	Consideration	Amount (RM)
02.05.1996	21,052,631	1.00	Issued as consideration for the acquisition of HOC at a price of RM 3.80 per shares.	67,475,131
08.07.1996	257,500	1.00	Cash	67,732,631
15.07.1996	100,000	1.00	Cash	67,832,631
08.11.1996	290,000	1.00	Cash	68,122,631
10.03.1997	15,000	1.00	Cash	68,137,631
20.03.1997	13,000	1.00	Cash	68,150,631
30.06.1997	48,000	1.00	Cash	68,198,631
27.07.2001	15,000	1.00	Cash	68,213,631
31.07.2001	81,000	1.00	Cash	68,294,631
03.08.2001	80,000	1.00	Cash	68,374,631
08.08.2001	82,000	1.00	Cash	68,456,631
13.08.2001	11,000	1.00	Cash	68,467,631
15.08.2001	82,000	1.00	Cash	68,549,631
20.08.2001	10,000	1.00	Cash	68,559,631
22.08.2001	19,000	1.00	Cash	68,578,631
24.08.2001	49,000	1.00	Cash	68,627,631
29.08.2001	103,000	1.00	Cash	68,730,631
04.09.2001	122,000	1.00	Cash	68,852,631
05.09.2001	12,000	1.00	Cash	68,864,631
07.09.2001	42,000	1.00	Cash	68,906,631
12.09.2001	47,000	1.00	Cash	68,953,631
14.09.2001	9,000	1.00	Cash	68,962,631
21.09.2001	19,000	1.00	Cash	68,981,631
26.09.2001	2,000	1.00	Cash	68,983,631
04.10.2001	10,000	1.00	Cash	68,993,631
11.10.2001	29,000	1.00	Cash	69,022,631
17.10.2001	21,000	1.00	Cash	69,043,631
23.10.2001	71,000	1.00	Cash	69,114,631
25.10.2001	229,000	1.00	Cash	69,343,631
29.10.2001	157,000	1.00	Cash	69,500,631
31.10.2001	48,000	1.00	Cash	69,548,631
02.11.2001	113,000	1.00	Cash	69,661,631
05.11.2001	14,000	1.00	Cash	69,675,631
07.11.2001	47,000	1.00	Cash	69,722,631
09.11.2001	247,000	1.00	Cash	69,969,631
19.11.2001	220,000	1.00	Cash	70,189,631
19.11.2001	39,000	1.00	Cash	70,228,631
21.11.2001	77,000	1.00	Cash	70,305,631

INFORMATION ON M3 (Cont'd)

Date	No. of shares	Par value (RM)	Consideration	Amount (RM)
26.11.2001	57,000	1.00	Cash	70,362,631
28.11.2001	74,000	1.00	Cash	70,436,631
03.12.2001	112,000	1.00	Cash	70,548,631
07.12.2001	29,000	1.00	Cash	70,577,631
13.12.2001	41,000	1.00	Cash	70,618,631
19.12.2001	28,000	1.00	Cash	70,646,631
28.12.2001	65,000	1.00	Cash	70,711,631
09.01.2002	42,000	1.00	Cash	70,753,631
14.01.2002	39,000	1.00	Cash	70,792,631
23.01.2002	75,000	1.00	Cash	70,867,631
23.01.2002	14,000	1.00	Cash	70,881,631
25.01.2002	18,000	1.00	Cash	70,899,631
04.02.2002	20,000	1.00	Cash	70,919,631
07.02.2002	4,000	1.00	Cash	70,923,631
15.02.2002	62,000	1.00	Cash	70,985,631
25.02.2002	47,000	1.00	Cash	71,032,631
28.02.2002	26,000	1.00	Cash	71,058,631
06.03.2002	31,000	1.00	Cash	71,089,631
07.03.2002	45,000	1.00	Cash	71,134,631
13.03.2002	13,000	1.00	Cash	71,147,631
19.03.2002	44,000	1.00	Cash	71,191,631
21.03.2002	117,000	1.00	Cash	71,308,631
25.03.2002	93,000	1.00	Cash	71,401,631
29.03.2002	38,000	1.00	Cash	71,439,631
01.04.2002	26,000	1.00	Cash	71,465,631
04.04.2002	53,000	1.00	Cash	71,518,631
05.04.2002	60,000	1.00	Cash	71,578,631
11.04.2002	19,000	1.00	Cash	71,597,631
16.04.2002	46,000	1.00	Cash	71,643,631
19.04.2002	100,000	1.00	Cash	71,743,631
26.04.2002	74,000	1.00	Cash	71,817,631
29.04.2002	44,000	1.00	Cash	71,861,631
14.05.2002	46,000	1.00	Cash	71,907,631
17.05.2002	28,000	1.00	Cash	71,935,631
28.05.2002	6,000	1.00	Cash	71,941,631
03.06.2002	35,000	1.00	Cash	71,976,631
14.06.2002	6,000	1.00	Cash	71,982,631
28.06.2002	33,000	1.00	Cash	72,015,631
03.07.2002	8,000	1.00	Cash	72,023,631
05.07.2002	10,000	1.00	Cash	72,033,631

INFORMATION ON M3 (Cont'd)

Date	No. of shares	Par value (RM)	Consideration	Amount (RM)
15.07.2002	3,000	1.00	Cash	72,036,631
22.07.2002	6,000	1.00	Cash	72,042,631
26.07.2002	27,000	1.00	Cash	72,069,631
08.08.2002	4,000	1.00	Cash	72,073,631
15.08.2002	3,000	1.00	Cash	72,076,631
26.08.2002	2,000	1.00	Cash	72,078,631
02.09.2002	10,000	1.00	Cash	72,088,631
11.09.2002	16,000	1.00	Cash	72,104,631
26.09.2002	31,000	1.00	Cash	72,135,631
30.09.2002	21,000	1.00	Cash	72,156,631
01.11.2002	5,000	1.00	Cash	72,161,631
16.12.2002	6,000	1.00	Cash	72,167,631
27.12.2002	8,000	1.00	Cash	72,175,631
27.01.2003	12,000	1.00	Cash	72,187,631
05.03.2003	16,000	1.00	Cash	72,203,631
06.06.2003	6,000	1.00	Cash	72,209,631
12.06.2003	60,000	1.00	Cash	72,269,631
20.06.2003	34,000	1.00	Cash	72,303,631
25.06.2003	12,000	1.00	Cash	72,315,631
07.07.2003	9,000	1.00	Cash	72,324,631
09.07.2003	22,000	1.00	Cash	72,346,631
09.07.2003	10,000	1.00	Cash	72,356,631
09.07.2003	41,000	1.00	Cash	72,397,631
09.07.2003	10,000	1.00	Cash	72,407,631
14.07.2003	34,000	1.00	Cash	72,441,631
14.07.2003	15,000	1.00	Cash	72,456,631
16.07.2003	113,000	1.00	Cash	72,569,631
16.07.2003	40,000	1.00	Cash	72,609,631
22.07.2003	160,000	1.00	Cash	72,769,631
22.07.2003	12,000	1.00	Cash	72,781,631
25.07.2003	21,000	1.00	Cash	72,802,631
31.07.2003	17,000	1.00	Cash	72,819,631
08.08.2003	163,000	1.00	Cash	72,982,631
08.08.2003	31,000	1.00	Cash	73,013,631
13.08.2003	47,000	1.00	Cash	73,060,631
21.08.2003	82,000	1.00	Cash	73,142,631
21.08.2003	46,000	1.00	Cash	73,188,631
25.08.2003	2,000	1.00	Cash	73,190,631
25.08.2003	28,000	1.00	Cash	73,218,631
29.08.2003	47,000	1.00	Cash	73,265,631

INFORMATION ON M3 (Cont'd)

Date	No. of shares	Par value (RM)	Consideration	Amount (RM)
29.08.2003	59,000	1.00	Cash	73,324,631
29.08.2003	25,000	1.00	Cash	73,349,631
05.09.2003	32,000	1.00	Cash	73,381,631
10.09.2003	39,000	1.00	Cash	73,420,631
10.09.2003	15,000	1.00	Cash	73,435,631
23.09.2003	10,000	1.00	Cash	73,445,631
23.09.2003	11,000	1.00	Cash	73,456,631
23.09.2003	5,000	1.00	Cash	73,461,631
26.09.2003	38,000	1.00	Cash	73,499,631
26.09.2003	53,000	1.00	Cash	73,552,631
26.09.2003	5,000	1.00	Cash	73,557,631
02.10.2003	20,000	1.00	Cash	73,577,631
08.10.2003	11,000	1.00	Cash	73,588,631
09.10.2003	34,000	1.00	Cash	73,622,631
14.10.2003	14,000	1.00	Cash	73,636,631
14.10.2003	5,000	1.00	Cash	73,641,631
22.10.2003	7,000	1.00	Cash	73,648,631
10.11.2003	12,000	1.00	Cash	73,660,631
10.11.2003	5,000	1.00	Cash	73,665,631
17.11.2003	18,000	1.00	Cash	73,683,631
17.11.2003	12,000	1.00	Cash	73,695,631
01.12.2003	29,000	1.00	Cash	73,724,631
08.12.2003	7,000	1.00	Cash	73,731,631
08.12.2003	5,000	1.00	Cash	73,736,631
23.12.2003	200,000	1.00	Cash	73,936,631
30.12.2003	47,000	1.00	Cash	73,983,631
05.01.2004	15,000	1.00	Cash	73,998,631
13.01.2004	11,000	1.00	Cash	74,009,631
04.02.2004	4,000	1.00	Cash	74,013,631
04.02.2004	8,000	1.00	Cash	74,021,631
10.02.2004	7,000	1.00	Cash	74,028,631
19.02.2004	10,000	1.00	Cash	74,038,631
19.02.2004	9,000	1.00	Cash	74,047,631
26.02.2004	21,000	1.00	Cash	74,068,631
02.03.2004	16,000	1.00	Cash	74,084,631
09.03.2004	10,000	1.00	Cash	74,094,631
16.03.2004	10,000	1.00	Cash	74,104,631
16.03.2004	23,000	1.00	Cash	74,127,631
24.03.2004	29,000	1.00	Cash	74,156,631
24.03.2004	28,000	1.00	Cash	74,184,631

INFORMATION ON M3 (Cont'd)

Date	No. of shares	Par value (RM)	Consideration	Amount (RM)
30.03.2004	4,000	1.00	Cash	74,188,631
30.03.2004	15,000	1.00	Cash	74,203,631
07.04.2004	10,000	1.00	Cash	74,213,631
15.04.2004	2,000	1.00	Cash	74,215,631
15.04.2004	29,000	1.00	Cash	74,244,631
21.04.2004	16,000	1.00	Cash	74,280,631
27.04.2004	20,000	1.00	Cash	74,280,631
27.04.2004	2,000	1.00	Cash	74,282,631
11.05.2004	5,000	1.00	Cash	74,287,631
20.05.2004	200,000	1.00	Cash	74,487,631
24.05.2004	1,000	1.00	Cash	74,488,631
25.06.2004	5,000	1.00	Cash	74,493,631
13.07.2004	14,000	1.00	Cash	74,507,631
13.07.2004	13,000	1.00	Cash	74,520,631
23.07.2004	7,000	1.00	Cash	74,527,631
23.07.2004	18,000	1.00	Cash	74,545,631
27.07.2004	2,000	1.00	Cash	74,547,631
04.08.2004	5,000	1.00	Cash	74,552,631
12.08.2004	20,000	1.00	Cash	74,572,631
15.09.2004	100,000	1.00	Cash	74,672,631
21.09.2004	15,000	1.00	Cash	74,687,631
12.10.2004	10,000	1.00	Cash	74,697,631
21.10.2004	66,000	1.00	Cash	74,763,631
21.10.2004	12,000	1.00	Cash	74,775,631
03.11.2004	21,000	1.00	Cash	74,796,631
03.11.2004	40,000	1.00	Cash	74,836,631
30.11.2004	6,000	1.00	Cash	74,842,631
04.01.2005	5,000	1.00	Cash	74,847,631
04.01.2005	1,000	1.00	Cash	74,848,631
24.02.2005	22,000	1.00	Cash	74,870,631
20.05.2005	15,000	1.00	Cash	74,885,631
17.06.2005	2,000	1.00	Cash	74,887,631
07.07.2005	3,642,384	1.00	Cash – Conversion of RM11.0 million ICULS into ordinary shares @RM3.02	78,530,015
21.10.2005	27,000	1.00	Cash	78,557,015
10.03.2006	65,200	1.00	Cash	78,622,215
24.03.2006	15,000	1.00	Cash	78,637,215
31.03.2006	25,400	1.00	Cash	78,662,615
07.04.2006	96,800	1.00	Cash	78,759,415

INFORMATION ON M3 (Cont'd)

Date	No. of shares	Par value (RM)	Consideration	Amount (RM)
28.04.2006	126,000	1.00	Cash	78,885,415
28.04.2006	7,000	1.00	Cash	78,892,415
02.06.2006	110,800	1.00	Cash	79,003,215
16.06.2006	95,000	1.00	Cash	79,098,215
07.07.2006	36,700	1.00	Cash	79,134,915
28.07.2006	36,800	1.00	Cash	79,171,715
04.08.2006	17,300	1.00	Cash	79,189,015
25.08.2006	16,200	1.00	Cash	79,205,215
08.09.2006	75,900	1.00	Cash	79,281,115
06.10.2006	3,000	1.00	Cash	79,284,115
13.10.2006	15,600	1.00	Cash	79,299,715
20.10.2006	15,200	1.00	Cash	79,314,915
02.11.2006	105,800	1.00	Cash	79,420,715
17.11.2006	46,600	1.00	Cash	79,467,315
24.11.2006	5,000	1.00	Cash	79,472,315
15.12.2006	60,000	1.00	Cash	79,532,315
22.12.2006	29,200	1.00	Cash	79,561,515
05.01.2007	535,100	1.00	Cash	80,096,615
12.01.2007	90,500	1.00	Cash	80,187,115
19.01.2007	352,700	1.00	Cash	80,539,815
26.01.2007	144,200	1.00	Cash	80,684,015
02.02.2007	64,700	1.00	Cash	80,748,715
09.02.2007	354,300	1.00	Cash	81,103,015
16.02.2007	178,900	1.00	Cash	81,281,915
16.02.2007	10,000	1.00	Cash	81,291,915
23.02.2007	62,000	1.00	Cash	81,353,915
23.02.2007	197,300	1.00	Cash	81,551,215
02.03.2007	150,700	1.00	Cash	81,701,915
02.03.2007	15,000	1.00	Cash	81,716,915
09.03.2007	180,100	1.00	Cash	81,897,015
09.03.2007	2,000	1.00	Cash	81,899,015
13.03.2007	146,800	1.00	Cash	82,045,815
16.03.2007	169,200	1.00	Cash	82,215,015
16.03.2007	3,000	1.00	Cash	82,218,015
23.03.2007	313,200	1.00	Cash	82,531,215
23.03.2007	21,000	1.00	Cash	82,552,215
30.03.2007	636,900	1.00	Cash	83,189,115
30.03.2007	132,000	1.00	Cash	83,321,115
04.04.2007	40,000	1.00	Cash	83,361,115
04.04.2007	15,000	1.00	Cash	83,376,115

INFORMATION ON M3 (Cont'd)

Date	No. of shares	Par value (RM)	Consideration	Amount (RM)
20.04.2007	41,688,057	1.00	Bonus Issue at par on the basis of 1 new ordinary share for every 2 existing ordinary shares held	125,064,172

3. SUBSTANTIAL SHAREHOLDERS

Based on the Record of Depositors as at the LPD, the substantial shareholders of M3 are as follows:-

Substantial shareholders	Nationality / Place of incorporation	Direct		Indirect	
		No. of M3 Shares	%*	No. of M3 Shares	%*
Melewar Steel Services Sdn Bhd	Malaysia	28,249,678 ^(a)	22.74	-	-
Melewar Industrial Group Berhad	Malaysia	-	-	28,249,678	22.73 ^(b)
Khyra Legacy Berhad	Malaysia	-	-	32,926,678	26.50 ^(c)
Itemum Melewar Sdn Bhd	Malaysia	-	-	32,926,678	26.50 ^(c)
Melewar Equities Sdn Bhd	Malaysia	-	-	32,926,678	26.50 ^(c)
Melewar Equities (BVI) Ltd	British Virgin Island	-	-	32,926,678	26.50 ^(c)
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	Malaysian	-	-	32,926,678	26.50 ^(d)
Dato' Zulkifly @ Sofi bin Haji Mustapha	Malaysian	-	-	32,926,678	26.50 ^(e)
Tunku Soraya Dakhlah binti Tunku Tan Sri Abdullah	Malaysian	-	-	32,926,678	26.50 ^(e)

Notes:-

- * The number and percentages of shareholdings of the shareholders are calculated by dividing the shares held by the respective shareholders with the total number of ordinary shares in issue, excluding 828,200 treasury shares held by M3.
- (a) Registered under the name of CIMB Group Nominees (Tempatan) Sdn Bhd and Malaysia Nominees (Tempatan) Sdn Bhd.
- (b) Deemed interested through its wholly-owned subsidiary, Melewar Steel Services Sdn Bhd.
- (c) Deemed interested by virtue of its deemed substantial shareholdings in Melewar Industrial Group Berhad (MIG) and Malaysian Assurance Alliance Berhad (MAA).
- (d) Deemed interested by virtue of his deemed substantial shareholdings in MIG and MAA.
- (e) Deemed interested by virtue of their family relationships with Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah, who has deemed substantial shareholdings in MIG and MAA.

INFORMATION ON M3 (Cont'd)

4. DIRECTORS

Based on the Record of Depositors as at the LPD, the particulars of the Directors of M3 and their shareholdings in M3 are as follows:-

Directors	Nationality	Designation	Direct		Indirect	
			No. of M3 Shares	%*	No. of M3 Shares	%*
Dato' Zulkifly @ Sofi bin Haji Mustapha	Malaysian	Non-independent Non-Executive Chairman	-	-	32,926,678	26.50 ^(a)
Dato' Seri Abdul Azim bin Mohd Zabidi	Malaysian	Executive Vice-Chairman	-	-	-	-
Datuk Shahrizi bin Sha'ari	Malaysian	Group Managing Director cum Chief Executive Officer	-	-	-	-
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	Malaysian	Non-independent Non-Executive Director	-	-	32,926,678	26.50 ^(b)
Tunku Soraya Dakhlah binti Tunku Tan Sri Abdullah	Malaysian	Non-independent Non-Executive Director	-	-	32,926,678	26.50 ^(a)
Datuk Lim Kim Chuan	Malaysian	Non-independent Non-Executive Director	-	-	-	-
Sharif Lough bin Abdullah	British	Independent Non-Executive Director	-	-	-	-
Dato' Jaffar Indot	Malaysian	Independent Non-Executive Director	-	-	-	-
Onn Kien Hoe	Malaysian	Independent Non-Executive Director	-	-	-	-
Uwe Ahrens	German	Non-independent Non-Executive Director	-	-	-	-

INFORMATION ON M3 (Cont'd)

Notes:-

- * The number and percentages of shareholdings of the shareholders are calculated by dividing the shares held by the respective shareholders with the total number of ordinary shares in issue, excluding 828,200 treasury shares held by M3.
- (a) Deemed interested by virtue of their family relationships with Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah, who has deemed substantial shareholdings in MIG and MAA.
- (b) Deemed interested by virtue of his deemed substantial shareholdings in MIG and MAA.

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

The subsidiary and associated companies of M3 as at the LPD are as follows:-

Name	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest held (%)	Principal activities
M3nergy FPSO Perintis (Formerly known as Trenergy FPSO Sdn Bhd)	28.03.1997 Malaysia	RM23,500,000	100	Provision of floating production systems as well as being a service provider for operations and maintenance of offshore facilities in the oil and gas industry
Trenggo Minerals Sdn Bhd	05.03.1980 Malaysia	RM2,501,000	100	Processing of barite
M3nergy Resources Sdn Bhd	16.06.1990 Malaysia	RM2,501,000	100	Engineering, procurement, construction, commissioning services for power, oil and gas sector
Trenergy Marine Sdn Bhd	14.07.1993 Malaysia	RM300,000	100	Ship operation and support services mainly for the oil and gas sector
Trenergy Infrastructure Sdn Bhd	06.11.1996 Malaysia	RM2,000,000	70	General contractors and infrastructure development
M3nergy Beta Sdn Bhd	15.07.1993 Malaysia	RM2	100	Dormant
M3nergy Gamma Sdn Bhd	02.04.2003 Malaysia	RM2	100	Exploration, development, operation and maintenance of oil and gas fields
M3nergy Melewar Sdn Bhd	23.09.2003 Malaysia	RM100	70	Dormant
M3nergy International Limited	Cayman Islands	USD2	100	Provision of management services
M3nergy Delta Sdn Bhd	15.03.2007 Malaysia	RM2	100	Dormant
M3nergy JDA Sdn Bhd	25.02.2008 Malaysia	RM10,000,000	100	Provision of floating production systems and services including engineering project management, operations and maintenance of offshore facilities in the oil & gas industry

INFORMATION ON M3 (Cont'd)

Name	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest held (%)	Principal activities
Trenergy Enterprise Sdn Bhd (in member's voluntary liquidation)	05.07.1995 Malaysia	RM1,521,000	100	Dormant
Snap Capital Sdn Bhd (in member's voluntary liquidation)	17.04.2001 Malaysia	RM81,426,000	100	Dormant
Trenergy Investment (L) Bhd	22.07.1999 Malaysia	USD1	100	Dormant
M3nergy Infra Ltd	19.12.2006 Brunei Darussalam	USD1	100	Dormant
M3nergy Offshore Ltd	31.08.2007 Cayman Islands	USD1	100	Dormant
M3nergy Labuan Ltd	23.05.2008 Labuan	USD1,000	100	Asset Leasing
M3nergy Petroleum Ltd	29.01.2008 Cayman Islands	USD1	100	Dormant
Maveric Ltd	05.06.1987 Singapore	SGD8,477,231	54.8	Investment Holding

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INFORMATION ON M3 (Cont'd)

6. PROFIT AND DIVIDEND RECORD

A summary of the results based on the audited consolidated financial statements of M3 for the past two (2) financial years ended 31 December 2005, eighteen (18) months FPE 30 June 2007 and the audited consolidated financial statements of M3 for the financial year ended 30 June 2008 are as follows:-

	Audited			
	FYE 31 December		18-month FPE	
	2004 (RM'000)	2005 (RM'000)	30 June 2007 (RM'000)	30 June 2008 (RM'000)
Turnover	454,826	153,972	267,406	167,998
PBT and exceptional items	24,066	11,106	(40,206)	10,746
Exceptional items	-	-	-	-
PBT	24,066	11,106	(40,206)	10,746
Taxation	(16,597)	(5,194)	(14,949)	(2,592)
PAT before extraordinary items	7,469	5,912	(55,155)	8,154
Extraordinary items	-	26,034	124,565	(2,558)
PAT after extraordinary items	7,469	31,946	69,410	5,596
Less: Minority interest	(5,372)	12,773	68,711	(3,665)
PAT after minority interest	12,841	19,173	699	9,261
No. of M3 Shares in issue ('000)	74,843	78,557	125,064	125,064
Basic EPS (sen)	17.3	16.2	0.6	7.40
NA	383,573	399,633	409,288	422,647
NA per M3 Share (RM)	5.13	5.08	3.27	3.38
Dividend rate (gross) (%)	3.0	2.0	1.5	2.0

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INFORMATION ON M3 (Cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of M3 based on its audited consolidated balance sheets as at 30 June 2008 is as follows:-

As at 30 June	Audited 2008 (RM'000)
<u>NON-CURRENT ASSETS</u>	
Property, plant and equipment	372,367
Prepaid lease rental	4,582
Exploration and evaluation assets	11,531
Intangible assets	29,212
Other investments	517
Deferred tax assets	21,391
	439,600
<u>CURRENT ASSETS</u>	
Inventories	14,071
Trade and other receivables	52,326
Tax recoverable	1,816
Cash and bank balances	157,071
	225,284
Asset classified as held for sale	18,139
	243,423
	683,023
<u>LESS: CURRENT LIABILITIES</u>	
Short term borrowings	172,305
Trade and other payables	26,028
Taxation	2,458
NET CURRENT ASSETS	200,791
	482,232
<u>LESS: NON-CURRENT LIABILITIES</u>	
Long term borrowings	9,307
Other payables	16,304
Deferred tax liabilities	115
	25,726
	456,506
Liabilities directly associated with the assets classified as held for sale	384
	456,122
<u>CAPITAL AND RESERVES</u>	
Share capital	125,064
Reserves	297,583
Shareholders' funds	422,647
Minority interest	33,475
	456,122

INFORMATION ON M3 (Cont'd)

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of M3 Shares as traded on Bursa Securities for the past twelve (12) months from September 2007 to August 2008 are as follows:-

	High (RM)	Low (RM)
2007		
October	1.50	1.32
November	1.48	1.21
December	1.33	1.17
2008		
January	1.38	1.06
February	1.30	1.06
March	1.09	0.90
April	1.11	0.94
May	1.10	0.92
June	1.00	0.84
July	0.85	0.74
August	0.89	0.77
September	1.20	0.76

Last transacted market price on the LPD: RM1.16

(Source: Bloomberg)

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ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Offer Document has been seen and approved by the Directors of MEBL who have confirmed that they have taken all reasonable care to ensure that the facts stated and opinions expressed in this Offer Document are fair and accurate and that no material facts have been omitted which will make any statement herein misleading. The Directors of MEBL jointly and severally accept full responsibility for the contents of this Offer Document.

All information relating to the M3 Group was extracted from publicly available documents and/or other documents provided by the management of the M3 Group. The responsibility of the Directors of MEBL is therefore restricted to the accurate reproduction of the relevant information on the M3 Group as included in this Offer Document.

2. MATERIAL CONTRACTS**2.1 MEBL**

MEBL has not entered into any material contract, not being contracts entered into in the ordinary course of business, within the past two (2) years preceding the LPD.

2.2 M3 Group

Save as disclosed below, neither M3 nor any of its subsidiaries has entered into any material contract, not being contracts entered into in the ordinary course of business, within the past two (2) years preceding the LPD.

- (a) By a Share Sale Agreement dated 31 October 2007 ("1st Agreement"), between M3 and Core Attributes (M) Sdn Bhd ("CASB"), M3 agreed to sell to CASB 50,375,884 ordinary shares in Malaysian Merchant Marine Berhad ("MMM") and 4,700,000.00 Islamic preference shares issued by MMM for the total cash consideration of RM33,500,000.00;
- (b) Sale and Purchase Agreement dated 10 December 2007 made between Maveric Ltd ("Maveric") and Tan Keng Siong Thomas, Tan Sek Khoon and Yeo Ai Tee ("Vendor") for the acquisition of the entire issued and paid-up share capital of Kim Heng Marine & Oilfield Pte Ltd, Kim Heng Maritime Pte Ltd, Kim Heng Tubulars Pte Ltd., Kim Heng Shipbuilding & Engineering Pte Ltd, Darwin Offshore Logistics Base Pty Ltd, Darwin Base Waste Pty Ltd and Alpine Progress Shipping Pte Ltd ("Group") (the "Acquisition"). The purchase consideration in respect of the Acquisition is the actual profit after tax of the Group, on a consolidated basis, for the financial year ended 31 December 2007 multiplied by 15 and is to be satisfied in full by the allotment and issuance of such number of ordinary shares in the share capital of Maveric;
- (c) A Supplemental Share Sale Agreement ("SSSA") dated 12 December 2007 between M3 and CASB in respect of the purchase of 50,375,884 ordinary shares of RM1.00 each and 470,000 Islamic Preference Shares of RM1.00 each held by M3 in the capital of MMM from M3 for a total cash consideration of RM33.5 million ("Proposed Disposal") had agreed on the revised terms as follows:-
 - (i) the total number of shares to be acquired has now been reduced from 50,375,884 ordinary shares to 29,442,000 ordinary shares. The consideration for the 29,442,000 ordinary shares is RM15,163,420;

ADDITIONAL INFORMATION (Cont'd)

- (ii) M3 has agreed to grant to CASB an irrevocable option over 20,933,884 ordinary shares ("Option OS") for a total consideration of RM20,515,206 in addition to the existing option which CASB holds over M3's remaining Islamic Preference Shares (IPS) and Warrants ("OS Call Option"). The OS Call Option may be exercised by CASB at any time during the period commencing from the date of the SSSA till 31 December 2008 ("OS Option Period"); and
- (iii) CASB has also agreed to grant a put option to M3 in relation to the Option OS wherein M3 shall have the right to require CASB to purchase all the Option OS for a total consideration of RM20,515,206 exercisable by M3 between 1 December 2008 and 31 December 2008; and
- (d) By a Put Option Agreement dated 12 December 2007, Dato' Ramesh Rajaratnam and Datin S.L. Shariini Marnickam ("Grantors") granted to M3 a put option wherein M3 shall have the right to require the Grantors to purchase 20,933,884 ordinary shares of RM1.00 each in MMM for a total cash consideration of RM20,515,206;
- (e) A Supplemental Agreement dated 22 September 2008 entered between Maveric Ltd and Tan Keng Siong, Thomas, Tan Sek Khoon and Yeo Ai Tee in relation to the Sale and Purchase Agreement dated 10 December 2007 on the proposed acquisition of Kim Heng Marine & Oilfield Pte Ltd, Kim Heng Maritime Pte Ltd, Kim Heng Tubulars Pte Ltd, Kim Heng Shipbuilding & Engineering Pte Ltd, Darwin Offshore Logistics Base Pty Ltd, Darwin Base Waste Pty Ltd and Alpine Progress Shipping Pte Ltd had agreed to further supplement and vary the Sale and Purchase Agreement dated 10 December 2007; and
- (f) A Share Sale Agreement dated 24 March 2008 between M3 and Jelas Bina Sdn Bhd for the sale of the entire issued and paid-up capital of Trenggo Quarry Sdn Bhd for a total cash consideration of RM2,310,000.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**3.1 MEBL**

As at the LPD, MEBL is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Directors of MEBL do not have any knowledge of proceedings pending or threatened against MEBL and/or its subsidiaries, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of MEBL and/or its subsidiaries.

3.2 M3 Group

As at the LPD, neither M3 nor any of its subsidiaries is engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Directors of M3 do not have any knowledge of proceedings pending or threatened against M3 and/or its subsidiaries, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of M3 and/or its subsidiaries:-

4. CONSENTS

OSK and Trace Management Services Sdn Bhd have given and have not subsequently withdrawn their written consents to the inclusion in this Offer Document of their names and all references thereto in the form and context in which they appear in this Offer Document.

ADDITIONAL INFORMATION (Cont'd)**5. INTERESTS IN M3**

The disclosure of interests below is in respect of M3 Shares. There is only one (1) class of shares in M3 being the ordinary shares of RM1.00 each. As at LPD, MEBL, the PAC and the Directors of MEBL do not hold any convertible securities in M3.

5.1 By MEBL

Save as disclosed below, MEBL does not have any other interest, whether direct or indirect, in M3 Shares as at the LPD:-

Name	Direct		Indirect	
	No. of M3 Shares	%*	No. of M3 Shares	%*
MSS	28,249,678	22.74	-	-
Melewar Industrial Group Berhad	-	-	28,249,678	22.74 ^(a)
MAA	4,677,000	3.76	-	-

Notes:-

* The percentages of shareholdings of the shareholders are calculated by dividing the shares held by the respective shareholders with the total number of ordinary shares in issue, excluding 828,200 treasury shares held by M3.

(a) Deemed interested through its wholly owned subsidiary, Melewar Steel Services Sdn Bhd pursuant to Section 6A of the Act.

As at LPD, MEBL do not have any option to acquire additional M3 Shares.

5.2 By PAC

Save as disclosed below, the PAC does not have any other interest, whether direct or indirect, in M3 Shares as at the LPD:-

Name	Direct		Indirect	
	No. of M3 Shares	%*	No. of M3 Shares	%*
MEBL	-	-	32,926,678	26.50 ^(a)
MSS	28,249,678	22.74	-	-
MAA	4,677,000	3.76	-	-
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	-	-	32,926,678	26.50 ^(a)

Notes:-

* The percentages of shareholdings of the shareholders are calculated by dividing the shares held by the respective shareholders with the total number of ordinary shares in issue, excluding 828,200 treasury shares held by M3.

(a) Deemed interested through its/his substantial shareholdings in MSS and MAA pursuant to Section 6A of the Act.

As at LPD, the PAC does not have any option to acquire additional M3 Shares.

ADDITIONAL INFORMATION (Cont'd)**5.3 By the Directors of MEBL**

Save as disclosed below, none of the Directors of MEBL has any interest, whether direct or indirect, in M3 Shares as at the LPD:-

Name	Direct		Indirect	
	No. of M3 Shares	%*	No. of M3 Shares	%*
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	-	-	32,926,678	26.50 ^(a)

Notes:-

* The percentages of shareholdings of the shareholders are calculated by dividing the shares held by the respective shareholders with the total number of ordinary shares in issue, excluding 828,200 treasury shares held by M3.

(a) Deemed interested through his substantial shareholdings in MSS and MAA pursuant to Section 6A of the Act.

As at LPD, none of the Directors of MEBL has any option to acquire additional M3 Shares.

6. DEALINGS IN M3

Save as disclosed below, neither MEBL, the PAC nor the Directors of MEBL has dealt, whether directly or indirectly, in M3 Shares during the period commencing six (6) months prior to 12 September 2008, being the commencement of the Offer Period and ending on the LPD:-

Name	Date of dealing	Nature of transaction	No. of M3 Shares	Average price per unit (RM)
MAA	15.05.2008	Disposal	70,000	1.0446
	16.05.2008	Disposal	28,700	1.04
	25.07.2008	Disposal	83,000	0.7959
	28.07.2008	Disposal	253,300	0.8102
	29.07.2008	Disposal	91,000	0.8033
	30.07.2008	Disposal	47,000	0.8028

7. GENERAL DISCLOSURES

(a) As at the LPD, neither MEBL nor the PAC has received any irrevocable undertaking from any Holder of the Offer Shares to accept the Offer.

Meanwhile, MEBL has received written irrevocable undertakings from the PAC not to accept the Offer in respect of their direct and indirect shareholdings in M3, as at the LPD, the details of which are set out in Section 5.2 above.

(b) Save as disclosed in Section 6 above, to the best knowledge of the Board of MEBL, there is no agreement, arrangement or understanding between MEBL and/or the PAC and any of the Directors or past Directors of M3 (such person who was, during the period of six (6) months immediately prior to the date of a Notice, a Director), shareholders or past shareholders of M3 (such person who was, during the period of six (6) months immediately prior to the date of the Notice, a shareholder), which has any connection with or dependence upon the Offer.

ADDITIONAL INFORMATION (Cont'd)

- (c) As at the LPD, the Board of MEBL does not intend to transfer any M3 Shares acquired in pursuance of the Offer within a foreseeable period from the date of this Offer Document to any person.
- (d) All the Offer Shares acquired by MEBL pursuant to the Offer will be registered in the name of MEBL.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at M3's registered office at Suite 20.03, 20th Floor, Menara MAA, 12 Jalan Dewan Bahasa, 50460 Kuala Lumpur during normal business hours from the Posting Date up to and including the Closing Date of the Offer:-

- (a) Memorandum and Articles of Association of MEBL and M3;
- (b) the Notice dated 12 September 2008 referred to in Appendix I of this Offer Document;
- (c) audited consolidated financial statements of MEBL for the past two (2) financial years ended 31 December 2006 and 31 December 2007;
- (d) audited consolidated financial statements of M3 for the past two (2) financial years ended 30 June 2007 and the latest unaudited financial statement for the twelve (12) months period ended 30 June 2008;
- (e) a copy of the approval/consent letter from the following parties:-
 - (i) the ECU dated 29 September 2008; and
 - (ii) the SC in respect of its consent to this Offer Document dated 7 October 2008.
- (f) material contracts referred to in Section 2 above;
- (g) letters of consent referred to in Section 4 above.