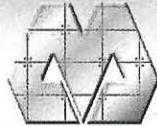
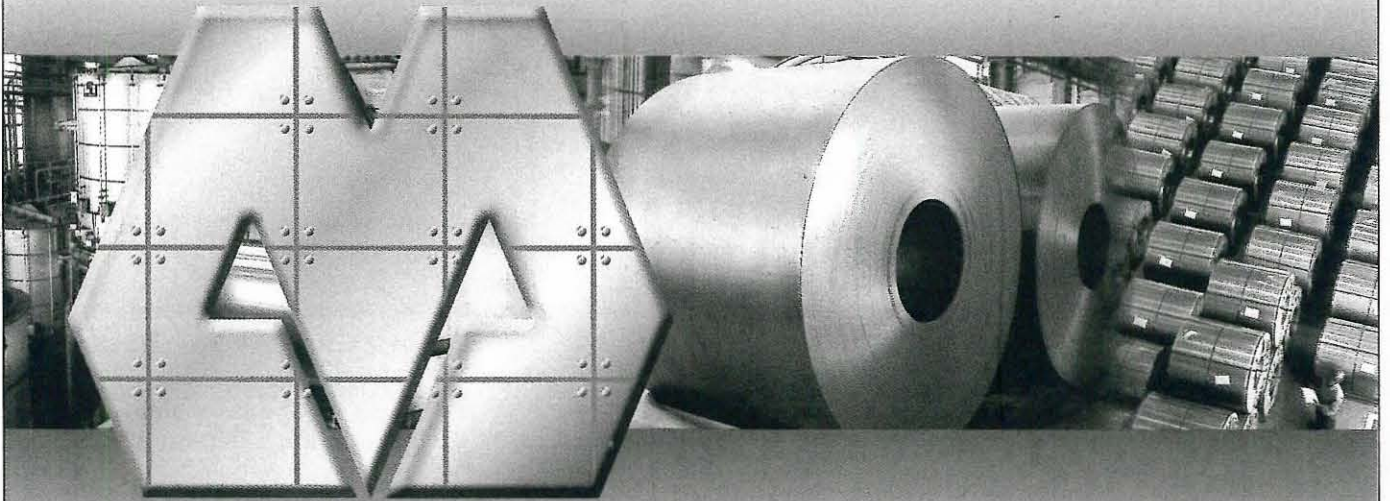


P R O S P E C T U S



MYCRON STEEL BERHAD

Company Number 622819-D

(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC OFFER OF 44,938,000 NEW ORDINARY SHARES OF RM1.00 EACH IN MYCRON STEEL BERHAD AT AN OFFER PRICE OF RM1.40 PER NEW ORDINARY SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:

- 4,833,000 NEW ORDINARY SHARES OF RM1.00 EACH MADE AVAILABLE FOR APPLICATION BY BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY;
- 8,950,000 NEW ORDINARY SHARES OF RM1.00 EACH MADE AVAILABLE FOR APPLICATION BY MALAYSIAN CITIZENS, COMPANIES, SOCIETIES, CO-OPERATIVES AND INSTITUTIONS;
- 11,052,000 NEW ORDINARY SHARES OF RM1.00 EACH MADE AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF MYCRON STEEL BERHAD AND ITS SUBSIDIARY COMPANY AS WELL AS THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF MELEWAR INDUSTRIAL GROUP BERHAD AND ITS SUBSIDIARY COMPANIES; AND
- 20,103,000 NEW ORDINARY SHARES OF RM1.00 EACH BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INVESTORS

IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF MYCRON STEEL BERHAD ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 25 HEREOF

*Adviser, Managing Underwriter
and Placement Agent*

OSK

OSK SECURITIES BERHAD

(Company Number 14152-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Prospectus is dated 25 May 2004

IMPORTANT NOTICE

This Prospectus has been seen and approved by the directors and Promoter of Mycron Steel Berhad ("MSB"), and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading. The directors of MSB hereby accept full responsibility for the profit and cash flow forecast that is included in this Prospectus and confirm that the profit and cash flow forecast has been prepared based on assumptions made as described in this Prospectus.

OSK Securities Berhad ("OSK"), being the adviser, managing underwriter and placement agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Offer and is satisfied that the profit and cash flow forecast (for which the directors of MSB are fully responsible) prepared for inclusion in this Prospectus have been stated by the directors after due and careful enquiry and have been duly reviewed by the reporting accountants.

The Securities Commission ("SC") has approved the Public Offer and the approval of the SC shall not be taken to indicate that the SC recommends the Public Offer.

The SC shall not be liable for any non-disclosure on the part of MSB and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") shall not be liable for any non-disclosure on the part of MSB and takes no responsibility for the contents of this Prospectus, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List of the Main Board of Bursa Malaysia is not to be taken as an indication of the merits of the Public Offer, MSB or of its ordinary shares.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN MSB. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

The valuation of the property approved or accepted by the SC shall only be utilised for the purpose of the corporate proposals submitted to and approved by the SC and shall not be construed as an endorsement by the SC on the value of the subject assets for any other purpose.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies ("ROC"). However, neither the SC nor the ROC takes any responsibility for its contents.

This Prospectus can also be viewed or downloaded from Bursa Malaysia's website at www.bursamalaysia.com.

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of MSB on the Main Board of Bursa Malaysia is as follows:

Event	Tentative Dates
Issuance of the Prospectus / Opening of the Public Offer	25 May 2004
Closing of the Public Offer	4 June 2004
Balloting of the applications	8 June 2004
Allotment of shares to successful applicants	18 June 2004
Listing and quotation	21 June 2004

The application for the Public Offer will close at the time and date stated, or at such later date or dates as the directors of MSB and the Managing Underwriter may in their absolute discretion decide. Should the closing date of the application be extended, the dates for balloting, the despatch of notice of allotment and the listing of and quotation for the entire issued and paid-up share capital of MSB on the Main Board of Bursa Malaysia will be extended accordingly.

In the event the closing date of the application is extended the notice of the extension will be advertised in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia not less than three (3) market days before the original closing date of the application.

Further information on the indicative timetable is set out in **Section 3.3** of this Prospectus.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

DEFINITIONS

Unless otherwise indicated or required by the context, the following abbreviations, words and expressions shall bear the following respective meanings throughout this Prospectus.

Act	: Companies Act 1965
ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
AFTA	: Asean Free Trade Area
ASEAN	: Association of South-East Asian Nations
ATM	: Automated Teller Machine
BNM	: Bank Negara Malaysia
Bursa Malaysia	: Bursa Malaysia Securities Berhad (Company no. 635998-W)
BVI	: British Virgin Islands
CDS	: Central Depository System
CDS Account	: The account established by MCD for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor
CEO	: Chief Executive Officer
Closing Date	: The last date on which the Offer Shares will be available for application by Malaysian citizens, companies, co-operatives, societies and institutions, to be fixed by the Company together with the Managing Underwriter
CRC	: Cold rolled steel sheets in coils
Dato' Zulkifly	: Dato' Zulkifly @ Sofi bin Haji Mustapha
EI	: Exceptional items
EPS	: Earnings Per Share
FIC	: Foreign Investment Committee
FYE	: Financial Year End
GDP	: Gross Domestic Product
HRC	: Hot rolled steel sheets in coils
Iternum	: Iternum Melewar Sdn Bhd (Company no. 143124-A)
Khyra	: Khyra Sdn Bhd (Company no. 485361-K)
Listing	: The admission and the listing of and quotation for the entire enlarged issued and paid-up share capital of MSB of RM179,000,000 comprising 179,000,000 Shares on the Official List of the Main Board of Bursa Malaysia
Listing Requirements	: Listing Requirements of Bursa Malaysia

DEFINITIONS

MAA	: Malaysian Assurance Alliance Berhad (Company no. 8029-A)
Market Day	: Any day on which Bursa Malaysia is open for the trading of securities
Marubeni	: Marubeni-Itochu Steel Inc
MCD	: Malaysian Central Depository Sdn Bhd (Company no. 165570-W)
MEBL	: Melewar Equities (BVI) Limited (Company no. 95686)
Megasteel	: Megasteel Sdn Bhd
MESB	: Melewar Equities Sdn Bhd (Company no. 89787-X)
MGB	: Melewar Group Berhad (Company no. 303859-M)
MI	: Minority Interest
MIG	: Melewar Industrial Group Berhad (<i>formerly known as Maruichi Malaysia Steel Tube Berhad</i>) (Company no. 8444-W)
MISIF	: Malaysian Iron and Steel Industry Federation
MITI	: Ministry of International Trade and Industry
MKSB	: Melewar Khyra Sdn Bhd (Company no. 49841-V)
MRB	: Material Review Board
MSB Group	: Mycron Steel Berhad and its wholly owned subsidiary, MSCRC
MSB or the Company	: Mycron Steel Berhad (Company no. 622819-D)
MSCRC	: Mycron Steel CRC Sdn Bhd (<i>formerly known as Cold Rolling Industry (Malaysia) Sdn Bhd</i>) (Company no. 177492-W)
MSCRC Acquisition	: The acquisition by MSB of 60,000,000 Shares in MSCRC representing 100% of its issued and paid up share capital from MIG for a consideration of RM134,061,998, to be satisfied by the issuance of 134,061,998 new Shares in MSB issued at par
MSTL	: Maruichi Steel Tube Limited (Company no. MSTL)
NAV	: Net Asset Value
NBV	: Net Book Value
NDP	: National Development Policy
NKK	: NKK Trading Inc
NTA	: Net Tangible Assets
Offer Price	: The offer price of RM1.40 per Offer Share
Offer Shares	: The 44,938,000 new Shares in MSB to be issued pursuant to the Public Offer
Ornasteel	: Ornasteel Enterprise Corporation (M) Sdn Bhd (Company no. 228899-P)

DEFINITIONS

OSK	: OSK Securities Berhad (Company no. 14152-V)
PAT	: Profit After Tax
PATMI	: Profit After Tax and Minority Interest
PBT	: Profit Before Tax
PE Multiple	: Price-Earnings Multiple
PIN	: Personal Identification Number
Prescribed Security	: The securities of a company that are prescribed by Bursa Malaysia to be deposited in the CDS
Promoter	: MIG
Public Offer	: The public offer of 44,938,000 new Shares in MSB at the Offer Price payable in full on application comprising: <ul style="list-style-type: none"> • 4,833,000 new MSB Shares made available for application by bumiputera investors approved by the MITI; • 8,950,000 new MSB Shares made available for application by Malaysian citizens, companies, societies, co-operatives and institutions; • 11,052,000 new MSB Shares made available for application by the eligible Directors and employees of the MSB Group, the business associates of the MSB Group, the eligible Directors and employees of the MIG Group as well as the business associates of the MIG Group; and • 20,103,000 new MSB Shares by way of private placement to identified investors <p>in conjunction with the listing of and quotation for the entire enlarged issued and paid-up ordinary share capital of MSB on the Main Board of Bursa Malaysia</p>
RM and sen	: Malaysian Ringgit and sen respectively
ROC	: Registrar of Companies
Rules	: Rules of MCD
SC	: Securities Commission
Shares	: Ordinary shares of RM1.00 each
SPA	: Sale and Purchase Agreement
Tunku Iskandar	: Y.M. Tunku Dato' Seri Iskandar bin Tunku Abdullah
Tunku Ya'acob	: Y.M. Tunku Dato' Ya'acob bin Tunku Abdullah
USD	: United States Dollar

DEFINITIONS

In this Prospectus, words denoting the singular shall include the plural number and vice versa, words denoting any gender shall include all genders, words denoting persons shall include natural persons, firms, companies, bodies corporate and unincorporated bodies, and a reference to a section is a reference to the relevant section of this Prospectus.

Unless otherwise indicated, any reference in this Prospectus to any legislation, statute or statutory provision is a reference to that legislation, statute or statutory provision for the time being, as amended or re-enacted, and to any repealed legislation, statute or statutory provision which it re-enacts (with or without modification).

Any reference to a time or day in this Prospectus shall be a reference to that time or day in Malaysia, unless otherwise stated.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	INFORMATION SUMMARY	
2.1	HISTORY, BACKGROUND AND PRINCIPAL ACTIVITIES.....	4
2.2	OWNERSHIP AND MANAGEMENT	4
2.3	PRODUCTS AND SERVICES	6
2.4	RESEARCH AND DEVELOPMENT.....	6
2.5	PROFORMA CONSOLIDATED INCOME STATEMENTS OF THE MSB GROUP.....	6
2.6	PROFORMA CONSOLIDATED BALANCE SHEETS OF THE MSB GROUP AS AT 31 JANUARY 2004.....	7
2.7	RISK FACTORS	8
2.8	PRINCIPAL STATISTICS RELATING TO THE PUBLIC OFFER	9
2.9	PROCEEDS OF THE PUBLIC OFFER AND UTILISATION	10
2.10	PROFIT AND DIVIDEND FORECAST.....	10
2.11	WORKING CAPITAL, BORROWINGS, MATERIAL LITIGATION, MATERIAL COMMITMENT AND CONTINGENT LIABILITIES	11
3.	DETAILS OF THE PUBLIC OFFER	
3.1	INTRODUCTION.....	13
3.2	OPENING AND CLOSING OF PUBLIC OFFER	14
3.3	INDICATIVE TIMETABLE.....	14
3.4	SHARE CAPITAL AND RIGHTS ATTACHING TO THE OFFER SHARES	15
3.5	PURPOSE OF THE PUBLIC OFFER	15
3.6	BASIS OF ARRIVING AT THE OFFER PRICE.....	16
3.7	ALLOCATION OF THE OFFER SHARES.....	16
3.8	ALLOCATION OF THE OFFER SHARES TO THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF THE MSB AND MIG GROUP.....	17
3.9	BROKERAGE AND UNDERWRITING EXPENSES	18
3.10	SALIENT TERMS OF THE UNDERWRITING AGREEMENT	19
3.11	PROCEEDS FROM THE PUBLIC OFFER AND UTILISATION.....	20
3.12	ESTIMATED LISTING EXPENSES.....	21
3.13	APPROVALS AND CONDITIONS FROM AUTHORITIES	22
4.	RISK FACTORS	
4.1	NO PRIOR MARKET FOR MSB SHARES	25
4.2	CAPITAL MARKET RISKS.....	25
4.3	BUSINESS RISKS	25
4.4	ECONOMIC AND POLITICAL CONSIDERATIONS.....	25
4.5	DEPENDENCE ON THE MANUFACTURING SECTOR	26
4.6	COMPETITION.....	26
4.7	IMPACT OF AFTA.....	26
4.8	DEPENDENCE ON KEY PERSONNEL.....	27
4.9	FUTURE CAPITAL INJECTIONS.....	27
4.10	INVESTMENT RISKS	27
4.11	CONTINUED CONTROL BY EXISTING SHAREHOLDERS.....	28
4.12	RELATED PARTY TRANSACTIONS.....	28
4.13	LITIGATION RISKS	28
4.14	PRODUCTION RISKS	28
4.15	UNDERWRITING RISKS	29
4.16	RELIANCE ON MAJOR RELATIONSHIPS	29
4.17	FORWARD LOOKING STATEMENTS.....	29
4.18	BORROWING RISK.....	30
4.19	FOREIGN EXCHANGE RISK	30
4.20	CHANGES IN GOVERNMENT REGULATIONS	30
4.21	ADEQUACY OF INSURANCE COVERAGE ON THE GROUP'S ASSETS	31
4.22	ENVIRONMENTAL CONCERNS.....	31

TABLE OF CONTENTS

5.	INFORMATION ON THE MSB GROUP	
5.1	INFORMATION ON MSB	32
5.2	SHARE CAPITAL	33
5.3	SUBSIDIARY AND ASSOCIATED COMPANIES	33
5.4	INFORMATION ON SUBSIDIARY COMPANY	33
5.5	RESTRUCTURING EXERCISE	34
5.6	APPROVALS, LICENSES AND PERMITS	36
5.7	LANDED PROPERTIES	37
6.	INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL	
6.1	PROMOTER AND SUBSTANTIAL SHAREHOLDERS	39
6.2	DIRECTORS	43
6.3	AUDIT COMMITTEE	51
6.4	KEY MANAGEMENT AND TECHNICAL PERSONNEL	51
6.5	FAMILY RELATIONSHIPS AND ASSOCIATIONS	54
7.	BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP	
7.1	PRODUCTS, SERVICES AND OPERATIONS	55
7.2	COMPETITIVE ADVANTAGES	61
7.3	MODES OF MARKETING	62
7.4	LOCATION OF OPERATIONS	62
7.5	RESEARCH AND DEVELOPMENT	62
7.6	MAJOR CUSTOMERS	63
7.7	MAJOR SUPPLIERS	63
7.8	EMPLOYEES	64
7.9	INTERRUPTIONS TO BUSINESS DURING THE PAST 12 MONTHS	65
7.10	ENVIRONMENTAL CONCERNS	65
7.11	RISK MANAGEMENT PLANS	65
8.	INDUSTRY OVERVIEW AND OUTLOOK	
8.1	OVERVIEW AND OUTLOOK OF THE MALAYSIAN ECONOMY	66
8.2	OVERVIEW OF THE MALAYSIAN STEEL INDUSTRY	67
8.3	OUTLOOK FOR THE MALAYSIAN STEEL INDUSTRY	70
8.4	OVERVIEW AND OUTLOOK OF THE MALAYSIAN MANUFACTURING INDUSTRY	70
8.5	GOVERNMENT LEGISLATION AND POLICIES	71
8.6	THE INDUSTRY'S RELIANCE ON IMPORTS	72
8.7	FUTURE PLANS AND STRATEGIES OF THE MSB GROUP	72
9.	CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS	
9.1	DECLARATION BY ADVISERS	73
9.2	RELATED PARTY TRANSACTIONS WITH DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	73
9.3	INTERESTS IN A SIMILAR TRADE	76
9.4	INTERESTS IN MATERIAL ASSETS ACQUIRED, DISPOSED OF OR LEASED	76
10.	FINANCIAL INFORMATION	
10.1	PROFORMA CONSOLIDATED INCOME STATEMENTS OF THE MSB GROUP	77
10.2	WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENT AND MATERIAL LITIGATION	79
10.3	CONSOLIDATED PROFIT FORECAST	80
10.4	REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST	83
10.5	CONSOLIDATED CASH FLOW FORECAST	88
10.6	REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED CASHFLOW FORECAST	90

TABLE OF CONTENTS

10.7	DIVIDEND FORECAST AND POLICY	94
10.8	SENSITIVITY ANALYSIS	94
10.9	PROFORMA CONSOLIDATED BALANCE SHEETS.....	96
10.10	ADDITIONAL DISCLOSURE ON TRADE DEBTORS	97
10.11	REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEET.....	98
11.	ACCOUNTANTS' REPORT.....	102
12.	VALUATION CERTIFICATE.....	139
13.	DIRECTORS' REPORT.....	142
14.	STATUTORY AND GENERAL INFORMATION	
14.1	SHARE CAPITAL	143
14.2	ARTICLES OF ASSOCIATION.....	143
14.3	DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	148
14.4	GENERAL	148
14.5	EXPENSES	149
14.6	MATERIAL LITIGATION.....	149
14.7	MATERIAL CONTRACTS	150
14.8	MATERIAL AGREEMENTS.....	150
14.9	MATERIAL COMMITMENT AND CONTINGENT LIABILITIES.....	150
14.10	INSURANCE POLICIES.....	151
14.11	PUBLIC TAKE-OVERS	151
14.12	CONSENTS	151
14.13	DOCUMENTS FOR INSPECTION.....	152
14.14	RESPONSIBILITY STATEMENTS.....	152
15.	PROCEDURE FOR APPLICATION AND ACCEPTANCE	
15.1	OPENING AND CLOSING OF PUBLIC OFFER	153
15.2	METHODS OF APPLICATION	153
15.3	GENERAL CONDITIONS FOR APPLICATIONS.....	153
15.4	APPLICATION USING APPLICATION FORMS	154
15.5	APPLICATION USING ELECTRONIC SHARE APPLICATION.....	157
15.6	APPLICATIONS AND ACCEPTANCES	162
15.7	CDS ACCOUNTS	163
15.8	NOTICE OF ALLOTMENT	163
15.9	LIST OF AUTHORISED DEPOSITORY AGENTS.....	164

1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Y. M. Tunku Dato' Seri Iskandar bin Tunku Abdullah (Chairman)	No. 18, Jalan 12 Taman Tun Abdul Razak 68000 Ampang Kuala Lumpur	Company Director	Malaysian
Y. M. Tunku Dato' Ya'acob bin Tunku Abdullah (Non-Independent Non- Executive Director)	10, Changkat Semantan 2 Semantan Villas Damansara Heights 50490 Kuala Lumpur	Company Director	Malaysian
Azlan bin Abdullah (Chief Executive Officer)	51, Lorong 16/9E 46350 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dato' Zulkifly @ Sofi bin Haji Mustapha (Non-Independent Non- Executive Director)	No. 12, Jalan 5/35 46000 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Lim Kim Chuan (Non-Independent Non- Executive Director)	A-23-8, Vista Kiara Jalan 1/61A Bukit Kiara 50480 Kuala Lumpur	Company Director	Malaysian
Chan Sang Whye (Chief Operating Officer)	30, Jalan USJ 5/1F UEP Subang Jaya 47610 Subang Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dato' Abu Talib bin Mohamed (Independent Non-Executive Director)	No. 21, Jalan 16/6 46350 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dato' Narendrakumar Jasani a/l Chunilal Rugnath (Independent Non-Executive Director)	No. 17, Lorong Kemaris 4 Bukit Bandaraya Bangsar 59100 Kuala Lumpur	Company Director	Malaysian
Chan Wan Siew (Independent Non-Executive Director)	55, Jalan SS20/13 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian

1. CORPORATE DIRECTORY

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Narendrakumar Jasani a/l Chunilal Rugnath	Chairman	Independent Non-Executive Director
Chan Wan Siew	Member	Independent Non-Executive Director
Dato' Zulkifly @ Sofi bin Haji Mustapha	Member	Non-Independent Non-Executive Director

COMPANY SECRETARIES

- : Lily Yin Kam May (F) (MAICSA 0878038)
 No. 31 Jalan USJ 5/1J
 Subang UEP
 47600 Petaling Jaya
 Selangor Darul Ehsan
- Wong Yeap Min (MIA 2725)
 No 7 Lengkok Zaaba Dua
 Taman Tun Dr. Ismail
 60000 Kuala Lumpur

REGISTERED OFFICE

- : Suite 20.03, 20th Floor, Menara MAA
 No. 12, Jalan Dewan Bahasa
 50460 Kuala Lumpur
 Tel : 03-2141 3060
 Fax : 03-2141 3061

HEAD OFFICE

- : Lot 717, Jalan Sungai Rasau
 40200 Shah Alam
 Selangor Darul Ehsan
 Tel: 03-5510 6608
 Fax: 03-5510 3720
 E-mail: enquiry@mycronsteel.com
 Website: www.mycronsteel.com

SHARE REGISTRAR AND TRANSFER OFFICE

- : Trace Management Services Sdn Bhd (Company no. 48646-M)
 Suite 20.03, 20th Floor, Menara MAA
 No. 12, Jalan Dewan Bahasa
 50460 Kuala Lumpur
 Tel: 03-2141 3060

PRINCIPAL BANKERS (in alphabetical order)

- : DBS Bank Ltd, Labuan Branch (Company no. 940031-C)
 Level 12(E) Main Office Tower
 Financial Park Labuan
 Jalan Merdeka
 87000 F.T. Labuan
 Tel : 6087-423 375

Malayan Banking Berhad (Company no. 3813-K)
 Menara Maybank
 100 Jalan Tun Perak
 50050 Kuala Lumpur
 Tel : 03-2070 8833

1. CORPORATE DIRECTORY

- OCBC Bank (Malaysia) Berhad (Company no. 295400-W)
19 Jalan Stesen
41000 Klang
Selangor Darul Ehsan
Tel : 03-3371 1885 / 03-3371 3069
- AUDITORS** : PricewaterhouseCoopers (AF 1146)
Wisma Sime Darby
11th Floor
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 03-2693 1077
- REPORTING ACCOUNTANTS** : Moores Rowland (AF 0539)
Wisma Selangor Dredging
7th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2161 5222
- SOLICITORS FOR THE LISTING EXERCISE** : Cheang & Ariff
39 Court
39, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2161 0803
- VALUER** : Azmi & Co. Sdn Bhd (Company no. 77155-D)
B9, Jalan Ampang Utama 2/2
One Ampang Avenue
68000 Ampang
Selangor Darul Ehsan
Tel: 03-4256 6666
- ADVISER, MANAGING UNDERWRITER AND PLACEMENT AGENT** : OSK Securities Berhad (Company no. 14152-V)
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2162 4388
- UNDERWRITERS** : OSK Securities Berhad (Company no. 14152-V)
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2162 4388
- MIDF Sisma Securities Sdn Bhd (Company no. 423833-U)
17th and 18th Floor, Empire Tower
182, Jalan Ampang
50400 Kuala Lumpur
Tel: 03-2166 8888
- ISSUING HOUSE** : MIDF Consultancy and Corporate Services Sdn Bhd
(Company no. 11324-H)
12th Floor, MIDF Building
195A, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2161 3355
- LISTING SOUGHT** : Main Board of Bursa Malaysia

2. INFORMATION SUMMARY

This section is only a summary of the salient information about the MSB Group and is derived from the full text of this Prospectus. Investors should read and understand the whole Prospectus prior to deciding whether to invest in the Offer Shares of MSB.

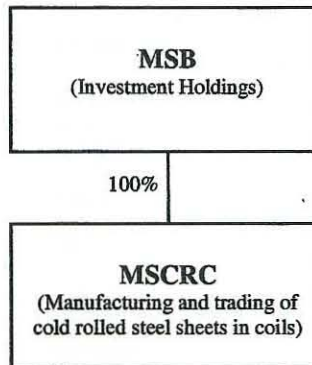
2.1 HISTORY, BACKGROUND AND PRINCIPAL ACTIVITIES

MSB was incorporated in Malaysia under the Act on 24 July 2003 as a public limited company. MSB's principal activity is investment holding.

Its wholly owned subsidiary, MSCRC, was incorporated in Malaysia under the Act on 6 January 1989 and commenced production in June 1990. MSCRC is the first CRC manufacturer in Malaysia and operates from its cold rolling mill factory located on an 18 acre site located in Shah Alam, Selangor Darul Ehsan.

Further information on the history and business of the MSB Group is set out in Section 5.1 of this Prospectus.

The corporate group structure of the MSB Group is set out below:



2.2 OWNERSHIP AND MANAGEMENT

Based on the Register of Members and Directors' Shareholdings of MSB as at 12 May 2004, being the last practicable date prior to the printing of this Prospectus, the direct and indirect interests of the Promoter, substantial shareholders, Directors and key management and technical personnel of the MSB Group in the issued and paid-up share capital of MSB after the Public Offer are as follows:

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

2. INFORMATION SUMMARY

	Nationality/ Place of Incorporation	<----- After Public Offer ----->			
		<-----Direct----->		<-----Indirect----->	
		Number of Shares	Percentage of enlarged share capital %	Number of Shares	Percentage of enlarged share capital %
<u>Promoter and Substantial Shareholder</u>					
MIG	Malaysia	93,818,566	52.4	-	-
<u>Substantial Shareholders*</u>					
MESB	Malaysia	-	-	93,818,566 ^(a)	52.4
Iternum	Malaysia	-	-	93,818,566 ^(b)	52.4
Khyra	Malaysia	-	-	93,818,566 ^(b)	52.4
MGB	Malaysia	-	-	93,818,566 ^(c)	52.4
MEBL	BVI	-	-	93,818,566 ^(d)	52.4
Tunku Ya'acob	Malaysian	500,000	0.3	93,818,566 ^(e)	52.4
Tunku Iskandar	Malaysian	-	-	94,318,566 ^(f)	52.7
Dato' Zulkifly	Malaysian	-	-	94,318,566 ^(f)	52.7
<u>Directors*</u>					
Tunku Ya'acob	Malaysian	500,000	0.3	93,818,566 ^(e)	52.4
Tunku Iskandar	Malaysian	-	-	94,318,566 ^(f)	52.7
Dato' Zulkifly	Malaysian	-	-	94,318,566 ^(f)	52.7
Azlan bin Abdullah	Malaysian	350,000	0.2	-	-
Lim Kim Chuan	Malaysian	350,000	0.2	-	-
Chan Sang Whye	Malaysian	250,000	0.1	-	-
Dato' Abu Talib bin Mohamed	Malaysian	-	-	-	-
Dato' Narendrakumar		-	-	-	-
Jasani a/l Chunilal Rugnath	Malaysian	-	-	-	-
Chan Wan Siew	Malaysian	-	-	-	-
<u>Key Management and Technical Personnel*</u>					
Kevin Kok	Malaysian	120,000	0.07	-	-
Tan Kong Hooi	Malaysian	80,000	0.04	-	-
Lee Choo Kuang	Malaysian	80,000	0.04	-	-
Chin Kok Kheong	Malaysian	80,000	0.04	-	-
Chok Sai Khow	Malaysian	80,000	0.04	-	-
Musa bin Wakiman	Malaysian	80,000	0.04	-	-

Notes:-

- (a) Deemed interested by virtue of its substantial shareholdings in MEBL
(b) Deemed interested by virtue of its substantial shareholdings in MESB
(c) Deemed interested by virtue of its substantial shareholdings in Iternum
(d) Deemed interested by virtue of its substantial shareholdings in MIG
(e) Deemed interested by virtue of his substantial shareholdings in Iternum and Khyra
(f) Deemed interested by virtue of their family relationship with Tunku Ya'acob

* Includes the 11,052,000 new MSB Shares which will be made available for application by the eligible Directors and employees of the MSB Group, the business associates of the MSB Group, the eligible Directors and employees of the MIG Group as well as the business associates of the MIG Group, on the assumption that they will subscribe in full to the MSB Shares allocated to them. Please refer to Section 3.8 of this Prospectus for further details.

Details of the Promoter, substantial shareholders, Directors, key management and technical personnel of the MSB Group and their direct and indirect interests in the issued and paid-up share capital of the MSB Group are set out in Section 6 of this Prospectus.

2. INFORMATION SUMMARY

2.3 PRODUCTS AND SERVICES

The MSB Group produces high grade CRC, which are available in various specifications, including different material specifications, surface finish, oiling requirement, flatness and hardness. The CRC is also available in three (3) different qualities depending on the intended usage. These include commercial quality, drawing quality and deep drawing quality CRC. Further information on the products and services of the MSB Group is set out in **Section 7.1** of this Prospectus.

2.4 RESEARCH AND DEVELOPMENT

The MSB Group does not have a formal research and development division for the manufacturing of its CRC as the product is generic and the nature of its products has not changed over the years. However, the MSB Group, in collaboration with its customers, develops, improves and refines its products in order to ensure continuous product development as well as to identify new applications for CRC. Further, the MSB Group regularly monitors developments in the global and local steel industry, including the development of new innovations and other technology that is useful to the Group.

2.5 PROFORMA CONSOLIDATED INCOME STATEMENTS OF THE MSB GROUP

The following table sets out a summary of the proforma consolidated income statements of the MSB Group for the past five (5) FYE 31 January 2004. The proforma consolidated income statements is presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in **Section 11** of this Prospectus.

	----- FYE 31 January # -----				
	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000
Gross Revenue	197,927	181,724	160,194	201,085	269,577
Less:					
Cost of sales * Note 1	<u>156,628</u>	<u>147,455</u>	<u>139,155</u>	<u>162,744</u>	<u>231,978</u>
Gross profit	41,299	34,269	21,039	38,341	37,599
Add:					
Other operating income	<u>284</u>	<u>286</u>	<u>1,538</u>	<u>1,226</u>	<u>796</u>
	41,583	34,555	22,577	39,567	38,395
Less:					
Selling and distribution expenses	3,435	3,198	2,588	2,682	1,894
General and administrative expenses * Note 1	1,281	1,301	936	2,991	1,956
Finance costs	52	-	-	-	1,896
	<u>4,768</u>	<u>4,499</u>	<u>3,524</u>	<u>5,673</u>	<u>5,746</u>
PBT	36,815	30,056	19,053	33,894	32,649
Tax (expense)/income	(30)	(63)	18,556	(9,949)	(9,079)
PAT	<u>36,785</u>	<u>29,993</u>	<u>37,609</u>	<u>23,945</u>	<u>23,570</u>
Gross EPS (RM)	0.27	0.22	0.14	0.25	0.24
Net EPS (basic) (RM)	0.27	0.22	0.28	0.18	0.18
Net EPS (fully diluted) (RM)	0.21	0.17	0.21	0.13	0.13
* Note 1:					
Depreciation included under:					
- cost of sales	10,585	10,319	9,909	9,288	9,037
- general and administrative expenses	61	60	17	35	118
	<u>10,646</u>	<u>10,379</u>	<u>9,926</u>	<u>9,323</u>	<u>9,155</u>

2. INFORMATION SUMMARY

Note:

- # *The Group's proforma consolidated financial results were prepared based on the audited financial statements of MSCRC after making relevant adjustments that the Reporting Accountants considered necessary under the circumstances. (Please refer to the Accountant's Report set out in Section 11 of this Prospectus).*

The MSB Group did not report any extraordinary or exceptional items in its audited accounts for the periods under review.

The MSB Group's audited financial statements for the past five (5) financial years have not been subjected to any audit qualification. Detailed information on the proforma consolidated income statements of the MSB Group is set out in Section 11 of this Prospectus.

2.6 PROFORMA CONSOLIDATED BALANCE SHEETS OF THE MSB GROUP AS AT 31 JANUARY 2004

The following table sets out a summary of the proforma consolidated balance sheets of the MSB Group as at 31 January 2004, for illustrative purposes only, to show the effects of the MSCRC Acquisition and the Public Offer, on the assumption that the Listing will be completed on 31 January 2004 and should be read with the notes and assumptions to the proforma consolidated balance sheets of the MSB Group as set forth in Section 10.9 of this Prospectus.

	Audited as at 31 January 2004 RM'000	After MSCRC Acquisition RM'000	After MSCRC Acquisition and Public Offer RM'000
PROPERTY, PLANT AND EQUIPMENT	-	126,879	126,879
CURRENT ASSETS			
Inventories	-	46,542	46,542
Trade and other receivables	-	33,114	33,114
Amount owing by holding company	-	2,959	2,959
Amount owing by related company		726	726
Time deposits	-	1,400	1,400
Cash and bank balances	*	5,504	40,417
Less:	-	90,245	125,158
CURRENT LIABILITIES			
Trade and other payables	6	6,806	6,806
Amount owing to holding company	-	11,500	11,500
Bank borrowing		61,589	36,589
Tax payable	-	27	27
	6	79,922	54,922
NET CURRENT (LIABILITIES) / ASSETS	(6)	10,323	70,236
	(6)	137,202	197,115
Financed by:			
SHARE CAPITAL	*	134,062	179,000
SHARE PREMIUM	-	-	14,975
(ACCUMULATED LOSS) /	(6)	2,133	2,133
UNAPPROPRIATED PROFIT			
SHAREHOLDERS' EQUITY	(6)	136,195	196,108
DEFERRED TAX LIABILITY	-	1,007	1,007
	(6)	137,202	197,115
NTA per share (RM)	(3,000)	1.02	1.10

2. INFORMATION SUMMARY

Note:-

* *Represents the issued and paid-up share capital of 2 Shares*

2.7 RISK FACTORS

Prospective investors, prior to making an investment in the Offer Shares, should carefully consider the risk factors inherent in and affecting the business of the MSB Group in addition to the other information contained elsewhere in this Prospectus.

The key risk factors (which may not be exhaustive) that may affect the MSB Group's future financial performance are (but are not limited to) financial risks, market risks and industry risks, and include the following:

- (i) No prior market for MSB Shares
- (ii) Capital market risks
- (iii) Business risks
- (iv) Economic and political considerations
- (v) Dependence on the manufacturing sector
- (vi) Competition
- (vii) Impact of AFTA
- (viii) Dependence on key personnel
- (ix) Future capital injections
- (x) Investment risks
- (xi) Continued control by existing shareholders
- (xii) Related party transactions
- (xiii) Litigation risks
- (xiv) Production risks
- (xv) Underwriting risks
- (xvi) Reliance on major relationships
- (xvii) Forward looking statements
- (xviii) Borrowing risk
- (xix) Foreign exchange risk
- (xx) Changes in government regulations
- (xxi) Adequacy of insurance coverage on the Group's assets
- (xxii) Environmental concerns

For details on these risk factors, please refer to **Section 4** of this Prospectus.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

2. INFORMATION SUMMARY

2.8 PRINCIPAL STATISTICS RELATING TO THE PUBLIC OFFER

The following statistics relating to the Public Offer are derived from the full text of this Prospectus and should be read in conjunction with that text:

2.8.1 Share Capital

	RM
<i>Authorised</i>	
Divided into 500,000,000 Shares	<u>500,000,000</u>
<i>Issued and fully-paid up share capital as at the date of this Prospectus</i>	
134,062,000 Shares	134,062,000
<i>To be issued pursuant to the Public Offer</i>	
44,938,000 Shares	<u>44,938,000</u>
<i>Enlarged issued and fully paid-up share capital</i>	
179,000,000 Shares	<u>179,000,000</u>

2.8.2 Classes of Shares and Ranking

There is only one (1) class of shares in MSB, being ordinary shares of RM1.00 each. The Offer Shares will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of MSB at the time of issue, including voting rights, and will be entitled to all rights and dividends and distribution that may be declared subsequent to the date of this Prospectus.

2.8.3 Offer Price

The Offer Price for each Offer Share (RM) 1.40

2.8.4 Market Capitalisation

Market capitalisation of MSB upon Listing, based on the offer price of RM1.40 per Offer Share 250,600,000

2.8.5 Proforma Consolidated NTA as at 31 January 2004

Proforma consolidated NTA (RM'000)	196,108
Proforma consolidated NTA per Share (RM)	1.10
Premium of Offer Price over proforma consolidated NTA per Share (RM)	0.30

Details of the proforma consolidated balance sheets of the MSB Group are set out in Section 10.9 of this Prospectus.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

2. INFORMATION SUMMARY

2.9 PROCEEDS OF THE PUBLIC OFFER AND UTILISATION

The total gross proceeds from the Public Offer of RM62.913 million is expected to be fully utilised for the core business of the Group within 12 months from the date of listing.

The total gross proceeds from the Public Offer is expected to be utilised for the following purposes:

Purpose	Note	RM'000	Expected Time Frame for Utilisation of Proceeds
Repayment of bank borrowings	(i)	25,000	Within 12 months after Listing
Estimated listing expenses		3,000	Within one (1) month after Listing
Working capital	(ii)	34,913	Within 12 months after Listing
		<u>62,913</u>	

Notes:

(i) *Repayment of bank borrowings*

As at 30 April 2004, the MSB Group's total borrowings, used for working capital purposes, amounted to approximately RM65.5 million. Approximately RM25.0 million of the proceeds raised from the Public Offer will be utilised to retire MSCRC's bank borrowings. The proposed retirement of bank borrowings amounting to RM25.0 million represents approximately 38.2% of the MSB Group's total borrowings as at 30 April 2004. Based on the current prevailing interest rate applicable to the MSB Group's borrowings of approximately 6.5% per annum, the repayment is expected to contribute an interest saving of approximately RM1.63 million to the MSB Group per annum.

(ii) *Working capital*

Approximately RM34.913 million of the proceeds from the Public Offer which is earmarked for working capital will be used partly to retire MSCRC's trust receipts and/ or bankers acceptance which are used to purchase raw materials. As at 30 April 2004, the MSCRC's total revolving credit and/or bankers acceptance amounted to approximately RM65.5 million.

Detailed information on the utilisation of proceeds is set out in **Section 3.11** of this Prospectus.

2.10 PROFIT AND DIVIDEND FORECAST

The following sets out a summary of the profit and dividend forecast for the financial year ending 31 January 2005 and should be read in conjunction with the accompanying notes included in the profit and dividend forecast in **Sections 10.3** and **10.7** of this Prospectus.

	FYE 31 January 2005 RM'000
Revenue	<u>307,360</u>
PBT	35,103
Less: Taxation	<u>(10,000)</u>
PAT	25,103
Less: Pre-Acquisition profit	<u>4,015</u>
Net Profit	<u>21,088</u>
Enlarged issued and paid-up share capital	179,000

2. INFORMATION SUMMARY

Weighted average number of shares	141,677
Gross EPS (sen) ^	24.8
Net EPS before pre-acquisition profit (sen) ^	17.7
Net EPS after pre-acquisition profit (sen) ^	14.9
Gross PE multiple ^	5.65
Net PE multiple before pre-acquisition profit ^	7.91
Net PE multiple after pre-acquisition profit ^	9.40
Gross dividend	7.0%
Dividend yield *	5.0%
Net dividend cover # (times)	1.68

Notes:

- ^ *EPS figures and PE multiples are calculated based on the weighted average number of shares*
 * *Based on the offer price of RM1.40*
 # *Based on the forecast net profit attributable to shareholders for FYE 2005 of RM21,088,000*

2.11 WORKING CAPITAL, BORROWINGS, MATERIAL LITIGATION, MATERIAL COMMITMENT AND CONTINGENT LIABILITIES

2.11.1 Working Capital

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Directors of MSB are of the opinion that, after taking into account the forecast consolidated cash flows, banking facilities available and the gross proceeds from the Public Offer, the MSB Group will have sufficient working capital for a period of 12 months from the date of this Prospectus.

2.11.2 Borrowings

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Group's total borrowings amounted to the following:

	As at 31 January 2004 (Audited) RM'000	As at 30 April 2004 (Unaudited) RM'000
Short term		
Interest bearing	61,589	65,499
Long term		
Interest bearing	-	-
	<hr/>	<hr/>
	61,589	65,499

The MSB Group has not defaulted on payments of either interest and/or principal sums in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof up to 30 April 2004 being the last practicable date prior to the printing of this Prospectus.

2. INFORMATION SUMMARY

2.11.3 Material Litigation

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the MSB Group is not engaged in any litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the MSB Group, and the Directors of MSB are not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of the MSB Group.

2.11.4 Material Commitment

Save as disclosed in **Section 9.4**, as at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Directors of MSB are not aware of any material commitment contracted or known to be contracted by the MSB Group which, upon becoming enforceable, may have a material impact on the financial position of the MSB Group.

2.11.5 Contingent Liabilities

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Directors of MSB are not aware of any contingent liabilities incurred by the MSB Group which, upon becoming enforceable, may have a material impact on the financial position of the MSB Group.

Please refer to **Section 10.2** of this Prospectus for detailed discussions of the above.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

3. DETAILS OF THE PUBLIC OFFER

3.1 INTRODUCTION

This Prospectus is dated 25 May 2004.

A copy of the Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the ROC who takes no responsibility for its contents.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, Bursa Malaysia has prescribed MSB shares as a Prescribed Security. In consequence thereof, the Offer Shares offered through this Prospectus will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the Securities Industry (Central Depositories) Act 1991 and the Rules of MCD. No share certificates will be issued to successful applicants.

On 29 December 2003, approval was obtained from the SC in respect of the listing of MSB on the Main Board of Bursa Malaysia. The approval of the SC shall not be taken to indicate that the SC recommends the Public Offer. Investors should rely on their own evaluation to assess the merits and risks of any investment in the Company.

An application will be made to Bursa Malaysia for the admission to the Official List of the Main Board of Bursa Malaysia and for permission to deal in and the listing of and quotation for the entire issued and fully paid-up Shares of the Company, including the Offer Shares, which are the subject of this Prospectus. Any allotment and allocation made on an application to subscribe for securities pursuant to this Prospectus shall be void if the permission is not applied for in the form for the time being required by the exchange before the third day on which the exchange is open after the date of the issue of the Prospectus or the permission is not granted before the expiration of six (6) weeks from the date of issue of the Prospectus or such longer period as may be specified by the SC, provided that the applicant is notified by or on behalf of Bursa Malaysia within the six (6) weeks or such longer period as may be specified by the SC. These Shares will be admitted to the Official List of the Main Board of Bursa Malaysia and official quotation will commence after receipt of confirmation from the MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been dispatched to all successful applicants.

Pursuant to the Listing Requirements of Bursa Malaysia, MSB needs to have at least 25% of the issued and paid-up share capital in the hands of public shareholders and a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon admission to the Main Board of Bursa Malaysia. MSB is expected to achieve this at the point of Listing. However, in the event that this requirement is not met pursuant to the Public Offer, MSB may not be allowed to proceed with the Listing. In the event therefore, monies paid in respect of all applications will be returned in full without interest.

Persons submitting applications by way of Application Forms or by way of Electronic Share Applications must have a CDS Account. In the case of an application by way of Application Form, an application should state his CDS Account number in the space provided in the Application Form. In the case of an application by Electronic Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application and the applicant shall furnish his CDS Account number to the Participating Financial Institution by way of keying his CDS Account if the instructions on the ATM screen at which he/she enters his Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the Offer Shares by way of Electronic Share Application.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Offer and if given or made, such information or representation must not be relied upon as having been authorised by MSB and/or OSK. Neither the delivery of this Prospectus nor any Public Offer made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the MSB Group since the date hereof.

3. DETAILS OF THE PUBLIC OFFER

The distribution of this Prospectus and the sale of the Offer Shares are subject to Malaysian law and MSB and OSK take no responsibility for the distribution of this Prospectus and/or offer or sale of the Offer Shares outside Malaysia which may be restricted by law in other jurisdictions. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any Offer Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

The SC and Bursa Malaysia assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the Official List of the Main Board of Bursa Malaysia is not to be taken as an indication of the merits of MSB or of its Shares.

If you are in any doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or any other professional adviser immediately.

3.2 OPENING AND CLOSING OF PUBLIC OFFER

Applications will be accepted from 10.00 a.m. on 25 May 2004 and will close at 5.00 p.m. on 4 June 2004 or for such later period or periods as the Directors of MSB and the Managing Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted.

3.3 INDICATIVE TIMETABLE

The indicative timing of events leading up to the Listing is set out below:

Event	Tentative Dates
Issuance of the Prospectus / Opening of the Public Offer	25 May 2004
Closing of the Public Offer	4 June 2004
Balloting of the applications	8 June 2004
Allotment of shares to successful applicants	18 June 2004
Listing and quotation	21 June 2004

The application for the Public Offer will close at the time and date stated, or at such later date or dates as the Directors of MSB and the Managing Underwriter may in their absolute discretion decide. Should the closing date of the application be extended, the dates for balloting, the despatch of notice of allotment and the listing of and quotation for the entire issued and paid-up share capital of MSB on the Main Board of Bursa Malaysia will be extended accordingly.

In the event the closing date of the application is extended the notice of the extension will be advertised in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia not less than three (3) market days before the original closing date of the application.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

3. DETAILS OF THE PUBLIC OFFER

3.4 SHARE CAPITAL AND RIGHTS ATTACHING TO THE OFFER SHARES

	RM
<i>Authorised</i>	
500,000,000 Shares	500,000,000
<i>Issued and fully-paid up share capital as at the date of this Prospectus</i>	
134,062,000 Shares	134,062,000
<i>To be issued pursuant to the Public Offer</i>	
44,938,000 Shares	44,938,000
<i>Enlarged issued and fully paid-up share capital</i>	
179,000,000 Shares	179,000,000

The offer price of RM1.40 per Offer Share is payable in full upon application.

Class of shares and ranking

There is only one (1) class of shares in MSB, namely ordinary shares of RM1.00 each. The Offer Shares, when issued, shall rank *pari passu* in all respects with the other then existing issued and paid-up ordinary shares of RM1.00 each in MSB, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of this Prospectus.

Subject to special rights attaching to any share which may be issued by MSB in the future, the shareholders of MSB shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by MSB as dividends and other distributions, and the whole of any surplus in the event of liquidation of MSB, such surplus to be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with MSB's articles of association.

Each shareholder shall be entitled to vote at any general meeting of MSB in person, by proxy or by attorney, and, on a show of hands, every person present who is a shareholder, or a representative, proxy or attorney of a shareholder, shall have one vote, and on a poll, every shareholder present in person, by proxy, by attorney or by duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member of MSB.

3.5 PURPOSE OF THE PUBLIC OFFER

The purposes of the Public Offer are as follows:

- (i) to obtain the listing of and quotation for the entire issued and paid-up capital of MSB on the Main Board of Bursa Malaysia;
- (ii) to provide the MSB Group with access to the capital market to raise funds for future expansion and growth;
- (iii) to enhance the stature of the MSB Group in the marketing of its products and services, and to retain, and attract new, skilled employees;
- (iv) to provide an opportunity for the Directors and employees of the MSB Group and MIG to participate in the equity growth of the Company; and
- (v) to enhance the MSB Group's profile in Malaysia.

3. DETAILS OF THE PUBLIC OFFER

3.6 BASIS OF ARRIVING AT THE OFFER PRICE

The Offer Price was determined and agreed upon by MSB and OSK, as the Adviser, Managing Underwriter and Placement Agent, after taking into consideration the following factors:

- (i) the forecast PAT before pre-acquisition profit for the financial year ending 31 January 2005 of approximately RM25,103,000. Based on the issued and paid-up share capital of MSB before the Public Offer of 134,062,000 Shares, the net EPS is RM0.19. The Offer Price of RM1.40 represents a net PE Multiple of approximately 7.4 times;
- (ii) the forecast PAT before pre-acquisition profit for the financial year ending 31 January 2005 of approximately RM25,103,000. Based on the enlarged issued and paid-up share capital of MSB after the Public Offer of 179,000,000 Shares, the net EPS is RM0.14. The Offer Price of RM1.40 represents a net PE Multiple of approximately 10.0 times;
- (iii) the proforma consolidated NTA per Share of RM1.10 based on the audited accounts of MSB as at 31 January 2004. The Offer Price represents a premium of RM0.30 per Share or 27.2% above the proforma consolidated NTA per Share;
- (iv) the MSB Group's operating and financial history and conditions as outlined in Section 10 of the Prospectus;
- (v) the prospects of the MSB Group and the industry as outlined in Section 8 of the Prospectus; and
- (vi) the prevailing market conditions.

Investors should also note that the market price of the Offer Shares upon and subsequent to the Listing are subject to the vagaries of market forces and other uncertainties, which may affect the price of the said shares. Investors should bear in mind the risk factors set forth in Section 4 of this Prospectus before deciding on whether or not to invest in the Offer Shares.

3.7 ALLOCATION OF THE OFFER SHARES

The Public Offer of a total of 44,938,000 new MSB Shares at the Offer Price shall be subject to the terms and conditions of this Prospectus and, upon acceptance, will be allocated in the following manner:-

- (a) 4,833,000 new MSB Shares, representing approximately 2.7% of the enlarged issued and paid-up share capital of the Company will be made available for application by bumiputera investors approved by the MITI;
- (b) 8,950,000 new MSB Shares, representing 5.0% of the enlarged issued and paid-up share capital of the Company will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30.0% will be set aside strictly for application by bumiputera individuals, companies, societies, co-operatives and institutions;
- (c) 11,052,000 new MSB Shares representing approximately 6.2% of the enlarged issued and paid-up share capital of the Company will be made available for application by the eligible Directors and employees of the MSB Group (3,684,000 MSB Shares), the business associates of the MSB Group (870,000 MSB Shares), the eligible Directors and employees of the MIG Group (5,258,000 MSB Shares) as well as the business associates of the MIG Group (1,240,000 MSB Shares); and

3. DETAILS OF THE PUBLIC OFFER

- (d) 20,103,000 new MSB Shares, representing approximately 11.2% of the enlarged issued and paid-up share capital of the Company will be reserved for private placement to identified investors.

Up to 20,002,000 Shares, comprising the Shares under paragraphs (b) and (c) have been fully underwritten by the Managing Underwriter and Underwriter listed in Section 1. In the event of an under-subscription of the Public Offer, Shares may be transferred from the public offer tranche and allocated by way of private placement, and vice-versa. Any Shares in respect of paragraph (c) not subscribed for will be made available for application under the Public Offer to the Malaysian public and/or private placement.

The basis of allocation shall take into account the desirability of distributing the Public Offer to a reasonable number of applicants with a view to broadening the shareholding base of the Company to meet the public spread requirements, and to establishing a liquid and adequate market in the Shares.

In the event of an overall under-subscription of the Public Offer, all the Shares not applied for will be made available for subscription by the Managing Underwriter and Underwriter in accordance with the terms and conditions specified in the underwriting agreement dated 13 May 2004 ("Underwriting Agreement").

3.8 ALLOCATION OF THE OFFER SHARES TO THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF THE MSB AND MIG GROUP

The eligible Directors, employees and business associates of the MSB Group and the MIG Group have been allocated a total of 11,052,000 new MSB Shares. The criteria of allocation of the Offer Shares are as follows:

- (i) The employee or executive director must be a confirmed and full time employee and on the payroll of the company or of an eligible subsidiary;
- (ii) The employee or executive director must have attained the age of eighteen (18) years;
- (iii) Is not an executive director who represents the Government or a Government institution/agency; and
- (iv) Is not a Government employee serving the public service scheme as defined under Article 132 of the Federal Constitution.

The total number of persons eligible for the allocation is 506, comprising the following:

Category	No. of persons
Directors	4
Employees	318
Business associates of MIG and MSB	184
	506

The number of shares reserved for each category of employee is as follows:

Category	No. of shares reserved for each category of employee
Managing Director	500,000
President / CEO	350,000
Vice President / Executive Directors	250,000
Senior Managers	120,000
Managers	80,000
Engineers and Executive	50,000

3. DETAILS OF THE PUBLIC OFFER

Category	No. of shares reserved for each category of employee
Supervisor / Technical Assistant	25,000
Electrical chargeman / Technical trainees	15,000
Clerical Staff	10,000
Fitter / Boilerman / Electrician	10,000
Chief Machine Operator / Storekeeper	10,000
Industrial Worker	8,000
Consultancy Staff	28,000

The total number of ordinary shares to be allocated to the Directors of MSB are as follows:-

Name	Designation	Pink Form Allocation (No. of Ordinary Shares in MSB)
Tunku Ya'acob	Non-Independent Non-Executive Director	500,000
Azlan bin Abdullah	Chief Executive Officer	350,000
Lim Kim Chuan	Non-Independent Non-Executive Director	350,000
Chan Sang Whye	Chief Operating Officer	250,000

Any of the 11,052,000 new MSB Shares allotted based on the above criteria but not taken up by the respective allottees will be made available for application under the Public Offer to the Malaysian public and/or private placement.

3.9 BROKERAGE AND UNDERWRITING EXPENSES

3.9.1 Brokerage

Brokerage relating to the Offer Shares will be paid by the Company, at the rate of 1.0% of the Offer Price in respect of successful applications which bear the stamp of member companies of Bursa Malaysia, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDF.

3.9.2 Underwriting

The Managing Underwriter and the Underwriter mentioned in Section 1 of this Prospectus have agreed to underwrite 8,950,000 new MSB Shares to be allocated to Malaysian citizens, companies, societies and co-operatives. In addition, the Managing Underwriter has also agreed to underwrite the unsubscribed portion of the 11,052,000 new MSB Shares which is made available for application by the eligible Directors and employees of the MSB Group, the business associates of the MSB Group, the eligible Directors and employees of the MIG Group as well as the business associates of the MIG Group. The underwriting commission is payable by the Company at a rate of 1.5% of the Offer Price.

3.9.3 Placement fees

The Company will pay to OSK a placement fee of 0.2% of the Offer Price for each of the 20,103,000 new MSB Shares successfully placed by OSK to private investors.

3. DETAILS OF THE PUBLIC OFFER

3.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement dated 13 May 2004 between MSB, OSK (as Managing Underwriter) and MIDF Sisma Securities Sdn Bhd (as Underwriter) ("Underwriting Agreement"), contains clauses as set out below which may allow them to withdraw from its obligations under the Underwriting Agreement.

The obligations of OSK and MIDF Sisma Securities Sdn Bhd ("the Underwriters") to underwrite the Offer Shares is conditional upon the fulfillment and/or satisfaction of the following:-

1. the Company obtaining SC's final approval to the Prospectus;
2. the delivery to the SC of the Prospectus for registration in accordance with the requirement under section 41 of the Securities Commission Act ("SC Act") together with copies of all documents required for submission under section 42 of the SC Act within sixty (60) days from the date of the Underwriting Agreement;
3. the lodgement with the Companies Commission of Malaysia of the Prospectus in accordance with section 43 of the SC Act within sixty (60) days from the date of the Underwriting Agreement;
4. the Company obtaining Bursa Malaysia's approval in principle to the listing of and quotation for all the paid-up Shares on Bursa Malaysia;
5. there not being, on or prior to the Closing Date, any adverse and material change or development reasonably and likely to involve a prospective adverse and material change in the condition (financial or otherwise) of the Company or any of its subsidiaries from that set out in the Prospectus which is material in the context of the Public Offer or any occurrence of any event rendering untrue or incorrect or not complied with to an extent which is material, any of the warranties and representations in clause 9 of the Underwriting Agreement as though given or made on such date;
6. the Public Offer in accordance with the provisions of the Underwriting Agreement is not prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Malaysia);
7. the Public Offer has been approved by the SC and any other relevant authority or authorities;
8. the composite index of Bursa Malaysia not falling below the benchmark of 650 points for at least five (5) consecutive Market Days on or prior to the Closing Date; and
9. the execution of the placement agreement in respect of the 20,103,000 new MSB Shares reserved for private placement to identified investors.

Notwithstanding anything contained in the Underwriting Agreement, if in the reasonable opinion of the Underwriters there shall have been such a change in national monetary, financial, political or economic conditions or exchange control or currency exchange rates and any event or series of events beyond the reasonable control of the Underwriters (including without limitation acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, sabotage, act of God or accidents) as would in their reasonable opinion prejudice materially the issue and offering of the Offer Shares and their distribution or sale then:-

- (a) the Underwriters may by written notice to the Company terminate the Underwriting Agreement before 5.00 p.m. on the Closing Date; and

3. DETAILS OF THE PUBLIC OFFER

- (b) the parties shall thereafter (except for the liability of the Company in the payment of costs and expenses referred to in Clause 17.3 of the Underwriting Agreement incurred prior to or in connection with such termination) be released and discharged from their respective obligations under the said Underwriting Agreement.

In the event of any breach by the Company of its representations, warranties, undertakings or material obligations under the Underwriting Agreement which is not capable of remedy or, if capable of remedy in not remedied within such number of days as stipulated in the notice given to the Company, then the Underwriters may terminate the Underwriting Agreement by giving written notice before 5.00 p.m. on the Closing Date.

The Company will not be released from its liability to pay all costs, charges and expenses referred to in clause 17.3 of the Underwriting Agreement which are incurred prior to or in connection to the negotiation, preparation, execution and stamping of the Underwriting Agreement.

In the event the Closing Date falls after three (3) months from the date of the Underwriting Agreement, the Underwriting Agreement will lapse and the Underwriters will be released and discharged from all of their obligations under this Agreement and the Company may enter into a fresh underwriting agreement with the same or different underwriter(s).

3.11 PROCEEDS FROM THE PUBLIC OFFER AND UTILISATION

The total gross proceeds from the Public Offer of RM62.913 million is expected to be fully utilised for the core business of the Group within 12 months from the date of listing. There is no minimum subscription to be raised from the Public Offer.

The total gross proceeds from the Public Offer is expected to be utilised for the following purposes:

Purpose	Note	RM'000	Expected Time Frame for Utilisation of Proceeds
Repayment of bank borrowings	(i)	25,000	Within 12 months after Listing
Estimated listing expenses		3,000	Within one (1) month after Listing
Working capital	(ii)	34,913	Within 12 months after Listing
		<u>62,913</u>	

Notes:

- (i) *Repayment of bank borrowings*

As at 30 April 2004, the MSB Group's total borrowings, used for working capital purposes, amounted to approximately RM65.5 million. Approximately RM25.0 million of the proceeds raised from the Public Offer will be utilised to retire MSCRC's bank borrowings. The proposed retirement of bank borrowings amounting to RM25.0 million represents approximately 38.2% of the MSB Group's total borrowings as at 30 April 2004. Based on the current prevailing interest rate applicable to the MSB Group's borrowings of approximately 6.5% per annum, the repayment is expected to contribute an interest saving of approximately RM1.63 million to the MSB Group per annum.

- (ii) *Working capital*

Approximately RM34.913 million of the proceeds from the Public Offer which is earmarked for working capital will be used partly to retire MSCRC's trust receipts and/ or bankers acceptance which are used to purchase raw materials. As 30 April 2004, the MSCRC's total revolving credit and/or bankers acceptance amounted to approximately RM65.5 million.

The total proforma financial impact of the utilization of proceeds on the consolidated balance sheets and the consolidated cash flow forecast of MSB is reflected in Sections 2.6, 10.5 and 10.9 of this Prospectus.

3. DETAILS OF THE PUBLIC OFFER

3.12 ESTIMATED LISTING EXPENSES

MSB will bear all expenses incidental to the listing of and quotation for of MSB's Shares on the Main Board of Bursa Malaysia which is estimated to be approximately RM3.0 million, with the following estimated breakdown:

	RM
Professional fees	600,000
Fees of the authorities	150,000
Underwriting/Placement fee	250,000
Brokerage fee	560,000
Printing and advertising fees	600,000
Issuing house's fees	100,000
Miscellaneous	740,000
Total	3,000,000

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK BLANK

3. DETAILS OF THE PUBLIC OFFER

3.13 APPROVALS AND CONDITIONS FROM AUTHORITIES

MSB's listing scheme was approved by the SC and MITI vide their letters dated 29 December 2003 and 20 October 2003 respectively.

The SC, under the FIC Guidelines for the Acquisition of Assets, Mergers and Takeovers, has no objections to the following equity structure of the MSB in relation to the Listing:

	Before the Public Offer (%)	After the Public Offer (%)
Bumiputera	36.58	30.10
Non-Bumiputera	26.55	42.29
Government agency	13.24	9.91
Foreign	23.63	17.70
	100.00	100.00

The SC's approval for the Listing of MSB on the Main Board of Bursa Malaysia is subject to the following terms and conditions:-

Conditions Imposed	Status of Compliance
(i) Any future business transactions between the MSB Group and the companies of which the Promoter, Directors and substantial shareholders of MSB are related to or have interests in are to be conducted on an arm's length basis, and not on terms which will be detrimental to the MSB Group. In this respect, the Audit Committee of MSB is required to monitor the terms of these transactions and the Directors of MSB are required to report such transactions, if any, in the annual reports of MSB on a yearly basis;	Noted
(ii) The Promoter, Directors and substantial shareholders of MSB who are involved in the operations of the MSB Group on a full time basis are not permitted to engage, in their own private businesses, on a full time basis;	Noted
(iii) The Promoter, Directors and substantial shareholders of MSB shall not in the future carry out any other new business which would compete directly or indirectly and which may result in conflicts of interest with the existing businesses of the MSB Group;	Noted
(iv) MSB is required to comply with the following requirements in relation to its trade debtors:-	
(a) Full disclosure in the listing prospectus regarding the status of the trade debtors position and a trade debtors aging analysis. For debts exceeding the normal credit period, the directors of the Company are required to provide statements in relation to the recoverability of the said debt;	Disclosed. Please refer to Section 10.10 of this Prospectus
(b) Full provisions are to be made for the MSB Group's trade debts where: <ul style="list-style-type: none"> • there is an ongoing dispute/doubt as to the recoverability on the trade debts; or • legal action has commenced/been taken in relation to the trade debts; or • the trade debts have exceeded a period of more than six (6) months in the accounts. 	Complied. Letter confirming that no provisions are required to be made was furnished to the SC on 17 May 2004.
Further to the above, the directors of MSB are required to provide a written confirmation to the SC to confirm that the above requirements have been met prior to the issuance of the listing prospectus.	Complied. Written confirmation furnished to the SC on 17 May 2004.

3. DETAILS OF THE PUBLIC OFFER

Conditions Imposed	Status of Compliance
(c) The directors of MSB are required to provide to the SC with a written declaration that the trade debts which have not been provided for are recoverable in full. If otherwise, full provision has been made in the accounts/forecast/projections. The declarations are to be submitted to the SC prior to the issuance of the listing prospectus.	Complied. Written confirmation that the trade debts which have not been provided for are recoverable in full to the MSB Group was furnished to the SC on 17 May 2004.
(v) To fully disclose the following matters in the listing prospectus of MSB:-	
(a) The impact of the implementation of AFTA on the future performance of the MSB Group;	Disclosed. Please refer to Section 4.7 of this Prospectus
(b) The dependency of the MSB Group on MIG and Sumiputeh Steel Centre Sdn Bhd and steps taken/to be taken in order to reduce the dependency;	Disclosed. Please refer to Section 7.6 of this Prospectus
(c) The sources as well as the availability of raw material supplies;	Disclosed. Please refer to Sections 7.1.4 and 7.7 of this Prospectus
(d) The impact of the imposition of tariffs/duties on imported flat steel products on the operations and performance of the Group (including production costs and profits) as well as the steps taken/to be taken by the Group to address this;	Disclosed. Please refer to Sections 4.20 and 8.5 of this Prospectus
(e) The total borrowings of the MSB Group, including the impact of the borrowings on its operations and the ability of the MSB Group to obtain additional financing;	Disclosed. Please refer to Section 4.18 of this Prospectus
(f) The impact to the MSB Group, arising from competition from the commencement of the Lion Group's new CRC plant in 2004, as well as from other CRC plants currently being planned;	Disclosed. Please refer to Section 4.6 of this Prospectus
(g) Risk management plans and priorities of MSB to address the other major risks associated with the operations of the MSB Group, including risks associated with fire, power and other emergency risks which may adversely affect the operations of the MSB Group;	Disclosed. Please refer to Sections 4.14 and 7.11 of this Prospectus
(h) All the existing interests and the involvement of the Promoter, directors and substantial shareholders of MSB in other businesses which may result in a conflict of interest between them and the MSB Group and steps taken/to be taken, in order to address such conflicts; and	Disclosed. Please refer to Section 9.3 of this Prospectus
(i) Existing related party transactions between the MSB Group and companies related to the directors, Promoter and substantial shareholders and the steps taken/to be taken to ensure that these transactions carried out, are not to the detriment of the MSB Group.	Disclosed. Please refer to Section 9.2 of this Prospectus

3. DETAILS OF THE PUBLIC OFFER

In relation to the utilization of the proceeds of the Public Offer, the conditions are as follows:

- | | | |
|--------|--|---|
| (vi) | To disclose in detail the purpose and the expected time frame for the utilization of proceeds in the Prospectus. Any delay and/or changes to the expected time frame for the utilization of proceeds will require the approval of the Board of Directors of MSB via resolution and the same shall be fully disclosed to Bursa Malaysia. | Disclosed. Please refer to Sections 2.9 and 3.11 of this Prospectus |
| (vii) | The appropriate disclosure on the status of the utilization of proceeds has to be made in the Quarterly Reports and Annual Report of MSB until the proceeds have been fully utilized. | Noted |
| (viii) | The Company and OSK is required to comply with the requirements as stipulated in the SC's Policies and Guidelines on Issue/Offer of Securities in relation to its private placement. In relation thereto, OSK or a placement agent (where applicable) is required to forward to the SC the final list of shareholders who have subscribed for the private placement portion of the issue shares. OSK is also required to ensure that the private placement complies with the requirements of Paragraph 8.03 and 8.06 of the SC Guidelines. | To be complied with upon implementation |
| (ix) | The Company and OSK is required to ensure full compliance with the listing requirements as provided for in the SC Guidelines. | Noted |
| (x) | The Company and OSK is required to provide written confirmations on the compliance with all the terms and conditions for the Listing and all the terms as highlighted above upon completion of the same. | Letter to be furnished to the SC upon compliance with all the terms and conditions for the Listing and all the terms highlighted above. |

MITI's approval for the Listing is subject to the following terms and conditions:-

Conditions Imposed	Status of Compliance
(i) approval from the SC for the implementation of the listing scheme; and	Met
(ii) the approval of MITI for the allocation of the 4,833,000 new MSB Shares, representing approximately 2.7% of the enlarged issued and paid-up share capital of MSB to the Bumiputera investors after the receipt of the SC's approval for the Listing.	Met

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF THE MSB GROUP OUTLINED IN THIS PROSPECTUS, APPLICANTS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF THE MSB GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE HEREIN, BEFORE APPLYING FOR THE OFFER SHARES.

4.1 NO PRIOR MARKET FOR MSB SHARES

There has been no prior public market for MSB Shares. The Offer Price was agreed upon by MSB and OSK as Adviser, Managing Underwriter and Placement Agent based upon several factors and may not be an indication of the market price of MSB Shares after the Public Offer and Listing. See Section 3.6 of this Prospectus on the basis for the determination of the Offer Price.

There can be no assurance that an active public market in MSB Shares will be developed or be sustained after this Public Offer and Listing, or that the market price of MSB Shares will not decline below the Offer Price.

A number of factors may cause the price of MSB Shares to fluctuate, including (without limitation) sales of substantial amounts of MSB Shares in the public market in the immediate future; announcements of developments relating to MSB's business; fluctuations in MSB's operating results and sales levels; the conditions of the general industry, or the national or world-wide economy; changes in regulation; announcements of new products or product enhancements by the MSB Group and/or its competitors.

4.2 CAPITAL MARKET RISKS

As an investor of MSB, it is to be noted that MSB will be listed on the Main Board of Bursa Malaysia. The performance of Bursa Malaysia is, to a certain extent, dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Market sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the potential growth of the various sectors of the economy. These factors will invariably contribute to the volatility of trading volumes on Bursa Malaysia, thus adding risk to the market price of MSB Shares.

4.3 BUSINESS RISKS

MSB is subject to certain business risks, such as labour and raw material shortages, increase in costs of labour, utilities and raw materials, changes in general economic, and business and credit conditions. Although the Group seeks to limit these risks through, *inter-alia*, semi-automated operations, conservative management policies, and maintaining long term business relationships with its suppliers and customers, no assurance can be given that any change to these factors will not have material adverse effects on the Group's business.

4.4 ECONOMIC AND POLITICAL CONSIDERATIONS

The Group's business activities are focused mainly in Malaysia. Any adverse development in the economic, political and financial conditions in Malaysia could materially and adversely affect the financial and operational conditions and profitability of the MSB Group. These risks include the risks of an economic downturn, changes in interest rates and unfavourable changes in government policies such as changes in method of taxation and the introduction of new regulations. Whilst the MSB Group will continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political and economic factors will not materially affect the MSB Group.

4. RISK FACTORS

4.5 DEPENDENCE ON THE MANUFACTURING SECTOR

CRC manufactured by MSCRC is mainly used in the manufacturing of steel pipes and tubes, steel furniture, home appliances, electrical appliances, steel drums, automobile bodies, steel strappings and raw material for galvanised and coated steel sheets. As such, the demand for MSCRC's products is mainly dependent on, inter-alia, the prospects of the local manufacturing industry.

In an effort to reduce MSCRC's dependence on the local manufacturing industry, MSCRC has been exploring the possibility of exporting its products to other overseas countries if the prices offered are attractive. In the FYE 31 January 2004, MSCRC exported 7,053 mt of CRC to the People's Republic of China.

However, the exporting of CRC to overseas markets usually involves high freight and transportation charges, in addition to the stiff competition from other foreign CRC manufacturers. As such, it may not be profitable to export its products overseas unless the prices are favourable to MSCRC. There can be no assurance that the prices of CRC in overseas markets will be favourable to MSCRC.

4.6 COMPETITION

To date, there are only two producers of CRC in Malaysia, namely MSCRC and Ornasteel. In 2002, Ornasteel and MSCRC produced an aggregate of 551,000 mt of CRC, which accounted for approximately 44.3% of the total local consumption of 1,244,000 mt. However, the Lion Group plans to establish a cold rolling mill, which is due to begin operations in 2004. The plant will have a capacity of 1.5 million mt.

(Source: MISIF Report 2003)

MSCRC is expected to maintain its market share at its current level as the Lion Group's cold rolling mill is expected to produce only approximately 400,000 mt of CRC per annum during its initial years of operations. To the best of their knowledge, management is not aware of any other CRC plants currently being planned.

Notwithstanding the above, the CRC sector is still highly competitive as it faces competition in the global steel industry. With the initiation of the Common Effective Preferential Tariff scheme under the AFTA, tariff on goods traded within the region, which meet a 40% ASEAN content requirement, will be reduced to 0% - 5% by the 2003 (2006 for Vietnam and 2008 for Laos and Myanmar). This would result in a liberalised market and intensify competition among steel producers in the region. Hence, manufacturers in certain selected industries can easily import cheaper CRC from the other ASEAN countries and other parts of the world.

In order to remain ahead of its competitors, the Group intends to continually improve the quality of its products as well as to increase its focus on pricing its products competitively. Although the MSB Group has taken efforts to maintain its competitiveness, there is still no assurance that it will maintain its market share in the future.

4.7 IMPACT OF AFTA

The AFTA agreement was signed in 1992 between Malaysia, Thailand, Singapore, Indonesia, Philippines and Brunei to promote economic co-operation and increased competitiveness by reducing inter-regional tariffs between member countries. AFTA has resulted in a gradual reduction of trade barriers in ASEAN. Under AFTA, member countries have begun to lower import tariffs, export subsidies and tax relief since the year 2000 and would totally abolish them by 2003. With the initiation of the Common Effective Preferential Tariff scheme under AFTA, tariff on goods traded within the region, which meets a 40% ASEAN content requirement, will be reduced to 0% - 5%. This would result in a liberalised market and intensify competition among steel producers in the region.

4. RISK FACTORS

Although competition among steel producers is expected to intensify under AFTA, the market liberalisation of the steel industry is expected to present opportunities to efficiently-run steel producers to increase their market shares both domestically and regionally if they are able to emerge as low cost producers under the AFTA regime.

MSCRC has been operating under the AFTA regime when the provisions under the AFTA agreement came into effect on 1 January 2003. As at the date of the Prospectus, there has been no material impact on MSCRC's operations. However, there is no assurance that MSCRC's sales, costs and profits will not be affected in the future.

To enhance its competitiveness under the AFTA regime, the MSB Group plans to continually improve the quality of its products as well as to increase its focus on pricing its products competitively. In addition, the MSB Group periodically performs upgrading works on its machinery and undertakes training programmes for its workforce to keep them abreast with current production technologies and technical know-how.

4.8 DEPENDENCE ON KEY PERSONNEL

As in other businesses, the Group believes that its continued success depends significantly on the abilities and continued efforts of its existing Directors, senior management and long service technical support staff, further details of which may be found in Sections 6.2 and 6.4 of this Prospectus.

The loss of any of the key members of the Group including Directors and senior management, could adversely affect the Group's performance. However, with the rigorous on-the-job training extended to the middle management and operations staff as well as strong technical support from various suppliers, coupled with a competitive remuneration scheme, the Group's management has expanded and strengthened over the years. Thus, the Group is confident that with the capabilities of its employees, it would not expect any difficulties in grooming the younger members of the management team to eventually take over from their seniors in the future.

Therefore, every effort has been made by the MSB Group to ensure a smooth transition in the management team. Hence, the Group's future success will also depend upon its ability to retain, as well as to attract new, skilled personnel.

4.9 FUTURE CAPITAL INJECTIONS

The Directors of MSB believe that the net proceeds from the Public Offer, together with cash flow generated from MSB's operations and other existing sources of funds, will be sufficient to meet the projected working capital and other cash requirements.

However, there is no assurance that future events may not cause the MSB Group to seek additional capital sooner. If additional capital is required, there can be no assurance that it will be available, or if available, that it will be on terms satisfactory or favourable to the MSB Group. The issue of additional equity or other convertible securities by MSB may result in the dilution of the interests of the then shareholders of MSB.

4.10 INVESTMENT RISKS

If appropriate opportunities present themselves, whether in Malaysia or elsewhere, the MSB Group may decide to acquire businesses, products or technologies, or enter into joint ventures, alliances or partnerships with third parties, or to expand into other geographical markets.

4. RISK FACTORS

There can be no assurance that the MSB Group will be able to successfully identify, negotiate, finance or implement these ventures or investments, to successfully integrate these ventures or investments with its current business and operations, or to benefit from the same. These ventures and investments may also require additional capital, which may or may not be available on terms satisfactory to the MSB Group. However, any venture or investment of such nature will be carefully considered by the Directors of MSB and its subsidiary with due care.

The MSB Group may also from time to time invest in new ventures and products. These investments may not be successful, or may have a delayed gestation period. In this event, MSB may not be able, or may be slow, to recover its investments and/or achieve satisfactory returns. However, any venture or investment of such nature will be carefully considered by the Directors of MSB and its subsidiary with due care.

4.11 CONTINUED CONTROL BY EXISTING SHAREHOLDERS

Upon completion of the Public Offer, the Directors, executive officers and substantial shareholders of MSB will, in the aggregate, beneficially own approximately 52.8% of the issued and paid-up share capital of MSB. As a result, these shareholders, if acting together, will possess voting control over MSB, giving them the ability, amongst others, to elect at least a majority of MSB's Directors and to control the vote on significant corporate transactions.

Nonetheless, MSB has appointed three (3) independent directors as a step towards good corporate governance to ensure that any future transactions involving related parties, if any, are entered into on arms-length terms.

4.12 RELATED PARTY TRANSACTIONS

Certain Directors and substantial shareholders of the MSB Group have interests in companies carrying out similar business activities as the MSB Group. Please refer to **Section 9.3** of this Prospectus for details of disclosure on any potential conflict of interests and factors that would avert any potential conflict of interests.

The MSB Group may continue to enter into business or other transactions with related parties in the future. However, the MSB Group has internal control systems to ensure that the recurrent related party transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are no more favourable to the interested parties than those extended to third parties/ public and are not to the detriment of the minority shareholders. These include transacting at the prevailing market rates/prices for the service or product, on the service or product provider's usual commercial terms, and otherwise in accordance with applicable industry norm.

4.13 LITIGATION RISKS

The MSB Group's agreements with customers typically contain provisions designed to limit the Group's exposure to potential product or other liability claims. MSB has not, to date, experienced any material product or other liability claims. However, it is possible that the limitation and/or exclusion of liability provisions in the Group's agreements with customers may not be effective as a result of existing or future laws, or unfavourable judicial decisions.

4.14 PRODUCTION RISKS

MSCRC currently operates a single production line of various independent processes for its products. Consequently, any breakdown of critical machinery along the production line as a result of a disruption in energy supply, fire outbreaks or other emergencies may adversely affect MSCRC's production capabilities. Since the last twelve (12) months, MSCRC has not experienced any breakdown that has severely disrupted its operations.

4. RISK FACTORS

Nonetheless, to minimize the risk of any such future breakdown, MSCRC employs a strict preventive maintenance and service procedure for its production line. The production line is checked regularly by MSCRC's trained personnel, while its critical facilities are serviced once every five (5) years by experts from the relevant equipment suppliers.

Additionally, the Group has built a back-up generator that will provide electricity for the operation of the batch annealing furnaces in the plant, the sales and delivery departments as well as the other office operations. The MSB Group has also established a health, safety and security measure for each level of operation that is strictly adhered to by its employees. An appropriate emergency response and back-up plan has also been put in place by management to cater for any accidents and/or emergency situations.

4.15 UNDERWRITING RISKS

Up to 20,002,000 of the Offer Shares are to be underwritten by the Managing Underwriter and the Underwriter mentioned in **Section 1** of this Prospectus. The underwriting commission is payable by the Company at a rate of 1.5% of the offer price of RM1.40 per Share for the Offer Shares made available for the Malaysian Public and any Offer Shares reserved for the Directors, eligible employees and business associates of the MSB Group and the MIG Group that are not subscribed and therefore underwritten by the Managing Underwriter and Underwriter. However, the agreement of the Managing Underwriter and Underwriter to underwrite up to 20,002,000 of the Offer Shares should not be taken as an indication of the merits or assurance of the value of the Offer Shares.

4.16 RELIANCE ON MAJOR RELATIONSHIPS

The raw material currently used in the MSB Group's production is sourced from several main suppliers, namely Megasteel from Malaysia and other HRC producers from Japan. While the Group has established good long-term relationship with its suppliers, there is no assurance that their relationship will continue in the post-Listing period. However, the Company has already identified a list of alternative suppliers from which to source the raw material should the current suppliers fail to honour their obligations. Notwithstanding the foregoing, the Directors of the Company are confident that the long-term relationship that they have nurtured with its suppliers, ranging from 4 to 8 years, will ensure that the Group easily obtains an adequate supply of HRC at competitive prices in the future.

The MSB Group has not entered into any long term contracts to supply to its major customers as it is the norm in the steel industry to negotiate contracts on a quarterly basis. However, the Group has a track record of getting recurrent orders as evidenced by the long-term relationship with its customers. The Group's long standing customer relationships also serves as an endorsement of the quality of its CRC.

4.17 FORWARD LOOKING STATEMENTS

Certain statements in this Prospectus are based on historical data which may not be reflective of the future results, while others are forward-looking in nature which are subject to uncertainties and contingencies. All forward-looking statements are based on estimates and assumptions made by the Directors of MSB, and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results. Although MSB believes that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will prove to have been correct.

The inclusion of the forward-looking statements in the Prospectus should not be regarded that the plans and objectives of the MSB Group will be achieved.

4. RISK FACTORS

4.18 BORROWING RISK

The MSB Group may from time to time obtain credit facilities from banks and financiers to finance its operations and business activities. Interest may be charged on these credit facilities by the banks and financiers. Fluctuations in interest rates may have a material impact on the MSB Group's profitability. These credit facilities may also be subject to terms and conditions which may limit the MSB Group's operating and financial flexibility. Any act or omission by the MSB Group that breaches such terms and conditions may give rise to rights by the banks or financiers to terminate the relevant credit facilities and/or enforce any security granted, in relation to those credit facilities, and which may also cause cross-defaults of other facilities. There can be no assurance that the aforesaid breaches will not have any adverse impact on the MSB Group's operational and financial results.

As at 30 April 2004, the proforma MSB Group's total borrowings amounted to approximately RM65.5 million comprising of trust receipts and bankers acceptance. The MSB Group will be utilising part of the proceeds from the Public Offer for reducing bank borrowings and working capital purposes. The MSB Group is not presently in breach of any such term or condition of any credit facility, and will at all times take all reasonable efforts to observe such terms and conditions.

4.19 FOREIGN EXCHANGE RISK

The MSB Group currently imports approximately 60% of its raw materials from Japan, while, for the FYE 31 January 2004, less than 5% of its production was exported overseas on an irregular basis. These transactions are mainly denominated in foreign currencies mainly in USD. The risk of foreign exchange fluctuations has been reduced since the imposition of a fixed exchange rate for the RM against the USD in September 1998. However, in the event that the fixed exchange rate is lifted or re-pegged to a new rate, the Group may or may not have a greater exposure to foreign currency fluctuations. The Group will, as a mitigating factor, attempt to use various hedging techniques to mitigate this risk. However, there can be no assurance that any future significant fluctuations in exchange rates and financial crisis will not materially or adversely affect the MSB Group's operations.

4.20 CHANGES IN GOVERNMENT REGULATIONS

Changes or additions in the regulatory conditions in Malaysia and the other countries where the MSB Group is currently obtaining its raw materials could materially and adversely affect the financial prospects of the MSB Group. Any withdrawal or reduction of import duty exemption in Malaysia on HRC will increase MSCRC's raw material cost. This higher cost will be passed on to MSCRC's customers as this is the norm in the local steel industry.

However, no assurance can be given that there will be no changes or additions made to rules and regulations in the future to which the Group's operations are governed by and that such changes or additions, if made, will not have an adverse effect on the Group's operations. For further details concerning the government legislation and policies affecting the MSB Group, please refer to **Section 8.5** of this Prospectus.

4. RISK FACTORS

4.21 ADEQUACY OF INSURANCE COVERAGE ON THE GROUP'S ASSETS

The MSB Group is aware of the adverse consequences arising from inadequate insurance coverage that could adversely affect its business operations. In ensuring such risks are reduced to the minimum, the MSB Group reviews and ensures adequate coverage for its assets on a continuous basis. For the MSB Group's operations, all assets such as office equipment, furniture, fittings, machinery and premises are sufficiently insured for fire and other risks. However, there can be no assurance that the insurance coverage would be adequate for the replacement cost of the assets or any consequential loss arising therefrom.

4.22 ENVIRONMENTAL CONCERNS

The Group believes its existing operations are in compliance with the relevant environmental legislation governing activities within Malaysia. Nevertheless, there is a possibility that the Government may change its regulations with regards to environmental matters in future which would require the Group to modify its facilities or incur expenses that could have an adverse effect on the Group's operating results. In the event the relevant environmental regulations in Malaysia are changed, no assurance can be given that the measures taken by the Group to comply with such new regulations will not have a material effect on its operating results. To date, the Group has installed a waste water treatment plant at its plant and is actively implementing treatment, recycling and disposal procedures in line with standards prescribed by the relevant authorities at its plant.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

5. INFORMATION ON THE MSB GROUP

5.1 INFORMATION ON MSB

5.1.1 History and Background

MSB was incorporated in Malaysia on 24 July 2003 under the Act as a public limited company. The principal activity of MSB is investment holding. MSB has one (1) wholly-owned subsidiary, MSCRC, which is principally involved in the manufacturing and trading of CRC.

MSCRC was incorporated in Malaysia under the Act on 6 January 1989. MSCRC commenced production in June 1990. MSCRC is the first CRC manufacturer in Malaysia and operates from its cold rolling mill located on an 18-acre site located at Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor Darul Ehsan. For the past five (5) financial years, MSCRC's average production capacity is approximately 200,000 metric tonnes per annum.

The business of manufacturing CRC has a high barrier to entry, primarily due to the high investment cost to set up a CRC plant. The machineries used are also mainly imported, thereby increasing the costs of purchasing and installing such assets.

Some of the installed facilities at the cold rolling mill include the following: -

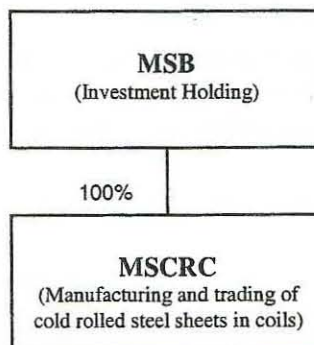
- Continuous pickling line;
- Hitachi 6-High cold reversing mill;
- Electrolytic cleaning line;
- Batch annealing furnaces;
- Recoiling line with electrostatic oil coater and pin-hole detector;
- Roll grinder; and
- Shot blasting machine.

The total cost of MSCRC's property, plant and machinery is approximately RM238 million. As at 31 January 2004, the NBV of the property, plant and machinery is approximately RM127 million.

All the facilities were purchased new from their respective mill manufacturers. On 1 October 1996, MSCRC was awarded the MS ISO 9002 certification in recognition of its efforts in maintaining a quality system in management. Subsequently, MSCRC was awarded the MS ISO 9001:2000 Quality Management System in 2002.

MSCRC was also granted pioneer status by MITI under the Promotion of Investment Act, 1986 for a period of five (5) years commencing from 1 October 1990 to 30 September 1995. MSCRC's pioneer status was extended for another five (5) years commencing from 1 October 1995 to 30 September 2000.

The MSB Group's corporate structure is as follows:



5. INFORMATION ON THE MSB GROUP

5.2 SHARE CAPITAL

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, MSB has an authorised share capital of RM500,000,000 comprising 500,000,000 Shares and an issued and paid-up share capital of RM134,062,000 comprising 134,062,000 Shares. Upon completion of the Public Offer, the enlarged issued and paid-up share capital of MSB shall be RM179,000,000 comprising 179,000,000 Shares.

The details of the changes in the issued and paid-up share capital of MSB since incorporation until 30 April 2004, being the last practicable date prior to the printing of this Prospectus, are as follows:

Date of Allotment	No. of Shares	Consideration	Issued and Paid-up Share Capital (RM)
24.07.2003	2	Cash / Subscribers' Shares	2
29.03.2004	134,061,998	Acquisition of MSCRC	134,062,000

5.3 SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the MSB's subsidiary company is as follows:-

Name of Company	Date and Place of Incorporation	Issued and Paid-Up Capital (RM)	Effective Equity Interest (%)	Principal Activities
MSCRC	06.01.1989 Malaysia	60,000,000	100.0	Manufacturing and trading of cold rolled steel sheets in coils

MSB does not have any associated companies.

5.4 INFORMATION ON SUBSIDIARY COMPANY

Information on MSCRC

(a) History and Business

MSCRC was incorporated in Malaysia under the Act on 6 January 1989 as a private limited company under the name of Cold Rolling Industry (Malaysia) Sdn Bhd. It assumed its current name on 19 January 2004. MSCRC is principally involved in the manufacturing and trading of CRC.

(b) Share Capital

The authorised and issued and paid-up capital of MSCRC is as follows:-

	No. of Shares	Amount (RM)
Authorised	100,000,000	100,000,000
Issued and Paid-Up	60,000,000	60,000,000

5. INFORMATION ON THE MSB GROUP

Details of the changes in the issued and paid-up share capital of MSCRC since its date of incorporation are as follows:-

Date of Allotment	No. of Shares	Consideration	Total (RM)
06.01.1989	2	Cash / Subscribers' Shares	2
12.09.1989	13,925,998	Cash	13,926,000
15.05.1990	6,074,000	Purchase of Lands	20,000,000
08.01.1991	20,000,000	Cash	40,000,000
30.12.1991	20,000,000	Cash	60,000,000

(c) *Subsidiary and Associated Companies*

MSCRC does not have any subsidiary or associated companies.

5.5 RESTRUCTURING EXERCISE

In conjunction with, and as an integral part of the Listing, MSB implemented a restructuring exercise which was approved by the SC on 29 December 2003 and MITI on 20 October 2003, which involves the following transactions:

5.5.1 Acquisition of MSCRC

MSB entered into a conditional SPA dated 11 August 2003 with MIG for the acquisition of the entire issued and paid-up ordinary share capital of MSCRC comprising 60,000,000 Shares for a purchase consideration of RM134,061,998 which was satisfied by an issue of 134,061,998 new MSB Shares issued at par and credited as fully paid-up.

The purchase consideration for the acquisition of MSCRC was arrived at based on the adjusted NTA of MSCRC as at 31 July 2003 of RM134,061,998 derived as follows:

	RM
Audited NTA of MSCRC as at 31 January 2003	236,061,693
Less:	
Interim dividend paid to MIG on 7 February 2003	(12,000,000)
Interim dividend paid to MIG on 23 July 2003	(90,000,000)
Goodwill (to be written off in the accounts at the end of FYE 2004)	305
Adjusted NTA of MSCRC as at 31 July 2003	134,061,998

5.5.2 Capital Distribution

Upon completion of the acquisition of MSCRC by MSB, and in conjunction with the Listing of MSB on the Main Board of Bursa Malaysia, MIG, the Promoter and a substantial shareholder of MSB, implemented a capital distribution exercise to distribute 40,243,434 MSB Shares, representing approximately 22.5% of the enlarged issued and paid-up share capital of MSB after the Listing to its existing shareholders on the basis of one (1) MSB Share for the every four (4) existing MIG shares held by MIG's shareholders.

The capital distribution is expected to be completed after the Listing.

5. INFORMATION ON THE MSB GROUP

5.5.3 Public Offer

The Public Offer of a total of 44,938,000 Shares at the Offer Price shall be subject to the terms and conditions of this Prospectus and, upon acceptance, will be allocated in the following manner :-

- (a) 4,833,000 new MSB Shares, representing approximately 2.7% of the enlarged issued and paid-up share capital of the Company will be made available for application by bumiputera investors approved by the MITI;
- (b) 8,950,000 new MSB Shares, representing 5.0% of the enlarged issued and paid-up share capital of the Company will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30.0% will be set aside strictly for application by bumiputera individuals, companies, societies, co-operatives and institutions;
- (c) 11,052,000 new MSB Shares representing approximately 6.2% of the enlarged issued and paid up share capital of the Company will be made available for application by the eligible Directors and employees of the MSB Group, the business associates of the MSB Group, the eligible Directors and employees of the MIG Group as well as the business associates of the MIG Group; and
- (d) 20,103,000 new MSB Shares, representing approximately 11.2% of the enlarged issued and paid-up share capital of the Company will be reserved for private placement to identified investors.

Upon completion of the Public Offer, the issued and paid-up share capital of MSB will increase from RM134,062,000 comprising 134,062,000 Shares to RM179,000,000 comprising 179,000,000 Shares.

The Offer Shares to be issued pursuant to the Public Offer will rank pari passu in all respects with the existing MSB Shares including voting rights and the rights to all dividends that may be declared in the future.

For further details pertaining to the Public Offer, please refer to **Section 3** of this Prospectus.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

5. INFORMATION ON THE MSB GROUP

5.6 APPROVALS, LICENSES AND PERMITS

The major licenses and permits that have been obtained by the MSB Group which are still applicable as at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, are as follows:

Subsidiary/ Authorities	Date Issued/ License/ Cert. No.	Nature of approval	Equity condition imposed	Status
<u>MSCRC</u> MITI	08.09.1990/ A006949/ A019687	Approval pursuant to the Industrial Co-ordination Act, 1975 to act as a licensed manufacturer of cold-rolled steel sheets in coils on Lot 714, 717, 2065 & 2066, Jalan Sungai Rasah, Mukim Bukit Raja, Kelang, Selangor Darul Ehsan.	At least 70% of the Company's shares should be bought and held by Malaysians, including at least 30% reserved for bumiputera shareholdings. The Company is required to consult the MITI prior to dealing in the shares reserved for bumiputeras.	Met

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

5. INFORMATION ON THE MSB GROUP

5.7 LANDED PROPERTIES

The MSB Group currently owns the following landed properties:

Registered owner	Location	Description / Existing use	Tenure of land	Land area/ Built-up area (acres)	Approximate age of building(s)	1. Restriction of interest 2. Encumbrances	Issuance of Certificate of Fitness	Open Market Value/ Date of valuation (RM '000)	Open Market Value as approved by SC (RM '000)	Audited NBV as at 31 January 2004 (RM '000)	Revaluation Deficit ^(a) (RM'000)
MSCRC	Lot nos. 26332, 26333, 17493 and 17496, Mukim of Kapar, District of Klang, State of Selangor bearing postal address Lot 717, Jalan Sungai Rasau, Seksyen 16, P.O. Box 7168, 40706 Shah Alam, Selangor Darul Ehsan	Four (4) contiguous plots of industrial land erected thereon with a cold rolling steel mill factory comprising a guard house, a double storey office building, a substation, a main factory building, a packing yard/recoiling line, a coil yard/roll shop and shot blast building, water treatment plant and metalled driveway	Freehold	13.314/ • 2 storey office building: 7,200 sq. ft. • Main factory building: 201,886 sq. ft. • Packing yard/ Recoiling line: 21,600 sq. ft. • New coil yard/ roll shop and shot blast building: 24,486 sq. ft. • New coil yard: 21,600 sq. ft. • Guard house: 420 sq. ft. • Tenaga Nasional Berhad substation: 5,394 sq. ft. • Water treatment plant: 20,568 sq. ft.	4 to 14 years	1. Nil 2. Charged to The Bank of Tokyo Limited vide Presn. No. 4167/90 Jil. 219 Pol. 37 dated 23 August 1990	• 19 July 1990 • 29 November 1994 (for the two storey office block and the extension of the existing factory) • 23 October 1998 (for the extension of the existing factory)	62,200/ 22 October 2003	62,200	62,221	(21)

5. INFORMATION ON THE MSB GROUP

Registered owner	Location	Description / Existing use	Tenure of land	Land area/ Built-up area (acres)	Approximate age of building(s)	1. 2.	Restriction of interest Encumbrances	Issuance of Certificate of Fitness	Open Market Value/ Date of valuation (RM '000)	Open Market Value as approved by SC (RM '000)	Audited NBV as at 31 January 2004 (RM '000)	Revaluation Deficit ^(a) (RM'000)
MSCRC	Lot nos. 23043 and 23044 (GM1650 and GM1651), Mukim of Kapar, District of Klang, State of Selangor	Two (2) adjoining vacant industrial land	Freehold	4.625/ Not applicable	Not applicable	1. Nil 2. Nil		Not applicable	8,250 16 July 2003	8,250	8,250	-

Notes:

(a) The revaluation deficit will be incorporated in MSB's audited accounts for the FYE 31 January 2005.

The above valuations were approved by the SC on 29 December 2003. For further details on the landed properties of the Group, please refer to the valuation certificate contained in Section 12 of this Prospectus.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK BLANK

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

6.1.1 Substantial Shareholding in MSB

Based on the Register of Substantial Shareholders of MSB as at 12 May 2004, being the last practicable date prior to printing of this Prospectus, the direct and indirect interests of the Promoter and substantial shareholders of MSB in the issued and paid-up share capital of MSB before and after the Public Offer are as follows:

	Nationality / Place of Incorporation	<----- Before Public Offer ----->				<----- After Public Offer^ ----->			
		<----- Direct ----->		<----- Indirect ----->		<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoter and Substantial Shareholder</u>									
MIG	Malaysia	93,818,566	70.0	-	-	93,818,566	52.4	-	-
<u>Substantial Shareholders</u>									
MESB	Malaysia	-	-	93,818,566 ^(a)	70.0	-	-	93,818,566 ^(a)	52.4
Iternum	Malaysia	-	-	93,818,566 ^(b)	70.0	-	-	93,818,566 ^(b)	52.4
Khyra	Malaysia	-	-	93,818,566 ^(b)	70.0	-	-	93,818,566 ^(b)	52.4
MGB	Malaysia	-	-	93,818,566 ^(c)	70.0	-	-	93,818,566 ^(c)	52.4
MEBL	BVI	-	-	93,818,566 ^(d)	70.0	-	-	93,818,566 ^(d)	52.4
Tunku Ya'acob	Malaysian	-	-	93,818,566 ^(e)	70.0	500,000	0.3	93,818,566 ^(e)	52.4
Tunku Iskandar	Malaysian	-	-	93,818,566 ^(f)	70.0	-	-	94,318,566 ^(f)	52.7
Dato' Zulkifly	Malaysian	-	-	93,818,566 ^(f)	70.0	-	-	94,318,566 ^(f)	52.7

Notes:-

- (a) Deemed interested by virtue of its substantial shareholdings in MEBL
(b) Deemed interested by virtue of its substantial shareholdings in MESB
(c) Deemed interested by virtue of its substantial shareholdings in Iternum
(d) Deemed interested by virtue of its substantial shareholdings in MIG
(e) Deemed interested by virtue of his substantial shareholdings in Iternum and Khyra
(f) Deemed interested by virtue of their family relationship with Tunku Ya'acob
^ Assuming the substantial shareholders fully subscribe for their full allocations under the pink form allocations

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.1.2 Profiles of Promoter and Substantial Shareholders

Promoter and Substantial Shareholder

MIG was incorporated in Malaysia under the Act on 24 February 1969 as a private limited company under the name of Aurora Steel Tube Manufacturing Sdn Bhd. It subsequently changed its name to Maruichi Malaysia Steel Tube Sdn Bhd on 2 November 1972 and then again to Maruichi Malaysia Steel Tube Berhad on 25 September 1975 when it was converted to a public company. MIG assumed its present name on 5 December 2003. MIG was listed on the Main Board of Bursa Malaysia on 26 February 1986.

MIG is principally involved in the manufacturing and trading of steel pipes and tubes. The subsidiaries of MIG are principally engaged in provision of engineering services, investment holding and provision of management services, property investment and manufacturing, distributing and trading in steel and iron products.

Its authorised capital is RM500,000,000 comprising 500,000,000 Shares. Its issued and paid-up capital as at 30 April 2004 is RM160,973,800 comprising 160,973,800 Shares. The directors of MIG are Y.A.M. Tan Sri Tunku Abdullah ibni Almarhum Tuanku Abdul Rahman; Tunku Ya'acob, Tunku Iskandar, Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah, Y.M. Tengku Ahmad Fuad bin Tengku Ahmad Burhanuddin, Azlan bin Abdullah, Lim Kim Chuan, Dato' Jaffar bin Ahmad Indot, Terence Francis Mahony and Lee Ching Kion.

Substantial Shareholders

MESB was incorporated in Malaysia under the Act on 13 September 1982 as a private limited company. MESB is an investment holding company.

Its authorized capital is RM100,000,000 comprising 100,000,000 Shares. Its issued and paid-up capital as at 30 April 2004 is RM54,585,000 comprising 54,585,000 Shares. The directors of MESB are Tunku Ya'acob, Y.M. Tunku Shaharuddin bin Tunku Mahmud and Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah.

The substantial shareholders of MESB are as follows:

Name of Substantial Shareholders	<----- Shareholdings ----->				Nationality / Place of incorporation
	Direct	%	Indirect	%	
Iternum	35,109,460	64.3	-	-	Malaysia
Khyra	19,475,540	35.7	-	-	Malaysia
Tunku Ya'acob	-	-	54,585,000	100.0 #	Malaysian
MGB	-	-	35,109,460	64.3 *	Malaysia
Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman	-	-	54,585,000	100.0 ^	Malaysian
Tunku Iskandar	-	-	54,585,000	100.0 ^	Malaysian
Tunku Marinah Ashraf bte Tunku Abdullah	-	-	54,585,000	100.0 ^	Malaysian
Y.M. Tunku Kamil Ikram bin Tunku Abdullah	-	-	54,585,000	100.0 ^	Malaysian
Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah	-	-	54,585,000	100.0 ^	Malaysian

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

Notes:

- # Deemed interested by virtue of his substantial shareholdings in Iternum and Khyra
 * Deemed interested by virtue of its substantial shareholdings in Iternum
 ^ Deemed interested by virtue of their substantial shareholdings in MGB and their family relationship with Tunku Ya'acob

Iternum was incorporated in Malaysia under the Act on 3 August 1985 as a private limited company. Its principal activity is investment holding.

Its authorized share capital is RM100,000 comprising 100,000 Shares. Its issued and paid-up share capital as at 30 April 2004 is RM10,000 comprising 10,000 Shares. The directors of Iternum are Tunku Ya'acob, Y.M. Tunku Shaharuddin bin Tunku Mahmud and Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah.

The substantial shareholders of Iternum are as follows:

Name of Substantial Shareholders	<----- Shareholdings ----->				Nationality / Place of incorporation
	Direct	%	Indirect	%	
Tunku Ya'acob	8,000	80.0	2,000	20.0 ^	Malaysian
MGB	2,000	20.0	-	-	Malaysia
Y.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman	-	-	10,000	100.0 *	Malaysian
Tunku Iskandar	-	-	10,000	100.0 *	Malaysian
Tunku Marinah Ashraf bte Tunku Abdullah	-	-	10,000	100.0 *	Malaysian
Y.M. Tunku Kamil Ikram bin Tunku Abdullah	-	-	10,000	100.0 *	Malaysian
Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah	-	-	10,000	100.0 *	Malaysian

Notes:

- ^ Deemed interested by virtue of his family relationship with all the shareholders of MGB
 * Deemed interested by virtue of their substantial shareholdings in MGB and their family relationship with Tunku Ya'acob

Khyra was incorporated under the Act on 8 June 1999 as a private limited company under the name of Insignia Fleet Sdn Bhd. Khyra assumed its present name on 12 January 2002. Khyra is principally an investment holding company.

Its authorized share capital is RM100,000 comprising 100,000 Shares. Its issued and paid-up share capital as at 30 April 2004 is RM1,000 comprising 1,000 Shares. The directors of Khyra are Tunku Ya'acob, Y.M. Tunku Shaharuddin bin Tunku Mahmud and Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

The substantial shareholders of Khyra are as follows:

Name of Directors	<----- Shareholdings ----->				Nationality
	Direct	%	Indirect	%	
Tunku Ya'acob	999	99.9	1	0.1 *	Malaysian
Y.M. Tunku Yahaya bin Tunku Abdullah	1	0.1	999	99.9 *	Malaysian

Note:

* Deemed interested by virtue of their family relationship

MGB was incorporated under the Act on 10 June 1994 as a public company. MGB's principal activity is investment holding.

Its authorized share capital is RM100,000 comprising 100,000 Shares. Its issued and paid-up share capital as at 30 April 2004 is RM96 comprising 96 Shares. The directors and substantial shareholders of MGB are as follows:

Name of Directors and Substantial Shareholders	<----- Shareholdings ----->				Nationality
	Direct	%	Indirect	%	
Y.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman	16	16.7	-	-	Malaysian
Tunku Iskandar	16	16.7	-	-	Malaysian
Tunku Marinah Ashraf bte Tunku Abdullah	16	16.7	-	-	Malaysian
Tunku Ya'acob	16	16.7	-	-	Malaysian
Y.M. Tunku Kamil Ikram bin Tunku Abdullah	16	16.6	-	-	Malaysian
Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah	16	16.6	-	-	Malaysian

MEBL was incorporated in BVI on 20 September 1993. MEBL is principally an investment holding company.

Its authorized share capital is USD50,000 comprising 50,000 shares of USD1.00 each. Its issued and paid-up share capital as at 30 April 2004 is USD1.00 comprising 1 share of USD1.00 each. The director of MEBL is Tunku Ya'acob.

The substantial shareholders of MEBL is as follows:

Name of Substantial Shareholders	<----- Shareholdings ----->				Nationality / Place of incorporation
	Direct	%	Indirect	%	
MESB	1	100.0	-	-	Malaysia
Iternum	-	-	1	100.0 *	Malaysia
Khyra	-	-	1	100.0 *	Malaysia

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

Name of Directors and Substantial Shareholders	<----- Shareholdings ----->				Place of incorporation
	Direct	%	Indirect	%	
Tunku Ya'acob	-	-	1	100.0 #	Malaysian
MGB	-	-	1	100.0 ^	Malaysia
Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman	-	-	1	100.0 +	Malaysian
Tunku Iskandar	-	-	1	100.0 +	Malaysian
Tunku Marinah Ashraf bte Tunku Abdullah	-	-	1	100.0 +	Malaysian
Y.M. Tunku Kamil Ikram bin Tunku Abdullah	-	-	1	100.0 +	Malaysian
Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah	-	-	1	100.0 +	Malaysian

Notes:

- * Deemed interested by virtue of its/their substantial shareholdings in MESB
- # Deemed interested by virtue of his substantial shareholdings in Iternum and Khyra
- ^ Deemed interested by virtue of its substantial shareholdings in Iternum
- + Deemed interested by virtue of their substantial shareholdings in MGB and their family relationship with Tunku Ya'acob

6.1.3 Changes in the Promoter and Substantial Shareholders and their Direct Shareholdings

There were no changes in the shareholdings of the Promoter and substantial shareholders of MSB since its date of incorporation.

6.1.4 Previous or Existing Directorships and Substantial Shareholdings in other Public Companies

None of the direct substantial shareholders of MSB holds any directorships and/or substantial shareholdings in any other public companies as at 30 April 2004.

6.2 DIRECTORS

6.2.1 Profiles

Tunku Iskandar, a Malaysian aged 57, is the Chairman of MSB and was appointed to the Board of Directors of MSB on 30 March 2004. He sits on the Board of MIG, MAA Holdings Berhad, Malaysian Assurance Alliance Berhad, MBf Holdings Berhad, MBf Corporation Berhad and Melewar Group Berhad. He is also on the Board of Malaysian Tourism Promotion Board.

Tunku Iskandar holds a Master of Science degree in International Marketing from the University of Strathclyde, United Kingdom. He is also a Fellow of the Chartered Institute of Marketing, United Kingdom, the Institute of Business Administration, United Kingdom, the Institute of Administrative Management, United Kingdom and the Institute of Marketing Malaysia.

Tunku Iskandar is the son of Y.A.M. Tan Sri Tunku Abdullah ibni Almarhum Tuanku Abdul Rahman and the brother of Tunku Ya'acob.

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

Tunku Ya'acob, a Malaysian aged 44, is a Non-Independent Non-Executive Director of MSB and was appointed to the Board of Directors of MSB on 30 March 2004. He also sits on the Board of MIG, MAA Holdings Berhad, Malaysian Assurance Alliance Berhad, MAA Mutual Berhad, MAA Bancwell Trustee Berhad, the Malaysian National Reinsurance Berhad, Toyochem Corporation Berhad, Melewar Group Berhad and several private limited companies.

Tunku Ya'acob graduated with a Bachelor of Science (Hons) Degree in Economics and Accounting from City University, London. An accountant by training, he is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He started his career as an auditor with Price Waterhouse, London, from 1982 to 1985 and subsequently joined Price Waterhouse Kuala Lumpur from 1986 to 1987. He joined Malaysian Assurance Alliance Berhad in 1987 as Chief General Manager and was transferred to MAA Holdings Berhad as Group Managing Director/Chief Executive Officer in 1999.

Tunku Ya'acob sits on the executive board of several trade associations, specifically, the National Insurance Association of Malaysia, the Federation of Public Listed Companies, the Financial Planning Association of Malaysia, and the Federation of Malaysia Unit Trust Managers. Tunku Ya'acob is the son of Y.A.M. Tan Sri Tunku Abdullah ibni Almarhum Tuanku Abdul Rahman, the Chairman of MIG.

Azlan bin Abdullah, a Malaysian aged 46, is the Chief Executive Officer of MSB and was appointed to the Board of Directors of MSB on 30 March 2004. He sits on the Board of MIG, Bandar Raya Developments Berhad, Malaysian General Investment Corporation Berhad, Opensys (M) Berhad and several other private limited companies.

He holds a Bachelor of Science Degree in Business Administration from Trinity University, San Antonio, Texas, USA and a Masters Degree in Business Administration from Morehead State University, Kentucky, United States of America. He started his career in 1983 with Citibank N.A and in 1987, he joined United Asian Bank where he started and headed the Treasury Marketing Unit. He was subsequently promoted to Head of Priority Banking Division and Branch Manager of KL Main Branch in 1992. In 1994, he rejoined Citibank Berhad as a Vice President and Head of Public Sector Division.

Dato' Zulkifly @ Sofi bin Haji Mustapha, a Malaysian aged 58, is a Non-Independent Non-Executive Director of MSB and is a member of MSB's audit committee. He was appointed to the Board of Directors of MSB on 30 March 2004. He sits on the Board of several other private limited companies. He has extensive experience in the property and development sector and holds a Master of Philosophy from the University of Reading, England.

Lim Kim Chuan, a Malaysian aged 45, is a Non-Independent Non-Executive Director of MSB and was appointed to the Board of Directors of MSB on 30 March 2004. He sits on the Board several other private limited companies.

He has over 24 years of experience in the finance industry. He started his career with OCBC Finance Berhad in 1979. He left in 1983 to join MUI Finance Berhad. He joined the Melewar Group in 1985 and was appointed the General Manager and director of its credit and leasing division. In 1991, he set up and headed MAA Credit Sdn Bhd and currently sits on its Board. Subsequently in 2000, he was appointed the Chief Financial Officer of MESB.

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

Chan Sang Whye, a Malaysian aged 50, is the Chief Operating-Officer of MSB and was appointed to the Board of Directors of MSB on 30 March 2004. He is also a Director and the Chief Operating Officer of MSCRC. He is a Fellow Member of both the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators, United Kingdom.

He started working at MSCRC in 1989 during the construction stage of the cold rolling mill and has been in-charge of the MSCRC operations since February 2003. He has more than 20 years of experience in the steel industry. His career started in audit as an Audit Assistant in a public accountant firm. Thereafter, he was attached to a manufacturing concern as an Internal Audit Supervisor and subsequently he served as a Bank Officer in the Internal Audit Department of Chung Khiaw Bank Ltd which was part of the United Overseas Bank group.

Dato' Abu Talib bin Mohamed, a Malaysian aged 56, is an Independent Non-Executive Director of MSB and was appointed to the Board of Directors on 30 March 2004. He is a professionally qualified accountant and a Fellow Member of the Chartered Institute of Management Accountants of the United Kingdom.

He has extensive knowledge of the steel industry as the Managing Director of Perwaja Steel Sdn Bhd and the Group Managing Director of Maju Holdings Sdn Bhd.

He is presently the Executive Chairman of Kai Peng Berhad and the Deputy Chairman of Ip muda Berhad. He is also a Director of several other private limited companies.

Dato' Narendrakumar Jasani a/l Chunilal Rugnath, a Malaysian aged 54, is an Independent Non-Executive Director of MSB and is the Chairman of MSB's audit committee. He was appointed to the Board of MSB on 30 March 2004. He is currently managing partner and one of the founding partners of Shamsir Jasani Grant Thornton, a firm of public accountants, which he has been with for the past 25 years.

He qualified as a Chartered Accountant in England in 1974. He gained experience with Grant Thornton in the United Kingdom and locally with Ernst & Young. Whilst with the two firms, he was involved in rendering professional services for large financial institutions and a number of other international and listed public companies.

He has been involved in all aspects of professional practice including auditing, consulting and investigative assignments, corporate restructuring and privatisation. He is the Secretary for the National Insurance Association of Malaysia. He also contributes towards the professional development of the accounting standards and practice via his involvement in the activities of Malaysian Institute of Accountants, the Institute of Chartered Accountants in England and Wales (ICAEW) as well as Grant Thornton's development of audit methodology. He is also the Chairman of the ICAEW's Malaysian chapter for the last two (2) years.

Chan Wan Siew, a Malaysian aged 54, is an Independent Non-Executive Director of MSB and is a member of MSB's audit committee. He was appointed to the Board of MSB on 30 March 2004. He is the CEO of S&P NetWorth Advisors Sdn Bhd, an independent Financial Planning and Wealth Management Advisory entity that serves the business-owners' community and selected market segments. He has been in public practice for more than two decades as a Chartered Certified Accountant, Chartered Secretary, Chartered Financial Consultant and Certified Financial Planner. Mr. Chan is also the Chairman of IFPA Resources Sdn Bhd (Institute for Financial Professionals and Advisors), an entity that offers professional-level financial education.

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

Mr. Chan has been an active contributor to various non-profit professional bodies, being the Immediate Past President of MAICSA (Malaysian Institute of Chartered Secretaries and Administrators), a founding member of FPAM (the Financial Planning Association of Malaysia), Chairman of ISO/TC 222 Committee of Malaysia for the global development of Personal Financial Planning Standard and a Board Member of the Malaysian Institute of Corporate Governance ("MICG").

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL**6.2.2 Shareholding in MSB**

Based on the Register of Directors' Shareholdings of MSB as at 12 May 2004, being the last practicable date prior to the printing of this Prospectus, the direct and indirect interests of the Directors of MSB in the issued and paid-up share capital of MSB before and after the Public Offer are as follows:

	Nationality / Place of Incorporation	<----- Before Public Offer ----->				<----- After Public Offer ^----->			
		<----- Direct ----->		<----- Indirect ----->		<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tunku Ya'acob	Malaysian	-	-	93,818,566 ^(a)	70.0	500,000	0.3	93,818,566 ^(a)	52.4
Tunku Iskandar	Malaysian	-	-	93,818,566 ^(b)	70.0	-	-	94,318,566 ^(b)	52.7
Dato' Zulkifly	Malaysian	-	-	93,818,566 ^(b)	70.0	-	-	94,318,566 ^(b)	52.7
Azlan bin Abdullah	Malaysian	-	-	-	-	350,000	0.2	-	-
Lim Kim Chuan	Malaysian	-	-	-	-	350,000	0.2	-	-
Chan Sang Whye	Malaysian	-	-	-	-	250,000	0.1	-	-
Dato' Abu Talib bin Mohamed	Malaysian	-	-	-	-	-	-	-	-
Dato' Narendrakumar Jasani a/l Chunilal Rugnath	Malaysian	-	-	-	-	-	-	-	-
Chan Wan Siew	Malaysian	-	-	-	-	-	-	-	-

Notes:

- (a) Deemed interested by virtue of his substantial shareholdings in Iternum and Khyra
(b) Deemed interested by virtue of their family relationship with Tunku Ya'acob
^ Assuming the Directors fully subscribe for their full allocations under the pink form allocations

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.2.3 Previous or Existing Directorships and Substantial Shareholdings in other Public Companies

Save as disclosed below, none of the Directors of MSB has any previous or existing directorship or substantial shareholding in any other public companies incorporated in Malaysia for the past two (2) years preceding the date of this Prospectus:

Name	Company	Principal Activities	Date appointed / (resigned)	% held as at 30 April 2004	
				Direct	Indirect
Tunku Ya'acob	MAA Bancwell Trustee Berhad	General trading and investment holding	-	20.0	80.0 ^(a)
	MAA Holdings Berhad	Investment holding	04.11.98	-	34.1 ^(b)
	MAA Mutual Berhad	Management of unit trust	16.10.00	-	100.0 ^(c)
	Malaysian Assurance Alliance Berhad	Transaction of life and general insurance	12.12.90	-	100.0 ^(d)
	Malaysian National Reinsurance Berhad	Reinsurance	22.03.95	-	2.0 ^(e)
	Melewar Group Berhad	Investment holding	10.06.94	17.0	83.0 ^(f)
	MIG	Manufacturing of steel pipes and tubes	07.10.02	*	31.1 ^(g)
	The Melewar Corporation Berhad	Investment holding	-	4.6	95.4 ^(h)
	MBf Unit Trust Management Berhad	Unit trust management	-	-	30.0 ⁽ⁱ⁾
Tunku Iskandar	MAA Holdings Berhad	Investment holding	08.06.99	-	34.1 ⁽ⁱ⁾
	MBf Unit Trust Management Berhad	Unit trust management	10.11.90	-	30.0 ⁽ⁱ⁾
	MBf Holdings Berhad	Investment holding	12.12.00	-	-
	MBf Capital Berhad	Investment holding	21.07.92	-	-
	MBf Corporation Berhad	Investment holding	02.07.03	*	*
	Malaysian Assurance Alliance Berhad	Transaction of life and general insurance	21.11.83	-	100.0 ⁽ⁱ⁾
	Melewar Group Berhad	Investment holding	10.06.94	16.7	83.3 ^(k)
	MIG	Manufacturing of steel pipes and tubes	18.12.03	-	31.1 ⁽ⁱ⁾
	The Melewar Corporation Berhad	Investment holding	-	37.1	62.9 ^(l)
Travel Reservation Systems Berhad	Computer Systems	Investment holding	31.03.03	-	-

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

Name	Company	Principal Activities	Date appointed / (resigned)	% held as at 30 April 2004	
				Direct	Indirect
Dato' Zulkifly	The Melewar Corporation Berhad	Investment holding	23.09.99	-	28.0 ^(m)
	Melewar Group Berhad	Investment holding	-	-	16.0 ^(m)
Azlan bin Abdullah	Bandar Raya Developments Berhad	Property development	04.12.01	-	-
	Malaysian General Investment Corporation Berhad	Investment holding	07.04.00	-	-
	MIG	Manufacturing of steel pipes and tubes	23.09.02	*	-
	Opensys (M) Berhad	Provision of software solutions and information technology applications	27.07.00	10.9	-
Lim Kim Chuan	MIG	Manufacturing of steel pipes and tubes	01.10.03	*	-
Dato' Abu Talib bin Mohamed	Ipmuda Berhad	Trading agency in building materials	22.04.97	-	22.03
	Kai Peng Berhad	Investment holding and procuring and subcontracting of steel fabrication and engineering contracts	27.01.99	-	-

Notes:-

* **Deemed interest is negligible**

- (a) Deemed interested by virtue of his substantial shareholdings in MAA Credit Sdn Bhd, Bintang Melewar Sdn Bhd, MGB, MAA Holdings Berhad and MAA Corporation Sdn Bhd
- (b) Deemed interested by virtue of his substantial shareholdings in MESB, MKSB, MEBL and Tangent Star Sdn Bhd
- (c) Deemed interested by virtue of his substantial shareholdings in MAA Corporation Sdn Bhd and Khyra Liberty Sdn Bhd (formerly known as Iternum Development Sdn Bhd)
- (d) Deemed interested by virtue of his substantial shareholdings in MAA Holdings Berhad
- (e) Deemed interested by virtue of his shareholdings in Malaysian Assurance Alliance Berhad
- (f) Deemed interested by virtue of his relationship with Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman, Tunku Iskandar, Tunku Marinah Ashraf bte Tunku Abdullah, Tunku Kamil Ikram bin Tunku Abdullah and Tunku Yahaya @ Yahya bin Tunku Abdullah
- (g) Deemed interested by virtue of his substantial shareholdings in MESB, MEBL and Malaysian Assurance Alliance Berhad
- (h) Deemed interested by virtue of his relationship with Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman, Tunku Iskandar, Tunku Marinah Ashraf bte Tunku Abdullah, Tunku Kamil Ikram bin Tunku Abdullah, Tunku Halim bin Tunku Abdullah and Tunku Soraya Dakhlah binti Tunku Abdullah
- (i) Deemed interested by virtue of his relationship with Tunku Ya'acob
- (j) Deemed interested by virtue of his substantial shareholdings in The Melewar Corporation Berhad
- (k) Deemed interested by virtue of his relationship with Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman, Tunku Ya'acob, Tunku Marinah Ashraf bte Tunku Abdullah, Tunku Kamil Ikram bin Tunku Abdullah and Tunku Yahaya @ Yahya bin Tunku Abdullah
- (l) Deemed interested by virtue of his relationship with Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman, Tunku Ya'acob, Tunku Marinah Ashraf bte Tunku Abdullah, Tunku Kamil Ikram bin Tunku Abdullah, Tunku Kamil Ikram bin Tunku Abdullah, Tunku Halim bin Tunku Abdullah and Tunku Soraya Dakhlah binti Tunku Abdullah
- (m) Deemed interested by virtue of his relationship with Tunku Marinah Ashraf bte Tunku Abdullah

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.2.4 Directors' Remuneration and Benefits

Remuneration Band (RM)	Number of Directors	
	12 Months Ended FYE 31.01.2004	12 Months Ending FYE 31.01.2005
0 – 100,000	-	6
100,001 – 200,000	-	1
200,001 – 300,000*	-	2

Note:

* Includes the remuneration of the CEO

Directors' fees may be paid to Non-Executive Directors depending on the performance of MSB and based on the advice and recommendation of the Remuneration Committee of the Board of Directors of MSB. As at 30 April 2004, the Board of Directors of MSB are not entitled to any other benefits.

The composition of the Remuneration Committee is as follows:

Name	Designation	Directorship
Dato' Abu Talib bin Mohamed	Chairman	Independent Non-Executive Director
Chan Wan Siew	Member	Independent Non-Executive Director
Dato' Zulkifly @ Sofi bin Haji Mustapha	Member	Non-Independent Non-Executive Director

6.2.5 Directors' Service Agreements

None of the Directors of MSB has entered into any service agreements with the MSB Group.

6.2.6 Interests in Similar Businesses and Companies

Save as disclosed in Section 9.3 of this Prospectus, none of the Directors of MSB are involved in the activities or operations of any other similar businesses or companies.

6.2.7 Declaration

None of the Directors of MSB is or was involved in any of the following events, whether within or outside Malaysia:

- (i) a petition under any bankruptcy or insolvency law filed (and not struck out) against such director or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
- (ii) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or
- (iii) a subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or regulatory authority permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.3 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Name	Designation	Directorship
Dato' Narendrakumar Jasani a/l Chunilal Rugnath	Chairman	Independent Non-Executive Director
Chan Wan Siew	Member	Independent Non-Executive Director
Dato' Zulkifly @ Sofi bin Haji Mustapha	Member	Non-Independent Non-Executive Director

The main functions of the Audit Committee include the review of audit plans and audit reports with the MSB Group's auditors, the review of the auditors' evaluation of internal accounting controls, the review of the scope of internal audit procedures, the review of financial statements and the nomination of auditors.

6.4 KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.4.1 Profiles

Kevin Kok, a Malaysian aged 46 is the Sales Manager of MSCRC. He holds a Diploma in Business Administration from the Institute of Chartered Secretaries & Administrators, Australia. He joined MIG on 16 July 1983 and has handled administrative, production planning, control work and product sales for its pipe division. He was transferred to MSCRC on 1 August 1994 and has been in charge of CRC sales to this date. To date, he has more than 20 years of experience in the steel industry.

Tan Kong Hooi, a Malaysian aged 42 is the Manager heading the Maintenance Department in MSCRC. He holds a Diploma in Electronic Engineering from Tunku Abdul Rahman College, Kuala Lumpur. He first started working in the Maintenance Section at MIG. He joined MIG on 16 July 1986 and was subsequently sent to MSTL, Japan in 1989 where he underwent training for 6 months to operate and maintain the cold reduction mill. Upon his return, he started working at MSCRC during its construction stage and currently has more than 15 years of experience in the cold rolling mill industry.

Lee Choo Kuang, a Malaysian aged 41 is the Manager of the Quality Control Department in MSCRC. He holds a Diploma in Electronic Engineering from Tunku Abdul Rahman College, Kuala Lumpur. He joined the Maintenance section of MIG on 28 September 1987. In 1989, he was sent to MSTL for six months to undergo training on the operation and maintenance of the batch annealing furnace. Upon his return, he started working at MSCRC during its construction stage and currently has more than 15 years of experience in the cold rolling mill industry.

Chin Kok Kheong, a Malaysian aged 42 is the Manager of the Production Department in MSCRC. He holds a Diploma in Materials Engineering from Tunku Abdul Rahman College, Kuala Lumpur and a Diploma in General Management from the Malaysian Institute of Management. He joined MIG on 28 September 1987 and was working at one of the pipelines at MIG. In 1989, he was sent to MSTL for six (6) months to undergo training on the operation and maintenance of the continuous pickling line. Upon his return, he started working at MSCRC during its construction stage and currently has more than 15 years of experience in the cold rolling mill industry.

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

Chok Sai Khow, a Malaysian aged 39 is the Manager of the Maintenance Department in MSCRC. He holds a Diploma in Technical Materials from Tunku Abdul Rahman College, Kuala Lumpur. He started working at MSCRC during its construction stage on 15 May 1989. He assisted the Resident Engineer at that time in supervising the construction work. Mr Chok is capable of handling various machinery and was involved in many machinery installations as well as the modification projects at MSCRC. Currently, he has more than 14 years of experience in the cold rolling mill industry.

Musa bin Wakiman, a Malaysian aged 38 is the Manager of the Production Department in MSCRC. He holds a Degree in Mechanical Engineering from University Kebangsaan Malaysia. He started working at MSCRC during its construction stage in 1989. He assisted the Resident Engineer at that time in supervising the construction work. Encik Musa is capable of handling various machinery and has more than 13 years of experience in the cold rolling mill industry.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.4.2 Shareholding in MSB

Based on the Register of Members of MSB as at 12 May 2004, being the last practicable date prior to the printing of this Prospectus, the direct and indirect interests of the key management and technical personnel of MSB in the issued and paid-up share capital of MSB before and after the Public Offer are as follows:

Key Management and Technical Personnel	Nationality	<----- Before Public Offer ----->				<----- After Public Offer ^ ----->			
		<----- Direct ----->		<----- Indirect ----->		<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kevin Kok	Malaysian	-	-	-	-	120,000	0.07	-	-
Tan Kong Hooi	Malaysian	-	-	-	-	80,000	0.04	-	-
Lee Choo Kuang	Malaysian	-	-	-	-	80,000	0.04	-	-
Chin Kok Kheong	Malaysian	-	-	-	-	80,000	0.04	-	-
Chok Sai Khow	Malaysian	-	-	-	-	80,000	0.04	-	-
Musa bin Wakiman	Malaysian	-	-	-	-	80,000	0.04	-	-

Note:

^ Assuming the key management and technical personnel fully subscribe for their full allocations under the pink form allocations

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.4.3 Previous or Existing Directorships and Substantial Shareholdings in other Public Companies

None of the key management and technical personnel of the MSB Group has any previous or existing directorship or substantial shareholding in any other public company incorporated in Malaysia for the past two (2) years preceding the date of this Prospectus.

6.4.4 Service Agreements

None of the key management and technical personnel of the MSB Group has entered into any service agreement with the MSB Group.

6.4.5 Interests in Similar Businesses and Companies

None of the key management and technical personnel of the MSB Group is involved in the activities or operations of any other similar businesses or companies.

6.4.6 Declaration

None of the key management and technical personnel of the MSB Group is or was involved in any of the following events, whether within or outside Malaysia:

- (i) a petition under any bankruptcy or insolvency law filed (and not struck out) against such personnel or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
- (ii) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or
- (iii) a subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or regulatory authority permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

6.5 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there is no family relationship or association between the Promoter, substantial shareholders and Directors of MSB, and/or key management and technical personnel of the MSB Group:

- (i) Tunku Ya'acob, a Director and indirect substantial shareholder of MSB is the son of Y.A.M. Tan Sri Tunku Abdullah ibni Almarhum Tuanku Abdul Rahman, an indirect substantial shareholder of MSB, and brother of Tunku Iskandar.
- (ii) Tunku Iskandar, a Director and indirect substantial shareholder of MSB is the son of Y.A.M. Tan Sri Tunku Abdullah ibni Almarhum Tuanku Abdul Rahman, and brother of Tunku Ya'acob.
- (iii) Dato' Zulkifly, a Director and indirect substantial shareholder of MSB, is the brother-in-law of Tunku Ya'acob and Tunku Iskandar.

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

7.1 PRODUCTS, SERVICES AND OPERATIONS

7.1.1 Steel Products

MSCRC produces high grade CRC in many specifications. These CRC can be categorised in terms of quality, surface finishes, edges as well as oiling. The table below summarises the categories and the types of CRC produced by MSCRC:-

Categories	Types	Features
Quality	Commercial quality	CRC that are made of carefully annealed low carbon steel coils. They have good surface finish, workability and excellent flatness.
	Drawing quality	CRC that are better than those of commercial quality. They are produced from high grade materials by a carefully controlled process.
	Deep drawing quality	Made from strictly selected materials and manufactured with the most exacting quality controls. This quality has the highest attainable quality for drawing use.
Surface finishes	Dull Finish (Matte Finish)	This does not have any luster and is actually made rough intentionally so that the lubricant will stick to it during press forming, thereby facilitating fabrication. This finish is also suitable for paint adhesion. With these characteristics, CRC with this finish are most extensively used.
	Commercial Bright Finish	The smooth texture of the surface makes its best suited for metallic plating and coating.
Edges	Mill Edge	Edges are produced during the hot rolled process in the manufacturing of hot rolled coils.
	Slit Edge (Trimmed Edge)	Edges are produced by trimming or slitting at the final stage after the cold rolling process.
Oiling	Electrostatic oil coater	CRC are oiled by electrostatic oil coater at the recoiling line in order to provide maximum protection against rusting.
	DOS coating (FDA approved)	To be used in making food grade packing containers.

The CRC manufactured by MSCRC is mainly used in the manufacturing of steel pipes and tubes, steel furniture, home appliances, electrical appliances, steel drums, automobile parts, steel strappings and as raw material for galvanised and coated sheets.

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

7.1.2 Production Facilities and Capacity

MSB's wholly owned subsidiary, MSCRC, is principally engaged in the production of CRC. The production plant is sited on an 18-acre site on Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor Darul Ehsan. The plant has a built up area of approximately 417,569 square feet.

The installed facilities at the cold rolling mill include the following: -

- Continuous pickling line;
- Hitachi 6-High cold reversing mill;
- Electrolytic cleaning line;
- Batch annealing furnaces;
- Recoiling line with electrostatic oil coater and pin-hole detector;
- Roll grinder; and
- Shot blasting machine

All the facilities were purchased new from their respective mill manufacturers.

The production plant commenced commercial operations in June 1990 to manufacture CRC and had an installed production capacity of 70,000 mt per annum, which was increased to 140,000 mt per annum in 1992 following the installation of new annealing furnaces. MSCRC's production capacity was increased further to 200,000 mt per annum in 1997 following the installation of several annealing furnaces.

MSCRC was granted pioneer status by MITI under the Promotion of Investment Act, 1986 for a period of five years commencing from 1 October 1990 to 30 September 1995. MSCRC's pioneer status was extended for another five (5) years commencing from 1 October 1995 to 30 September 2000. On 1 October 1996, MSCRC was awarded the MS ISO 9002 certification in recognition of its efforts in maintaining a quality system in management and in the production of CRC. Subsequently, MSCRC was awarded the MS ISO 9001:2000 Quality Management System in 2002.

The cold rolling mill is currently running on two shifts or three shifts depending on demand. The current total production capacity for CRC is approximately 200,000 mt per annum and the production output for the FYE 31 January 2004 was approximately 160,000 mt.

MSCRC has established a systematic, controlled preventive and predictive programme for the maintenance of its infrastructure (existing building, utility, work environment, support services, machinery and equipment) to sustain equipment reliability, lengthen equipment service life and prevent unscheduled equipment breakdowns which could result in the loss of operating days and decreased production.

The types of maintenance programmes adopted by MSCRC are as follows:-

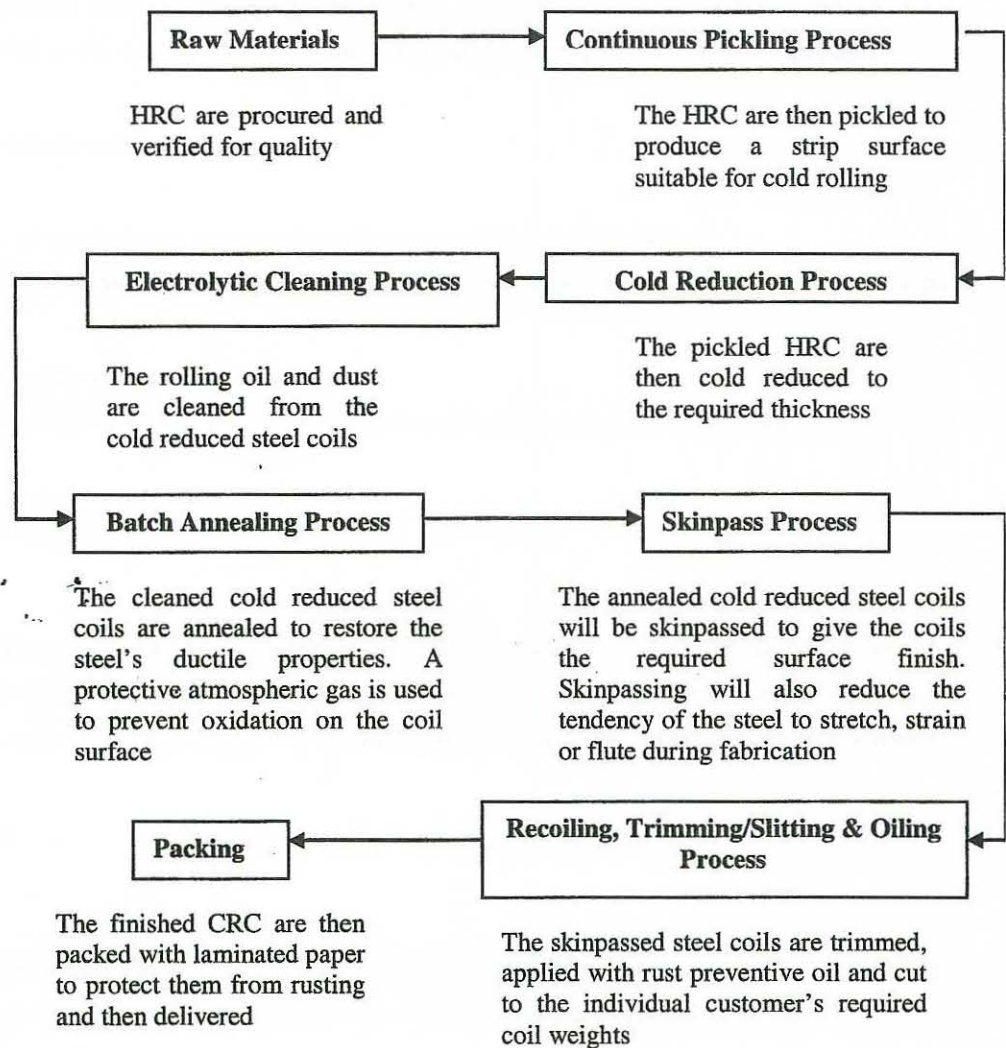
- (a) Basic maintenance such as the cleaning and greasing of machinery which is done on a regular basis by the respective line operators;
- (b) Monthly maintenance schedules for utility, work environment, machinery and equipment which is executed by maintenance personnel; and
- (c) Annual mechanical and electrical maintenance which is conducted by the maintenance department according to the fixed maintenance programme.

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

In addition to the above, engineers from the relevant equipment suppliers are engaged by the Company once every five (5) years to check on the critical plant and machinery located at MSCRC.

7.1.3 Production Process

The main processes in the manufacturing of CRC is illustrated below:



A brief description of the various processes involved in the processing of the CRC is as follows:

Feed Material

The main raw material used in the CRC manufacturing process is the HRC. HRC are both imported and sourced locally as feed material for producing CRC. For the FYE 31 January 2004, approximately 37.8% of MSCRC's HRC requirement are sourced locally, with the balance imported from Japan. The specifications of these HRC are worked out with individual steel mills to ensure that the CRC are produced to the required specifications. All incoming HRC are verified by quality assurance personnel to ensure that they meet with the agreed specifications.

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

Pickling

HRC are pickled in MSCRC's Continuous Pickling Line to produce a strip surface suitable for cold rolling. Rust and the fine layer of iron oxide scales found on the HRC are removed. The HRC are uncoiled and joined by using a welder into a continuous strip before going through a series of pickling tanks where pickling is carried out. The coils are then rinsed with hot water, dried, oiled and then recoiled back for cold rolling.

Cold Reduction

Pickled HRC are cold reduced to the required thickness at the "HITACHI" Brand 6 – High Cold Reversing Mill. The pickled HRC are passed through the rolls a few times to have its thickness reduced gradually. The computer controlled thickness gauge in the Cold Rolling Mill continuously monitors the coil thickness to ensure that the desired thickness of the CRC is achieved.

Electrolytic Cleaning

The cold reduced steel coils are then passed through the Electrolytic Cleaning Line where the rolling oil and dust are cleaned in an alkaline solution. These electrolytically cleaned steel coils have a clean and bright surface.

Batch Annealing

The Cleaned Cold Reduced Steel Coils are then annealed at the Batch Annealing Furnaces to restore the steel's ductile properties, which is hard and brittle after cold reduction. A protective atmospheric gas is used to prevent oxidation on the coil surface during annealing. Specific heating cycles and cooling cycles are set and are constantly monitored to ensure that the ductile properties of the steel coils are fully restored.

Skinpassing

The Annealed Steel Coils are then sent back to the Cold Rolling Mill for skinpassing where they are rolled again with a set of shot blasted rolls to give it the required surface finish. Skinpassing will also reduce the tendency of the steel to stretcher strain or flute during fabrication.

Recoiling

The Skinpassed Steel Coils are then sent to the Recoiling Line where they are trimmed to the required width and the appropriate rust preventive oil is applied to the required coating thickness with an Electrostatic Oil Coater.

The coils are then cut to the individual customer's required coil weights. Trained operators are also stationed on this line to inspect the coils and collect samples for further tests and analysis.

Packing

Packing is the last process in the production of CRC. The finished coils are packed with laminated paper to protect them from rusting and steel rings are added to protect them from damages during handling and storage. Steel envelopes are also used in the packing on the specific request of certain export customers.

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

Delivery

CRC are sent to customers by trucks. These trucks are properly covered to prevent the coils from the elements of the weather and the coils are also secured on the trucks to prevent any physical damage during their journey.

7.1.4 Raw Materials

The primary steel products required for the manufacture of flat steel products are HRC and CRC. HRC is the main raw material used for the production of CRC, constituting 85% of the total cost of production. The CRC will then be processed into flat steel, which in turn will be used in the manufacture of steel pipes and tube, metal stamping, steel furniture, home appliances, drums, automobile bodies, hardware and raw material for galvanised and coated steel sheets.

Currently, the total demand for HRC in Malaysia is approximately 2.0 million mt per annum. Megasteel, a subsidiary company of Amsteel Berhad is the only producer of HRC in Malaysia. Megasteel's mill located at Olak Lempit Industrial Area in Banting, Selangor, has a total production capacity of 2.0 million mt. However, Megasteel is currently producing HRC at only 50% of its capacity per year, i.e. 1.0 million mt per annum, with the remaining 50% of the domestic requirement for HRC being imported. Most of the domestic demand for HRC and other flat products are imported from China, Indonesia, Thailand, Korea and Japan.

To protect the local steel industry, particularly that of the flat steel industry, the Government has imposed some duties/ tariffs on the import of these products. Effective 15 March 2002, the Government has decided to raise the import duties for a total of 199 flat steel products such as HRC and CRC, electro galvanised ("EG"), hot dipped galvanised iron ("GI"), pre-painted galvanised coils, steel pipes, etc up to a maximum of 50%. At the same time, companies that need to import these products are now required to have special import licenses. The hike is significant as previously HRC were subjected a maximum duty of only 25% tariff and CRC were subjected to a maximum duty of only 10%, while the various types of steel pipes were subjected to duties of around 20% or less.

For imports of flat steel products from the ASEAN countries, the import duty regime under the Common Effective Preferential Tariff ("CEPT") scheme, which is the trade mechanism for the AFTA, will be maintained. Under the AFTA agreement, the import tariffs on steel products and raw materials are to be reduced from the current 25% to 5% by 1 January 2003.

Nevertheless, the Government has agreed to exempt some industries from the new import duties. These include companies in the automotive industry, electrical and electronic industry, oil and gas industry, shipping industry, iron and steel furniture industry, companies located in the free trade zone and export based companies. Exemption has also been given to industries that require flat steel products that are not produced locally, such as specific parts made of steel used by the manufacturing industries.

(Source: Bumiputra-Commerce Economic Research Services on Special Industry Issue – June 2002)

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

7.1.5 Principal Markets

In 2002, approximately 57% or 709,000 mt of the domestic requirement for CRC was imported from countries such as Japan, South Korea and China. During the same period, MSCRC and Ornasteel collectively produced 551,000 mt, against the total domestic requirement of 1,244,000 mt.

(Source: MISIF Report 2003)

Compared to CRC imported from overseas, the price of the CRC produced by MSCRC is marginally higher, but, after having taken into account the cost of freight, insurance and warehousing facilities, is in actual fact comparable to the global CRC price.

Based on MSCRC's production output as at 31 January 2004 of approximately 160,000 mt and the total local consumption of CRC in 2002 of approximately 1,244,000 mt, MSCRC has a market share of approximately 13% in the local CRC market. MSCRC's principal market is in Malaysia. Local sales make up approximately 96% of its total sales for FYE 31 January 2004 while the remaining 4% of its output are exported to China and Singapore.

In this regard, the Directors are confident of maintaining, and where possible increase, the current estimated market share in the near future as the Group possesses the necessary production capacity as well as marketing network to maintain and where possible increase their stake in the domestic steel market.

7.1.6 Product Quality and Accreditation Received

The Group emphasises quality control in its entire manufacturing process. The MSB Group's CRC are manufactured under strict control procedures at various points of the production process. Strict checks are performed to ensure that MSB Group's customers get products that are of the highest available quality. In recognition of its efforts to promote quality throughout its production and management processes, MSCRC was awarded the MS ISO 9002 Certification for the manufacturing of CRC on 1 October 1996. Subsequently, MSCRC was awarded the MS ISO 9001:2000 Quality Management System in 2002.

At present, the Group has a team of five (5) quality control inspectors headed by a Manager. In general, the Group's quality control initiatives are focused on the following broad categories:-

(a) Quality control inspection on incoming material

All incoming raw and sub-raw materials are verified by the quality control inspectors to ensure that they meet with their agreed specifications. The defective or non-conforming HRC are appropriately tagged and the decision to use them will be determined by the Material Review Board ("MRB"). The HRC that are deemed defective and unusable will be downgraded or scrapped after notifying the respective supplier.

(b) Quality control inspection during production

Coils, which pass the in-process inspection for that particular process line will be tagged "no remark" and the coil can proceed to the next process. Otherwise, non-conforming coils are tagged appropriately for further action to be determined by the MRB.

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

(c) Quality control inspection for finished product

The finished product will be inspected at the production line by the quality control inspector and the line inspector. They will determine if the finished product is to be rejected or downgraded if there are any defects on it. The finished product which has completed the final inspection shall be released for delivery.

In the event that customers require a laboratory test to be conducted on a finished product, the quality control inspector collects samples from the finished product and performs the required laboratory tests. The tests also serve as MSB Group's engineering study purpose. The quality control laboratory test includes the following:-

- (i) Erichsen Test
- (ii) Tensile Strength and Elongation Percentage Test
- (iii) Hardness Test (Rockwell and Vicker)
- (iv) Surface Roughness Test

The management of the MSB Group is committed to continually improving the effectiveness of its quality management system. The Group's quality policy and objectives are reviewed and revised annually with a view of improving the quality of their finished products and hence, to achieve better customer satisfaction.

7.2 COMPETITIVE ADVANTAGES

The MSB Group believes that it has the following competitive advantages:

- (i) The Group's products are delivered to its customers in a timely manner. MSCRC's operations are supplemented by the on-site presence of a fleet of trucks provided by its contract haulage company which are prepared to on-load and dispatch its goods immediately after the production and packing process has been completed.
- (ii) The Group's products are ensured to be of a consistently high quality due to the various product quality checks implemented at various stages of the production process. Furthermore, in recognition of the above, MSCRC has been awarded the MS ISO 9002 Certification for the manufacturing of CRC on 1 October 1996. Subsequently, MSCRC was awarded the MS ISO 9001:2000 Quality Management System in 2002.
- (iii) The Group is able to manufacture CRC based on customer's requirements. This is mainly due to the years of experience accumulated by the Group in manufacturing CRC of various customers' specifications. Further, the MSB Group occasionally works with external third parties to produce new forms and specifications of CRC in an effort to highlight new uses for the traditional core product.
- (iv) The Group has also highlighted the high capital requirements in order to set-up a similar plant in Malaysia as a barrier to entry for potential entrants into the industry. Currently, the estimated costs to set up a similar plant in Malaysia has been estimated at up to RM500 million.

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

7.3 MODES OF MARKETING

The MSB Group believes that it already has a strong core group of customers and suppliers which will ensure the steady growth of the MSB Group.

The MSB Group does not enter into any long-term sales contracts with its customers as it is a common industry practice to conduct business based on short-term contracts.

However, in an effort to improve its relationship with its customers, the Group has highlighted the following strategies for its marketing plan:

- (i) to provide improved customer service in terms of timely delivery of consistently high quality products;
- (ii) to maintain a close working relationship with its customers by attending to customer complaints in a timely manner; and
- (iii) to continually strive to improve the quality of its products based on the results of its stringent quality checks as well as from feedback from its customers.

7.4 LOCATION OF OPERATIONS

The MSB Group's headquarters (including the finance and accounting function) and cold rolling mill operations are located on an 18 acre site located at Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor Darul Ehsan.

7.5 RESEARCH AND DEVELOPMENT

The MSB Group does not have a formal research and development division for the manufacturing of its CRC as the product is generic and the nature of its products has not changed over the years. However, the MSB Group, in collaboration with its customers, develops, improves and refines its products in order to ensure continuous product development as well as to identify new applications for CRC. Further, the MSB Group regularly monitors developments in the global and local steel industry, including the development of new innovations and other technology that is useful to the Group.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

7.6 MAJOR CUSTOMERS

The MSB Group's customers comprise a broad base of established customers in the steel and manufacturing industries. The top ten (10) customers of the MSB Group account for approximately 62.3% of its revenue. The top ten (10) customers of the MSB Group on percentage of revenue for the FYE 31 January 2004 are as follows:-

Customer Name	Country of Origin	Percentage of total turnover (%)	Length of Relationship (Years)
1. MIG	Malaysia	16.7	15
2. Stanta Metal Drum Sdn Bhd	Malaysia	9.2	9
3. Sumiputeh Steel Centre Sdn Bhd	Malaysia	6.4	13
4. SMPC Industries (M) Sdn Bhd	Malaysia	6.0	13
5. Apex Industries Sdn Bhd	Malaysia	5.1	13
6. PGEO Edible Oils Sdn Bhd	Malaysia	4.6	13
7. Rex Metal Packaging Berhad	Malaysia	4.2	13
8. Northern Steel Centre Sdn Bhd	Malaysia	3.6	13
9. Japmas Steel Sdn Bhd	Malaysia	3.3	9
10. Cargill International Trading Pte Ltd	Singapore	3.2	1

Based on the latest audited accounts of the Company as at 31 January 2004, with the exception of MIG, none of the MSB Group's customers individually contribute to more than 10% of its revenue. MIG, a substantial shareholder of MSB contributed to approximately 16.7% of the MSB Group's total turnover for the FYE 31 January 2004. In order to mitigate this dependency, the MSB Group is constantly sourcing for new customers through new business contacts established by the directors and its Promoter. Since December 2003, the Company has been able to secure one new major customer for its products.

7.7 MAJOR SUPPLIERS

There are currently three (3) suppliers to the MSB Group. However, the MSB Group has not committed to any long-term contract with its suppliers. The MSB Group has established good business relationships with its suppliers and they in turn have proven to be reliable business partners. The three (3) suppliers of the MSB Group in alphabetical order for the FYE 31 January 2004 are as follows:-

Customer Name	Country of Origin	Percentage of total purchases (%)	Length of Relationship (Years)
1. Marubeni-Itochu Steel Inc, Japan	Japan	44.0	9
2. Megasteel Sdn Bhd	Malaysia	38.0	3
3. NKK Trading Inc, Japan	Japan	18.0	9

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

7.8 EMPLOYEES

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the MSB Group has a total of 102 full-time employees in the following categories:

Category of employee	<----- Malaysian citizens ----- >					Total	Average no. of years in service
	Bumiputera	Chinese	Indian	Others	Foreigners		
Managerial and professional	2	10	-	-	-	12	2 to 21 years *
Technical and supervisory	13	5	4	-	-	22	14
Clerical and related occupations	6	4	2	-	-	12	9
General employee	37	-	19	-	-	56	More than 9 years
	58	19	25	-	-	102	

Note:

* *Managerial and professional staff comprise primarily of the following categories:*

Category	Average no. of years in service
<i>Managing Director</i>	2 years
<i>President / CEO</i>	1 year
<i>Vice President / Executive Directors</i>	12 years
<i>Senior Managers</i>	21 years
<i>Managers</i>	18 years
<i>Engineers and Executives</i>	13 years

The MSB Group recognises the importance of its employees and continuously takes steps to update them on the latest developments in the industry. These employees are also sent for training courses from time to time in order for them to update their technical knowledge.

The employees of the MSB Group are not members of any trade union, and the management of the MSB Group enjoys cordial relations with these employees. There has not been any material dispute to date between management and these employees.

In addition to the on the job training programs for all new employees, the following training and development programs have been implemented to enhance the knowledge and skills of the MSB Group's employees:

- Autonomous Maintenances
- Managing Cost Reduction in manufacturing
- Total Preventive Maintenance
- Root Cause Analysis
- Modern Maintenance System & Equipment Trouble Shooting
- Maintenance Management Practices
- Planned Maintenance Optimisation
- Microsoft Word 2000 (Basic & Intermediate)
- Microsoft Excel 2000 (Basic & Intermediate)

7. BUSINESS OVERVIEW AND FUTURE PROSPECTS OF THE MSB GROUP

- Interim Reporting
- ISO 9001: 2000 internal auditing

7.9 INTERRUPTIONS TO BUSINESS DURING THE PAST 12 MONTHS

There has not been any material interruption to the businesses of the MSB Group in the twelve (12) months preceding the date of this Prospectus.

7.10 ENVIRONMENTAL CONCERNS

The main waste products that arise from the manufacture of CRC are spent hydrochloric acid and metal hydroxide sludge. The spent hydrochloric acid is recycled for use in water treatment facilities and the metal hydroxide sludge is reprocessed for the making of cement. The MSB Group does not recycle the waste products themselves. Instead, it has engaged the services of waste disposal experts to dispose its waste products. The MSB Group has not encountered any problems in disposing its waste products and currently complies with the Malaysian Environmental Quality Act 1974.

7.11 RISK MANAGEMENT PLANS

With the engagement of professional personnel into the Group, MSB has established an enterprise risk management framework for the Group, particularly in relation to risks associated with fire, power and other emergency risks which may adversely affect the operations of the MSB Group.

An assessment of the Group's risks areas would provide the basis for business improvement strategies, developing cost effective control strategies and internal audit to prioritize operational reviews.

The management of MSB intends to put in place all action plans and reporting mechanisms to ensure that the control effectiveness of its risk management plans is improved over time. Management intends to utilize the risk profiles to support its strategic planning processes, and will continue to monitor changes to assess the degree of changes in the organization's risk position over time. Further, in relation to risks which are insurable, management has taken the necessary steps to ensure that these risks are adequately insured, including undertaking a periodic review of the net worth of the Group's net assets that are insured to ensure that the said assets are adequately insured at all times.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. INDUSTRY OVERVIEW AND OUTLOOK

8.1 OVERVIEW AND OUTLOOK OF THE MALAYSIAN ECONOMY

Growth momentum in the Malaysian economy strengthened to 6.4% in the fourth quarter of 2003 from 5.2% in the third quarter. Growth was broad based, with positive contributions across all industries and demand components. A stronger upturn in exports gave added support to private sector activities and consumer spending. Rising consumer and business confidence, the strong underlying economic fundamentals and low interest rates contributed to the stronger growth momentum. An important development was the stronger expansion in investments. The combination of stronger domestic demand and rising exports resulted in a stronger-than-expected GDP growth of 5.2% for the whole of 2003.

The main driver to the stronger growth performance was the manufacturing sector while most other sectors also recorded higher growth. Growth in the manufacturing sector accelerated to record a strong expansion of 12%, contributing 3.5 percentage points to GDP growth. Expansion was driven by strengthening domestic demand and reinforced by more robust exports. The stronger expansion was thus seen in both the export and domestic-oriented industries (17.2% and 8.3% respectively; 3Q 2003: 11.5% and 6% respectively). Capacity utilization remained high across both sectors.

On the demand side, growth in domestic demand was driven mainly by the private sector, with a stronger growth in household consumption. Supporting factors include low interest rates, increased access to financing, higher commodity prices, the positive wealth effect of higher equity prices and measures under the Economic Package which resulted in higher disposable incomes. Stronger external performance further raised consumer and business confidence during the quarter. Consequently, private consumption recorded a stronger growth of 6.9% during the quarter. Public consumption was also higher, increasing by 11.1% due mainly to higher expenditure on supplies and services.

An important development was the stronger growth in investment during the quarter with gross fixed capital formation rising by 3.6%. Private investment in machinery and equipment strengthened as business sentiment improved and capacity utilization remained high, especially for the export-oriented industries in the manufacturing sector. Meanwhile, development expenditure of the Malaysian Federal Government, though lower than in the corresponding quarter of 2002, remained high in the fourth quarter due mainly to expenditure on transportation and health facilities.

Stronger economic growth in the fourth quarter was achieved with low inflation. Consumer prices registered a benign increase of 1.2%. A combination of rising capacity, higher productivity and more competitive pricing of goods and services continued to contain pricing power despite strengthening demand. The increase in property prices had also been marginal and mainly for properties in choice locations.

In the external sector, revised data indicated that the trade surplus in the fourth quarter was larger at RM19.8 billion (3Q 2003: RM19.4 billion). Gross exports expanded strongly by 14.9% while imports increased at a faster rate of 16% (3Q 2003: 7.9% and 1.9% respectively). The expansion in gross exports was due to the significant increases in exports of manufactured goods and continued strong growth in exports of primary commodities. In the manufacturing sector, higher exports were due mainly to the upswing in the electronics cycle. Exports of agriculture and minerals remained strong, supported by high prices and export volume of palm oil, liquefied natural gas and crude oil.

(Source: BNM's Quarterly Bulletin, Fourth Quarter 2003)

8. INDUSTRY OVERVIEW AND OUTLOOK

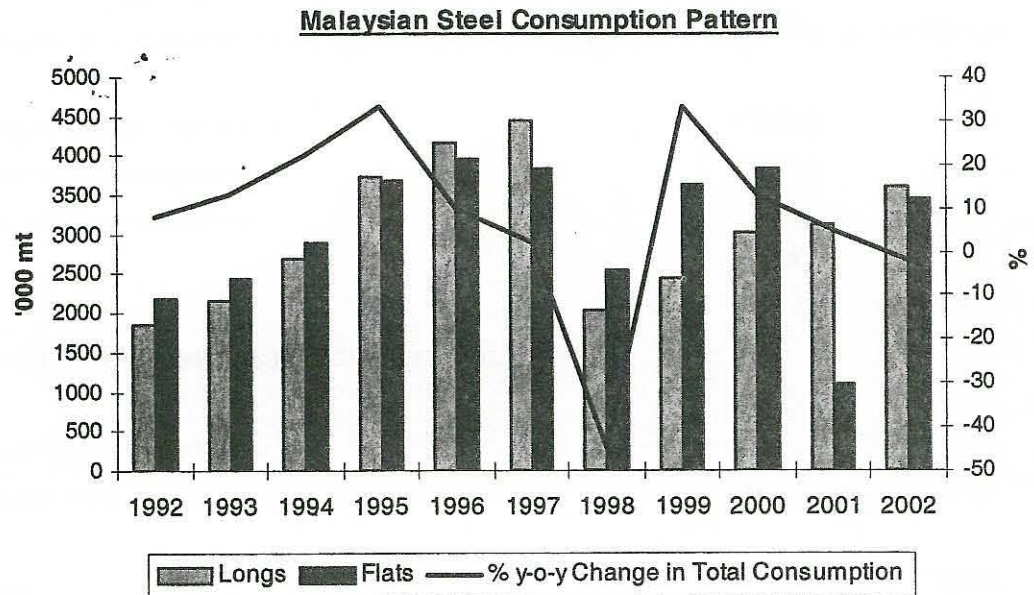
8.2 OVERVIEW OF THE MALAYSIAN STEEL INDUSTRY

In the decade years preceding the 1997 – 98 financial crisis, steel consumption grew steadily from 1.5 million mt in 1986 to 3.3 million mt in 1990, and 8.1 million mt in 1996. Consumption peaked in 1997 at 8.3 million mt despite signs of an economic slowdown. In 1998, steel consumption declined sharply as the crisis rooted itself in the real sector of the economy. Consumption nosedived an unprecedented 45% to 4.6 million mt in 1998, before picking up a strong 33% in 1999 to 6.1 million mt. In 2000, aggregate steel consumption recorded 6.9 million mt, with long products (bars, wire rods and sections) accounting for 44% of total consumption and flat products (hot-rolled sheets, plates and sheets, and CRC) making up the remaining 56%.

In 2001, steel consumption grew 5% to 7.2 million mt before moderating to 7.0 million mt in 2002, a slight decline of 2%. Long products accounted for 51% of total aggregate steel consumption in 2002, up from 43% in 2001.

The consumption of long products stood at 3.6 million mt in 2002, up 15% from the previous year (2001: 3.1 million mt). Bars and wire rods made up the bulk of the consumption for long products in 2002, at 51% and 33% respectively. Sections accounted for 13% of all long products consumed. The consumption of flat products, on the other hand, stood at 3.4 million mt in 2002, down 15% from the previous year (2001: 4.1 million mt). Among the major categories of flat consumed during the year were hot-rolled sheets and strips (49%), cold-rolled sheets (20%) and plates (7%).

Malaysia's aggregate steel consumption trend is shown below:



(Source: *The 6th Report of Status and Outlook of the Malaysian Iron and Steel Industry 2003* ("MISIF Report 2003"))

8. INDUSTRY OVERVIEW AND OUTLOOK

8.2.1 Flat Products – Cold Rolled Steel Coils

The steel industry in Malaysia has been grouped into three (3) distinct product groups as shown below:-

Category	Type of Products
1. Primary Products	(a) Scrap Substitutes: <ul style="list-style-type: none"> • Hot Briquetted Iron (HBI) • Direct Reduced Iron (DRI) (b) Crude Steel (semi-finished): <ul style="list-style-type: none"> • Billets • Blooms • Slabs
2. Rolling/ Finished Products	(a) Long Products: <ul style="list-style-type: none"> • Bars • Wire Rods • Sections (b) Flat Products: <ul style="list-style-type: none"> • Hot Rolled Plates and Sheets • CRC
3. Secondary Products	(a) Downstream Wire and Wire Products: <ul style="list-style-type: none"> • Nails • Wire • Wire Mesh • Bolts and Nuts • Barb Wire, etc. (b) Flat-Secondary: <ul style="list-style-type: none"> • Coated/Painted Steel • Tubes and Pipes (seamed) • Boilers & Pressure Vessels • Other fabricated products

MSCRC and Ornasteel are the only two producers of CRC in Malaysia. The country's current installed capacity for the production of cold rolled sheets stands at 730,000 mt. MSCRC, which started operations in 1990 has an installed capacity of 250,000 mt while Ornasteel, which began operations in 1994, has an installed capacity of 480,000 mt. The raw materials used by both MSCRC and Ornasteel are hot rolled "mother coils".

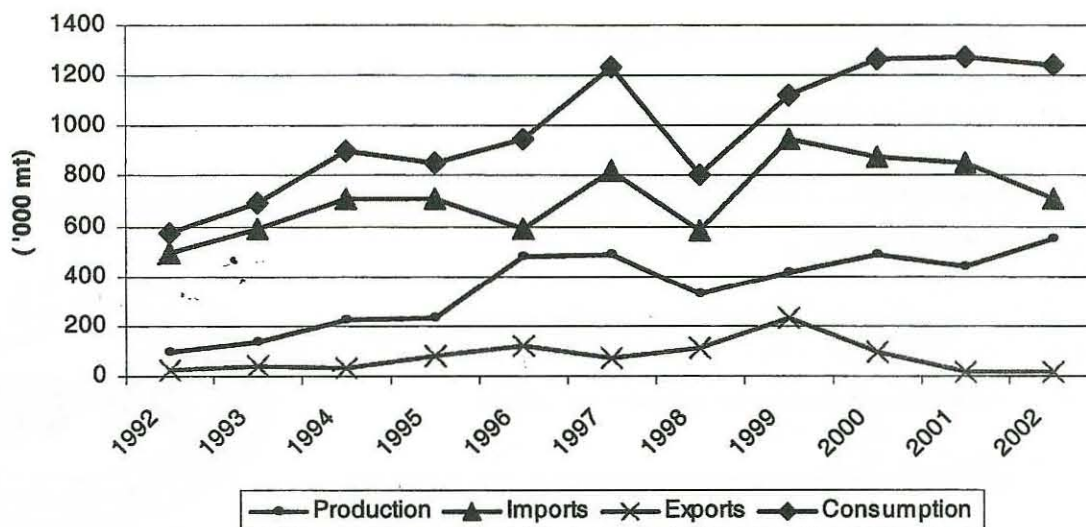
The production of CRC stood at 551,000 mt in 2002, up 25% from 440,000 mt in 2001. Based on an installed capacity of 730,000 mt, the utilisation rate was a high 75% in 2002 (2000: 66%). The production of CRC increased steadily between 1991 – 1997. Prior to 1991, there was no local production of CRC in the country and all of Malaysia's requirements of cold rolled flats had to be imported. Between 1991 and 1997, production increased by more than 10-fold from an initial level of 47,000 mt in 1991 to the peak figure of 485,000 mt in 1997. In 1998, production fell 32% to 330,000 mt. It picked up again in subsequent years, growing 24% and 19% on an annual basis to 410,000 mt in 1999 and 488,000 mt in 2000 respectively.

8. INDUSTRY OVERVIEW AND OUTLOOK

Imports of CRC peaked in 1999 at 945,000 mt (after the economic downturn) and have since then declined gradually. The decrease in imports is partly due to the softer demand from the local automotive industry. Like many other domestic-oriented industries, the automotive industry was severely affected by the 1997-98 economic downturn. But even though the market for automobiles picked up in the recent years, imports have continued to decline. In 2002, imports of CRC stood at 709,000 mt (2001: 849,000 mt).

Like most other steel products, CRC is meant primarily for domestic consumption. Hence, only small quantities of the same are exported. But in 1998 and 1999, exports were strong because of the weak domestic conditions. Exports of CRC rose 55% from 71,000 mt in 1997 to 110,000 mt in 1998, before hitting an all-time high of 231,000 mt in 1999. Exports dropped sharply in subsequent years as domestic demand picked up. In 2002, exports accounted for a meager 16,000 mt (2001: 15,000 mt). The table below illustrates the consumption, production, import and export trends of CRC.

Cold Rolled Coils: Consumption, Production, Exports and Imports



The major applications of CRC are listed as follows:-

- Coated sheets (Galvanized Steel Sheets, Tinplate, Other Metallic Coated Sheets)
- Electrical Steel Sheets
- Aircraft Building and Repairing
- Steel Furniture
- Kitchenware and Tableware
- Automotive Components and Parts
- Steel Pipes and Tubes
- Steel Drums
- Steel Strapping
- Other Fabricated Products

(Source: MISIF Report 2003)

8. INDUSTRY OVERVIEW AND OUTLOOK

8.3 OUTLOOK FOR THE MALAYSIAN STEEL INDUSTRY

To a large extent, the steel industry in Malaysia is centered on two main sectors – the construction and manufacturing sectors. Steel production is no longer dominated by long products such as bars and wire-rods as the importance of flats and steel sections has increased in recent years with rapid development and economic prosperity of the country's population. With capacity now available for medium and heavy steel sections as well as for flat products, imports of such products have been significantly reduced in the recent years. However, in the case of medium and heavy steel sections, imports have been on the rise again following the closure of Perwaja Steel Berhad's section mill in Gurun in February 2002.

Likewise, with continued emphasis on the manufacturing sector as the engine for growth, it is anticipated that Malaysia's consumption pattern would witness a shift from longs to flats in the medium to long term, as the per capita income of its population rises.

(Source: MISIF Report 2003)

CRC plays an important role in supporting the manufacturing sector. Any future growth in this sector of the steel industry as a whole will be closely associated to the growth of the manufacturing sector.

In view of the above, the following discussion on the prospects of the manufacturing sector is not intended to be exhaustive but reflects some of the factors which are relevant to understand the prospects of the steel industry based on prevailing local economic developments.

8.4 OVERVIEW AND OUTLOOK OF THE MALAYSIAN MANUFACTURING INDUSTRY

The stronger growth in the Malaysian economy was supported by expansion across all the major sectors of the economy, with the main impetus emanating from the manufacturing sector which contributed 3.5 percentage points to GDP. The more robust manufacturing sector further reinforced the recovery in the services sector.

Growth in the manufacturing sector accelerated to record a double-digit expansion of 12% during the 4th quarter of 2003, driven by stronger exports and strengthening domestic demand. The higher growth emanated from stronger expansion in the export and domestic-oriented industries (17.2% and 8.3% respectively; 3Q 2003: 11.5% and 6% respectively). The capacity utilisation rate for the export-oriented sectors remained high at 88% (3Q 2003: 88%), while that of the domestic-oriented sectors declined to 74% (3Q 2003: 82%), due mainly to the lower production in the transport equipment industries. The overall manufacturing capacity utilisation rate remains high at 82% in the fourth quarter (3Q 2003: 85%).

The strong performance of the export-oriented industries reflected expansion in the electronics, chemicals and rubber products industries. Of significance, production of electronics increased markedly following rising global demand across all markets and product segments. The spillover effects from the strong electronics performance as well as the improved external demand for resins and plastic products underpinned the growth in the chemical products industry.

In the domestic-oriented industries, the higher growth was supported by expansion in the construction related industries and food and beverages, while the performance of the transport equipment industry was affected by the slower demand for new cars.

(Source: BNM's Quarterly Bulletin, Fourth Quarter 2003)

8. INDUSTRY OVERVIEW AND OUTLOOK

Malaysia's manufacturing sector is all geared up for better times ahead, as output strengthened further starting February 2003, on the back of higher growth of domestic-oriented industries and better performance of export-oriented industries. Domestic-oriented industries recorded double digit growth, spurred by higher consumption in food and beverages, and continuing demand for products of construction-related industries, particularly non-metallic minerals such as cement and concrete as well as higher growth of fabricated metal products in the second quarter of 2003. With the increased activities of the manufacturing sector, demand for natural gases surged upward, and contributed to higher growth of the domestic-oriented industries, in particular the industrial gases sub-sector. The export-oriented industries also performed better in 2003 and recorded a moderate growth during the first six months, due to a rebound in rubber products and textile industries, particularly the apparel.

External developments and strengthening domestic economy point to stronger growth in the manufacturing sector. Growth in export-oriented industries, in particular the electronics industry, is envisaged to gain strength following higher inter-regional trade, particularly between ASEAN and East Asia. Efforts to promote domestic consumption as well as advancements into higher value-added products will further boost growth of domestic-oriented industries. Taking cognisance of the on-going development processes, the overall value added of the manufacturing sector is expected to register a stronger growth of 7.2%.

(Source: Economic Report 2003/2004)

8.5 GOVERNMENT LEGISLATION AND POLICIES

The steel industry in Malaysia is not governed by any legislation which is unique to the industry. Nonetheless, the fact that the industry is capital-intensive in nature, relies heavily on imported inputs and is largely driven by demand from the local market, ensures that it receives a fair amount of attention from government policy makers.

A major issue confronting the local industry is the Government's policy on imports of flat steel products. The policy, which is meant to protect the local industry, was put into place in response to safeguard measures imposed by the US, EU and other countries (to protect their own steel industries) as well as the overcapacity problems experienced during the Asian financial crisis. Key elements of the policy include:

- a) Requirements for import permit for flat steel items; and
- b) Import duties ranging from 30%-50%.

The imposition of the above two (2) policies was to provide some measure of protection similar to other countries and to prevent the Malaysian steel industry from being a recipient of products diverted from elsewhere.

(Source: MISIF Report 2003)

However, management believes that there is no material impact on the operations and performance of the Group (including production costs and profits) arising from an increase in import tariffs as the Group is able to pass on the higher costs to their customers in the form of higher prices for their products. Furthermore, the tariffs were intended to be a measure to protect the local steel industry from being the recipient of steel products diverted from elsewhere.

8. INDUSTRY OVERVIEW AND OUTLOOK

8.6 THE INDUSTRY'S RELIANCE ON IMPORTS

Traditionally, steelmaking facilities in ASEAN countries consist of mini-mills with the production capacity for downstream products (both long and flat) much higher than for steelmaking. This disparity in the industry has required ASEAN countries, including Malaysia, to import large quantities of ore pellets, billets, HRC and CRC as feedstock for rolling activities. The use of scrap is particularly evident due to the use of electric arc furnaces ("EAFs") and cheaper cost compared to alternatives. Presently, about 65% of the scrap needed for steelmaking in Malaysia is imported.

Until the late-1990s, Malaysia had no capacity to produce hot-rolled flat products, such as sheets, strips and plates. Domestic demand for such products was completely met through imports. However, all that changed with the coming on-stream of Megasteel's 2.0 million mt HRC plant in 1999. Since then, HRC imports have steadily declined from 832,000 mt in year 2000 to 549,000 mt in year 2002. Despite the reversing trend, domestic demand is still largely imported from China, Japan, Thailand and Korea as Megasteel is currently producing HRC at only 50% of its plant capacity per year.

(Source: MISIF Report 2003)

8.7 FUTURE PLANS AND STRATEGIES OF THE MSB GROUP

The MSB Group plans to further expand the Group's present market share through the implementation of several strategies.

The Group intends to increase the efficiency of its present cold rolling mill plant in Shah Alam, Selangor Darul Ehsan. In doing so, the Group expects production cost to be reduced. The Group has also recently acquired two (2) adjoining pieces of vacant industrial land for future expansion purposes.

With the expected liberalization of the Malaysian steel industry following the full implementation of the AFTA, domestic HRC prices are expected to match international HRC prices. This will in turn enable MSCRC to source raw materials at more competitive prices.

The Group is also adopting the strategy to produce high grade and high quality CRCs in order to position the Group in a niche environment and to stay ahead of the competition.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

9. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

9.1 DECLARATION BY ADVISERS

OSK confirms that, as at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Adviser, Managing Underwriter and Placement Agent for the Listing.

Messrs Moores Rowland has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the Reporting Accountants for the Listing.

Messrs Cheang & Ariff has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the Solicitors for the Listing.

Messrs Azmi & Co. Sdn Bhd has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the Valuers for the Group's properties.

9.2 RELATED PARTY TRANSACTIONS WITH DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The Directors of MSB estimate that the Group will have recurrent related party transactions with the following parties in the financial year ending 31 January 2005. Details of these recurrent related party transactions, of which the value of these transactions is subject to changes, are as follows:

Transacting Parties	Nature of Relationship	Nature of Transaction	Actual value for the financial year ended 31 January 2004	Actual value as at 30 April 2004
			RM	RM
MSCRC and MIG	MIG is a substantial shareholder and Promoter of MSB, which in turn, holds a 100% stake in MSCRC	Purchases of steel pipes	25,544	206
MSCRC and MIG	MIG is a substantial shareholder and Promoter of MSB, which in turn, holds a 100% stake in MSCRC	Processing services for CRC sold to MIG	5,568	1,107
MSCRC and MIG	MIG is a substantial shareholder and Promoter of MSB, which in turn, holds a 100% stake in MSCRC	Supply of CRC products	42,527,317	14,708,348
MSB, MSCRC and Trace Management Services Sdn Bhd ("Trace")	Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman, Tunku Ya'acob and Dato' Zulkifly @ Sofi bin Haji Mustapha are deemed interested parties in Trace by virtue of their family relationship and major shareholdings and MGB as well as MIG. Tunku Ya'acob and Dato' Zulkifly @ Sofi bin Haji Mustapha are also Directors of MSCRC.	Provision of corporate secretarial services	14,234	3,599

9. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

Transacting Parties	Nature of Relationship	Nature of Transaction	Actual value for the financial year ended 31 January 2004	Actual value as at 30 April 2004
			RM	RM
MSB, MSCRC and Malaysian Assurance Alliance Berhad ("MAA")	Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman and Tunku Ya'acob are deemed interested in MAA by virtue of Tunku Ya'acob having an 80% direct shareholding in Iternum. Iternum has a direct 34% direct shareholding in MAA.	Purchase of general insurance policies	279,916	218,693
MSCRC and Wira Security Services Sdn Bhd ("Wira")	MAA Holdings Berhad ("MAAH") is the ultimate holding company of Wira. Iternum has a 34% direct shareholding in MAAH. Tunku Ya'acob is deemed interested in MAAH by virtue of his 80% direct shareholding in Iternum.	Provision of security guard services	46,541	20,639
MSB and MAA Corporate Advisory Sdn Bhd ("MAACA")	Tunku Ya'acob is deemed interested in MAACA by virtue of his substantial shareholdings (80%) in Iternum. Iternum has a 34.1% indirect shareholding in MAA Holdings Berhad, which is the ultimate holding company of MAACA.	Provision of advisory services	-	789,500
MSB and Mitra Malaysia Sdn Bhd ("Mitra")	Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman ("Tunku Abdullah"), Tunku Ya'acob and Tunku Iskandar are deemed interested in Mitra as Mitra is fully owned by Tunku Iskandar who is the son and brother of Tunku Abdullah and Tunku Ya'acob respectively.	Ticketing, tour and travel	-	20,701

These transactions are conducted in the ordinary course of business and are regarded as recurrent related party transactions of revenue or trading nature. Such transactions will be carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to the public and which will not be detrimental to the minority shareholders of MSB.

The appropriate disclosures will be made in the annual report of the Company of the aggregate value of the transactions conducted based on the nature of the transactions made, names of the related parties involved in each type of transaction made and their relationship with the Company.

9. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

There is no transaction that is unusual in its nature or condition, involving goods, services, or tangible or intangible assets, to which the MSB Group or substantial shareholders was a party in respect of the FYE 31 January 2004, and in the subsequent financial year immediately preceding the date of this Prospectus.

There is no amount of outstanding loan (including guarantees of any kind) that has been made by the MSB Group or substantial shareholders to or for the benefit of any Director, substantial shareholder or person connected with such Director or substantial shareholder, as at 30 April 2004, being the last practicable date prior to the printing of this Prospectus.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

9. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

9.3 INTERESTS IN A SIMILAR TRADE

Save as disclosed below, none of the Directors and substantial shareholders of MSB has any interest, direct or indirect, in any other business or company which is carrying on a trade similar to that of MSB and/or its subsidiaries:

Name of Company with similar business	Nature of business	No. of Shares held in the company			
		Direct	%	Indirect	%
MIG	Manufacturing of steel tubes and pipes	93,818,566	52.4	-	-
Common Substantial shareholder	Director/				
MESB	Investment holding	-	-	93,818,566 ^(a)	52.4
Iternum	Investment holding	-	-	93,818,566 ^(b)	52.4
Khyra	Investment holding	-	-	93,818,566 ^(b)	52.4
MGB	Investment holding	-	-	93,818,566 ^(c)	52.4
MEBL	Investment holding	-	-	93,818,566 ^(d)	52.4
Tunku Ya'acob	-	-	-	94,318,566 ^(e)	52.7
Tunku Iskandar	-	-	-	94,318,566 ^(f)	52.7

Notes:-

- (a) *Deemed interested by virtue of its substantial shareholdings in MEBL*
- (b) *Deemed interested by virtue of its substantial shareholdings in MESB*
- (c) *Deemed interested by virtue of its substantial shareholdings in Iternum*
- (d) *Deemed interested by virtue of its substantial shareholdings in MIG*
- (e) *Deemed interested by virtue of his substantial shareholdings in Iternum and Khyra*
- (f) *Deemed interested by virtue of their family relationship with Tunku Ya'acob*

Although the above mentioned Directors and/or substantial shareholders have businesses that carry on similar trade with the MSB Group, these businesses are not in conflict with the existing business of the MSB Group because MIG is principally involved in the manufacture of steel pipes and tubes whereas the MSB Group manufactures and trades CRC.

To mitigate any potential conflict of interest, the Promoter, Directors and/or substantial shareholders have provided written undertakings not to be involved in any new business that is similar to that of the MSB Group.

9.4 INTERESTS IN MATERIAL ASSETS ACQUIRED, DISPOSED OF OR LEASED

Save as disclosed below, none of the Directors and substantial shareholders of MSB has any interest, direct or indirect, in any promotion of, or in, any material asset, within the two (2) years preceding the date of this Prospectus, acquired by, disposed of by, or leased to the MSB or any of its subsidiaries, or is proposed to be acquired by, disposed of or leased to MSB or any of its subsidiaries:

- (i) On 30 July 2003, MSCRC entered into a sale and purchase agreement with MIG to acquire two (2) vacant plots of industrial land which is contiguous with the existing four (4) plots of industrial land already owned by MSCRC for a total purchase price of RM11.0 million. Pursuant to a Supplementary Agreement dated 27 January 2004, the same parties have agreed to vary the purchase price of the said properties to RM8.25 million vide the SC approval letter dated 29 December 2003. The purchase price was subsequently satisfied entirely by way of a cash payment to MIG.

10. FINANCIAL INFORMATION**10.1 PROFORMA CONSOLIDATED INCOME STATEMENTS OF THE MSB GROUP**

The following table sets forth a summary of the proforma consolidated income statements of the MSB Group for the past five (5) FYE 31 January 2004 based on the assumption that the MSB Group has been in existence throughout the years under review. The proforma consolidated income statements is presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set forth in Section 11 of this Prospectus.

	----- Year ended 31 January # -----				
	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000
Gross Revenue	197,927	181,724	160,194	201,085	269,577
Less:					
Cost of sales * Note 1	156,628	147,455	139,155	162,744	231,978
Gross profit	41,299	34,269	21,039	38,341	37,599
Add:					
Other operating income	284	286	1,538	1,226	796
	41,583	34,555	22,577	39,567	38,395
Less:					
Selling and distribution expenses	3,435	3,198	2,588	2,682	1,894
General and administrative expenses * Note 1	1,281	1,301	936	2,991	1,956
Finance costs	52	-	-	-	1,896
	4,768	4,499	3,524	5,673	5,746
PBT	36,815	30,056	19,053	33,894	32,649
Tax (expense)/income	(30)	(63)	18,556	(9,949)	9,079
PAT	36,785	29,993	37,609	23,945	23,570
Gross EPS (RM)	0.27	0.22	0.14	0.25	0.24
Net EPS (basic) (RM)	0.27	0.22	0.28	0.18	0.18
Net EPS (fully diluted) (RM)	0.21	0.17	0.21	0.13	0.13
* Note 1:					
Depreciation included under:					
- cost of sales	10,585	10,319	9,909	9,288	9,037
- general and administrative expenses	61	60	17	35	118
	10,646	10,379	9,926	9,323	9,155

Note:

The Group's proforma consolidated financial results were prepared based on the audited financial statements of MSCRC after making relevant adjustments that the Reporting Accountants considered necessary under the circumstances. (Please refer to the Accountants' Report set out in Section 11 of this Prospectus).

The MSB Group did not report any extraordinary or exceptional items in its audited accounts for the periods under review.

The MSB Group's audited financial statements for the past five (5) FYE 31 January 2004 have not been subjected to any audit qualification. Detailed information on the proforma consolidated results of the MSB Group is set forth in Section 11 of this Prospectus.

10. FINANCIAL INFORMATION

10.1.1 Segmental Data

There would be no breakdown and analysis of turnover and profits for the MSB Group by activity, product or division as the Group is solely involved in the business of manufacturing and trading of a single product, namely CRC.

The breakdown and analysis of revenue and profits by market are as follows:-

Market	FYE 31 January 2004			
	Revenue		Gross Profit	
	RM'000	%	RM'000	%
Export	12,149	4.5	1,720	4.5
Local	257,428	95.5	35,879	95.5
Total	269,577	100.0	37,599	100.0

10.1.2 Directors' Declaration on Financial Performance

Save as disclosed in Section 4 of this Prospectus, the financial conditions and operations of the Group are not affected by any of the following:

- (a) any known trends, demands, commitments, events of uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the MSB Group;
- (b) any material commitments for capital expenditure;
- (c) any unusual, infrequent events or transactions or any significant economic changes that have materially effected the financial performance, position and operations of the MSB Group; and
- (d) any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK BLANK

10. FINANCIAL INFORMATION**10.2 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENT AND MATERIAL LITIGATION****(i) Working Capital**

The Directors of MSB are of the opinion that, after taking into account the forecast consolidated cashflows, banking facilities available and the gross proceeds from the Public Offer, the MSB Group will have adequate working capital for the next 12 months from the date of this Prospectus.

(ii) Borrowings

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Group's total borrowings amounted to the following:-

	As at 31 January 2004 (Audited) RM'000	As at 30 April 2004 (Unaudited) RM'000
Short term		
Interest bearing	61,589	65,499
Long term		
Interest bearing	-	-
	61,589	65,499

The MSB Group has not defaulted on payments of either interest and/or principal sums in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof up to 30 April 2004 being the last practicable date prior to the printing of this Prospectus.

(iii) Contingent Liabilities

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Directors of MSB are not aware of any contingent liabilities incurred by the MSB Group which, upon becoming enforceable, may have a material impact on the financial position of the MSB Group.

(iv) Material Commitment

Save as disclosed in Section 9.4 of this Prospectus, as at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Directors of MSB are not aware of any material commitment contracted or known to be contracted by the MSB Group which, upon becoming enforceable, may have a material impact on the financial position of the MSB Group.

(v) Material Litigation

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the MSB Group is not engaged in any litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the MSB Group, and the Directors of MSB are not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the MSB Group.

10. FINANCIAL INFORMATION**10.3 CONSOLIDATED PROFIT FORECAST**

The Directors of MSB forecast that, the consolidated profit forecast for MSB for the financial year ending 31 January 2005 will be as follows:

	FYE 31 January 2005 RM'000
Revenue	307,360
PBT	35,103
Less: Taxation	(10,000)
PAT	25,103
Less: Pre-Acquisition profit	4,015
Net Profit	21,088
Enlarged issued and paid-up share capital	179,000
Weighted average number of shares	141,677
Gross EPS (sen)	24.8
Net EPS before pre-acquisition profit (sen)	17.7
Net EPS after pre-acquisition profit (sen)	14.9
Gross PE multiple	5.65
Net PE multiple before pre-acquisition profit	7.91
Net PE multiple after pre-acquisition profit	9.40
Gross profit margin (%)	13.8
Pretax profit margin	11.4

10.3.1 The principal bases and assumptions upon which the consolidated profit forecast for the FYE 31 January 2005 have been made are as follows:

1. There will be no significant changes in the principal activities, management structure, accounting and business operating policies adopted by the Group.
2. There will be no significant changes in the prevailing economic conditions in Malaysia and elsewhere which will directly or indirectly have an adverse effect on the activities or performance of the Group.
3. There will be no significant changes in raw material costs, forecast selling prices, sales volume and sales mix of the Group.
4. There will be no significant changes in the present government regulations and legislations, which would adversely affect the operations of the Group or the markets in which it operates.

10. FINANCIAL INFORMATION

5. There will be no significant changes in the rates and bases of taxation and other duties applicable to the Group from the current levels. The Malaysian income tax rate relevant to the Group is expected to remain at 28%.
6. There will be no major breakdown or disruption in the manufacturing facilities, industrial disputes and political changes or any abnormal circumstances, which will adversely affect the operations and performance of the Group.
7. Capital expenditure will be incurred as planned and there will be no significant disposal of property, plant and equipment, which gives rise to significant profit and loss on disposal.
8. Existing financial facilities will remain available with no significant changes in the interest rates and the Group will be able to procure sufficient financing activities for working capital purposes, if necessary.
9. The Group will not engage in any material litigation and there will be no legal proceedings against the Group which will adversely affect the activities or performance of the Group or give rise to any contingent liabilities which will materially affect the position or business of the Group.
10. The acquisition of MSCRC by MSB was completed on 29 March 2004.
11. MSCRC will be consolidated on the acquisition method of accounting. The net consolidated profit forecast will accordingly exclude the pre-acquisition profit of MSCRC.
12. The domestic inflation rate and the exchange rates of Ringgit Malaysia against the relevant foreign currencies will not change materially from the current levels.
13. There will be no significant changes in the existing key personnel and management of the Group that will adversely affect the marketing capability and level of activities of the Group.
14. There will be no significant changes in operating expenses including wages, cost of supplies, administration and overhead expenses and other costs other than those forecast.
15. There are no shortages in terms of production capacity to meet the increase in the demand of cold rolled steel sheets in coils.
16. The gross proceeds of RM62,913,200 will be from the Public Offer of 44,938,000 new ordinary shares of RM1.00 each in MSB at an issue price of RM1.40 per share. The gross proceeds are assumed to be received in June 2004 and will be utilized as follows:

	RM'000
Repayment of bank borrowings	25,000
Working capital for the Group	34,913
Estimated listing expenses	3,000
	62,913

The estimated listing expenses of RM3,000,000 will be written off against the Share Premium Account.

10. FINANCIAL INFORMATION

10.3.2 Directors' commentary on the achievability of the profit forecast

The Board of Directors of MSB has reviewed and analysed the bases and assumptions used in arriving at the consolidated profit forecast of the MSB Group for the FYE 31 January 2005 and are of the opinion that the consolidated forecast is fair and reasonable in light of the prospects of the steel industry in which it operates and the future plans, strategies and prospects of the Group as set put in **Section 8.7** of this Prospectus and after taking into consideration the forecast gearing level, liquidity and working capital requirements of the Group.

The Board of Directors of MSB expects the Group to achieve revenue of RM307.4 million for the financial year ending 31 January 2005, which represents a 14.0% increase from the proforma consolidated turnover for the financial year ended 31 January 2004. The improvement is mainly due to rising steel prices for year 2004.

In tandem with the surge in turnover, PBT is forecasted to increase by 7.5% to RM35.1 million compared to the previous financial year. Consequently, MSB is expected to register a PAT of RM25.1 million.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK BLANK

10. FINANCIAL INFORMATION

10.4 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST

(Prepared for inclusion in this Prospectus)



Partners/Directors
Dato' Koay Soon Eng
Ong Eng Loo
Tang Kin Kheong
Jean Gan Morn Ghuat
Tang Chin Fook

14 May 2004

The Board of Directors
Mycron Steel Berhad
Suite 20.03, 20th Floor
Menara MAA
No. 12 Jalan Dewan Bahasa
50460 Kuala Lumpur

Dear Sirs

**CONSOLIDATED PROFIT FORECAST
FOR THE YEAR ENDING 31 JANUARY 2005**

We have reviewed the consolidated profit forecast of Mycron Steel Berhad ("MSB") for the year ending 31 January 2005 as set out in the accompanying statement (which has been stamped for the purpose of identification) in accordance with the *International Standards on Auditing (ISA 810 - The Examination of Prospective Financial Information)* applicable to the review of forecast. The forecast has been prepared for the inclusion in the Prospectus to be dated 25 May 2004 in connection with the following, and should not be relied on for any other purposes.

- i) Public offer of 44,938,000 new ordinary shares of RM1.00 each at an offer price of RM1.40 per share, and
- ii) Listing of and quotation for the entire enlarged issued and paid-up ordinary share capital of MSB on the Main Board of Bursa Malaysia Securities Berhad.

Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by MSB and its subsidiary, Mycron Steel CRC Sdn Bhd ("MSCRC", formerly known as *Cold Rolling Industry (Malaysia) Sdn Bhd*), together known as "Group" in their respective audited financial statements for the year ended 31 January 2004. The Directors of the Group are solely responsible for the preparation and presentation of the forecast and the assumptions on which the forecast is based.

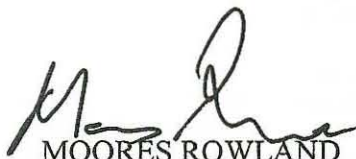
10. FINANCIAL INFORMATION

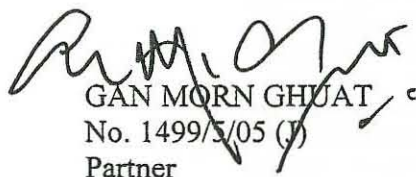
Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

Nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the profit forecast.

In our opinion, the consolidated profit forecast, so far as the calculations are concerned, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by MSB and MSCRC in their respective audited financial statements for the year ended 31 January 2004.

Yours faithfully


MOORES ROWLAND
No. AF:0539
Chartered Accountants


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

10. FINANCIAL INFORMATION**MYCRON STEEL BERHAD****CONSOLIDATED PROFIT FORECAST
FOR THE YEAR ENDING 31 JANUARY 2005**

The Directors of the Group forecast that the consolidated results for the year ending 31 January 2005, based on the assumptions set out below, will be as follows:

	Forecast RM'000
Gross revenue	307,360 =====
Profit before tax	35,103
Tax expense	10,000 -----
Profit after tax	25,103
Less:	
Pre-acquisition profit	4,015 -----
Net profit	21,088 =====
Number of ordinary shares in issue after public offer ('000)	179,000
Weighted average number of ordinary shares in issue after public offer ('000)	141,677 =====
Gross earnings per share (sen)	24.8
Net earnings per share before pre-acquisition profit (sen)	17.7
Net earnings per share after pre-acquisition profit (sen)	14.9 =====
Gross price-earnings multiple (times)	5.65
Net price-earnings multiple before pre-acquisition profit (times)	7.91
Net price-earnings multiple after pre-acquisition profit (times)	9.40 =====

Note: The gross/net price-earnings multiple is computed based on the offer price of RM1.40 per share



14 MAY 2004

10. FINANCIAL INFORMATION

The principal bases and assumptions upon which the consolidated profit forecast has been prepared are as follows:

General Assumptions

1. There will be no significant changes in the principal activities, management structure, accounting and business operating policies adopted by the Group.
2. There will be no significant changes in the prevailing economic conditions in Malaysia and elsewhere which will directly or indirectly have an adverse effect on the activities or performance of the Group.
3. There will be no significant changes in raw material costs, forecast selling prices, sales volume and sales mix of the Group.
4. There will be no material changes in the present government regulations and legislation, which would adversely affect the operations of the Group or the markets in which it operates.
5. There will be no significant changes in the rates and bases of taxation and other duties applicable to the Group from the current levels. The Malaysian income tax rate relevant to the Group is expected to remain at 28%.
6. There will be no major breakdown or disruption in the manufacturing facilities, industrial disputes and political changes or any abnormal circumstances, which will adversely affect the operations and performance of the Group;
7. Capital expenditure will be incurred as planned and there will be no significant disposal of property, plant and equipment, which gives rise to significant profit and loss on disposal.
8. Existing financial facilities will remain available with no significant changes in the interest rates and the Group will be able to procure sufficient financing facilities for working capital purposes, if necessary.
9. The Group will not engage in any material litigation and there will be no legal proceedings against the Group which will adversely affect the activities or performance of the Group or give rise to any contingent liabilities which will materially affect the position or business of the Group.



14 MAY 2004

10. FINANCIAL INFORMATION

10. The acquisition of MSCRC by MSB was completed on 29 March 2004.
11. MSCRC will be consolidated on the acquisition method of accounting. The net consolidated profit forecast will accordingly exclude the pre-acquisition profit of MSCRC.
12. The domestic inflation rate and the exchange rates of Ringgit Malaysia against the relevant foreign currencies will not change materially from the current levels.
13. There will be no significant changes in the existing key personnel and management of the Group that will adversely affect the marketing capability and level of activities of the Group.
14. There will be no significant changes in operating expenses including wages, cost of supplies, administration and overhead expenses and other costs other than those forecast.
15. There are no shortages in terms of production capacity to meet the increase in the demand of cold rolled steel coils.
16. The gross proceeds of RM62,913,200 will be from the Public Offer of 44,938,000 new ordinary shares of RM1.00 each in MSB at an issue price of RM1.40 per share. The gross proceeds are assumed to be received in June 2004 and will be utilised as follows:

	RM'000
Repayment of bank borrowings	25,000
Working capital for the Group	34,913
Estimated listing expenses	3,000
	62,913
	62,913

The estimated listing expenses of RM3,000,000 will be written off against the Share Premium Account.



14 MAY 2004

10. FINANCIAL INFORMATION**10.5 CONSOLIDATED CASH FLOW FORECAST**

The Directors of MSB forecast that, the consolidated cash flow forecast for MSB for the FYE 31 January 2005 will be as follows:

	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	300,206
Cash paid to suppliers and employees	(251,946)
Cash generated from operations	<u>48,260</u>
Tax paid	(2,500)
Net cash from operating activities	<u>45,760</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(169)
Interest received	600
Net cash used in investing activities	<u>431</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payment for estimated listing expenses	(3,000)
Proceeds from initial public offer	62,913
Repayment to former holding company	(18,000)
Repayment of term loan	(25,000)
Interest paid	(3,696)
Net cash used in financing activities	<u>13,217</u>
NET CHANGES IN CASH AND BANK BALANCES	59,408
CASH AND BANK BALANCES BROUGHT FORWARD	6,905
CASH AND BANK BALANCES CARRIED FORWARD	<u>66,313</u>

The principal bases and assumptions underlying the consolidated cash flow forecast for the FYE 31 January 2005 are set out below. These assumptions are to be read in conjunction with the assumptions underlying the Group's consolidated profit forecast.

10.5.1 The principal bases and assumptions upon which the consolidated cash flow forecast for the FYE 31 January 2005 have been made are as follows:

1. The acquisition of MSCRC by MSB was completed on 29 March 2004.
2. Cash receipts from customers are expected to be paid within the normal credit period extended to customers.
3. Payment to suppliers are expected to be paid within the normal credit period extended to the Group.
4. Selling and distribution expenses, administrative expenses and general expenses, finance costs and staff costs will be paid as incurred.
5. Tax payment is expected to be made within the financial year the taxable profits are earned.
6. The gross proceeds of RM62,913,200 will be from the Public Offer of 44,938,000 new ordinary shares of RM1.00 each in MSB at an issue price of RM1.40 per share. The gross proceeds are expected to be received in June 2004 and will be utilized as follows:

10. FINANCIAL INFORMATION

	RM'000
Repayment of bank borrowings	25,000
Working capital for the Group	34,913
Estimated listing expenses	<u>3,000</u>
	<u>62,913</u>

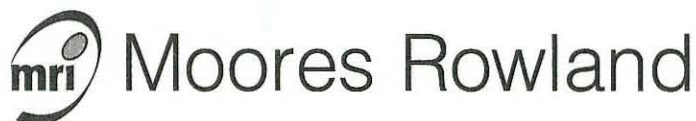
7. A first and final dividend of 7% tax exempt will be declared for the FYE 31 January 2005 and payable in the FYE 31 January 2006.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

10. FINANCIAL INFORMATION

10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED CASHFLOW FORECAST

(Prepared for inclusion in this Prospectus)



Partners/Directors
Dato' Koay Soon Eng
Ong Eng Loo
Tang Kin Kheong
Jean Gan Morn Ghuat
Tang Chin Fook

14 May 2004

The Board of Directors
Mycron Steel Berhad
Suite 20.03, 20th Floor
Menara MAA
No. 12 Jalan Dewan Bahasa
50460 Kuala Lumpur

Dear Sirs

**CONSOLIDATED CASH FLOW FORECAST
FOR THE YEAR ENDING 31 JANUARY 2005**

We have reviewed the consolidated cash flow forecast of Mycron Steel Berhad ("MSB") for the year ending 31 January 2005 as set out in the accompanying statement (which has been stamped for the purpose of identification) in accordance with the *International Standards on Auditing (ISA 810 - The Examination of Prospective Financial Information)* applicable to the review of forecast. The forecast has been prepared for the inclusion in the Prospectus to be dated 25 May 2004 in connection with the following, and should not be relied on for any other purposes.

- i) Public offer of 44,938,000 new ordinary shares of RM1.00 each at an offer price of RM1.40 per share, and
- ii) Listing of and quotation for the entire enlarged issued and paid-up ordinary share capital of MSB on the Main Board of Bursa Malaysia Securities Berhad.

Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by MSB and its subsidiary, Mycron Steel CRC Sdn Bhd ("MSCRC", formerly known as *Cold Rolling Industry (Malaysia) Sdn Bhd*), together known as "Group" in their respective audited financial statements for the year ended 31 January 2004. The Directors of the Group are solely responsible for the preparation and presentation of the forecast and the assumptions on which the forecast is based.

Chartered Accountants
A member of
Moore's Rowland International
an association of independent
accounting firms throughout
the world

Wisma Selangor Dredging
7th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur
Malaysia

G.P.O. Box 10731
50722 Kuala Lumpur
Malaysia
Tel : 603-2161 5222
Fax: 603-2161 3909
Email: consult@mooresrowland.com.my

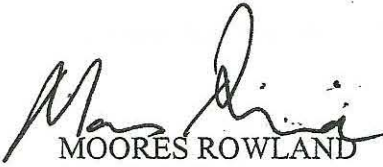
10. FINANCIAL INFORMATION

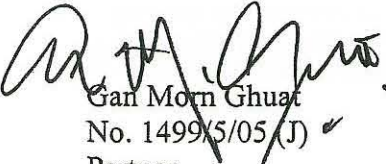
Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared. While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

Nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the cash flow forecast.

In our opinion, the consolidated cash flow forecast, so far as the calculations are concerned, is properly prepared on the basis of the assumptions made by the Directors.

Yours faithfully


MOORES ROWLAND
No. AF:0539
Chartered Accountants


Gan Morn Ghuat
No. 1499/5/05 (J)
Partner

10. FINANCIAL INFORMATION

MYCRON STEEL BERHAD

CONSOLIDATED CASH FLOW FORECAST
FOR THE YEAR ENDING 31 JANUARY 2005

The Directors of the Group forecast that the consolidated cash flows for the year ending 31 January 2005, based on the assumptions set out below, will be as follows:

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	300,206
Cash paid to suppliers and employees	(251,946)

Cash generated from operations	48,260
Tax paid	(2,500)

Net cash from operating activities	45,760

CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(169)
Interest received	600

Net cash from investing activities	431

CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment to former holding company	(18,000)
Proceeds from initial public offer	62,913
Payment of estimated listing expenses	(3,000)
Repayment of term loan	(25,000)
Interest paid	(3,696)

Net cash from financing activities	13,217

NET CHANGES IN CASH AND BANK BALANCES	59,408
CASH AND BANK BALANCES BROUGHT FORWARD	6,905

CASH AND BANK BALANCES CARRIED FORWARD	66,313
	=====



14 MAY 2004

10. FINANCIAL INFORMATION

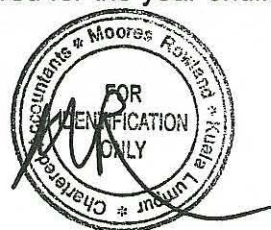
The principal bases and assumptions underlying the consolidated cash flow forecast for the year ending 31 January 2005 are set out below. These assumptions are to be read in conjunction with the assumptions underlying the Group's consolidated profit forecast.

General Assumptions

1. The acquisition of MSCRC by MSB was completed on 29 March 2004.
2. Cash receipts from customers are expected to be collected within the normal credit period extended to customers.
3. Payment to suppliers are expected to be paid within the normal credit period extended to the Group.
4. Selling and distribution expenses, administrative and general expenses, finance costs and staff costs will be paid as incurred.
5. Tax payment is expected to be made within the financial year the taxable profits are earned.
6. The gross proceeds of RM62,913,200 will be from the Public Offer of 44,938,000 new ordinary shares of RM1.00 each in MSB at an issue price of RM1.40 per share. The gross proceeds are expected to be received in June 2004 and will be utilised as follows:

	RM'000
Repayment of bank borrowings	25,000
Working capital for the Group	34,913
Estimated listing expenses	3,000
	62,913
	62,913

7. A first and final dividend of 7% tax exempt will be declared for the year ending 31 January 2005 and payable in the year ending 31 January 2006.



14 MAY 2004

10. FINANCIAL INFORMATION**10.7 DIVIDEND FORECAST AND POLICY**

MSB intends to pursue a dividend policy in line with its profitability which would allow its shareholders to participate in the profits of the Group as well as leaving adequate reserves for its future growth and expansion.

Based on the Group's consolidated profit forecast for the FYE 31 January 2005, on the assumption that the current basis for calculating taxation and the rates of taxation remain unchanged, the Directors of MSB anticipate that MSB would be in a position to propose a tax-exempt dividend of 7% for the FYE 31 January 2005 based on the issued and paid up share capital of 179,000,000 Shares.

It will be the policy of the Directors of MSB in recommending dividends to allow shareholders to participate in the profits of the MSB Group as well as leaving adequate reserves for the future growth of the MSB Group.

Notwithstanding the above, the Directors have full discretion to propose the waiver of any future dividend payment as and when deemed necessary, if it is in the best interests of the Company to do so.

The intended appropriation of the consolidated profit forecast for the FYE 31 January 2005 is as follows:-

FYE 31 January 2005	Forecast RM '000
Consolidated PBT	35,103
Less: Taxation	(10,000)
Consolidated PAT	25,103
Less: Pre-acquisition profit	(4,015)
	21,088
Less: Proposed dividend (less 28% tax)	(12,530)
Consolidated retained profit for the year	8,558
Net dividend per Share (sen)	7.0
Net dividend rate (%)	7.0
Net dividend yield based on the offer price of RM1.40 per Share (%)	5.0
Net dividend cover (times)	1.68

Future dividends will be waived if:

- (i) The Group is in a loss position for the relevant financial period; or
- (ii) The Group has insufficient cashflow to meet any dividend payments.

10.8 SENSITIVITY ANALYSIS

The principal bases and assumptions upon which the sensitivity analysis on the MSB Group's consolidated forecast PAT has been made as follows:

- (i) The selected variable will vary $\pm 5\%$ and $\pm 10\%$ from the base case;
- (ii) The MSB Group's gross profit margin will be maintained at the same percentage as in the base case; and

10. FINANCIAL INFORMATION

- (iii) Except for the selected sensitized items, the same assumptions for the other items in the base case shall apply.

The following scenarios attempts to show the impact on profit resulting from the changes in sales volume, selling price of products as well as cost of sales:

(a) Changes in sales volume

FYE 31 January	Forecast 2005	
	RM '000	%
Base case PAT	21,088	
PAT resulting from the change in sales volume by:		
+5%	21,914	3.9
+10%	22,909	8.6
-10%	18,845	(10.6)
-5%	19,840	(5.9)

(b) Changes in selling price of products

FYE 31 January	Forecast 2005	
	RM '000	%
Base case PAT	21,088	
PAT resulting from the change in selling price by:		
+5%	30,135	42.9
+10%	39,019	85.0
-10%	2,430	(88.5)
-5%	14,672	(30.4)

(c) Changes in cost of sales

FYE 31 January	Forecast 2005	
	RM '000	%
Base case PAT	21,088	
PAT resulting from the change cost of sales by:		
+5%	16,782	(20.4)
+10%	12,695	(39.8)
-10%	28,958	37.3
-5%	24,955	18.3

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

10. FINANCIAL INFORMATION**10.9 PROFORMA CONSOLIDATED BALANCE SHEETS**

The proforma consolidated balance sheets of the Group as set out below are provided for illustrative purposes only to show the effects of the MSCRC Acquisition and Public Offer on the assumption that the Listing is completed on 31 January 2004.

	Audited as at 31 January 2004 RM'000	After MSCRC Acquisition RM'000	After MSCRC Acquisition and Public Offer RM'000
PROPERTY, PLANT AND EQUIPMENT	-	126,879	126,879
CURRENT ASSETS			
Inventories	-	46,542	46,542
Trade and other receivables	-	33,114	33,114
Amount owing by holding company	-	2,959	2,959
Amount owing by related company		726	726
Time deposits	-	1,400	1,400
Cash and bank balances	*	5,504	40,417
Less:	-	90,245	125,158
CURRENT LIABILITIES			
Trade and other payables	6	6,806	6,806
Amount owing to holding company	-	11,500	11,500
Bank borrowing		61,589	36,589
Tax payable	-	27	27
	6	79,922	54,922
NET CURRENT (LIABILITIES) / ASSETS	(6)	10,323	70,236
	(6)	137,202	197,115
Financed by:			
SHARE CAPITAL	*	134,062	179,000
SHARE PREMIUM	-	-	14,975
(ACCUMULATED LOSS) / UNAPPROPRIATED PROFIT	(6)	2,133	2,133
SHAREHOLDERS' EQUITY	(6)	136,195	196,108
DEFERRED TAX LIABILITY	-	1,007	1,007
	(6)	137,202	197,115
NTA per share	(3,000)	1.02	1.10

Note:

* Represents issued and paid-up share capital of 2 ordinary shares of RM1 each

Notes to the Proforma Balance Sheets

The proforma consolidated balance sheets are prepared based on the audited balance sheets of MSB and MSCRC as at 31 January 2004 and are based on accounting principles and bases consistent with those normally adopted by the Group.

The proforma consolidated balance sheets have been adjusted to reflect the following events, on the assumption that they had been completed on 31 January 2004:

10. FINANCIAL INFORMATION**(i) Acquisition of MSCRC**

MSB will acquire the entire issued and paid-up share capital of MSCRC comprising 60,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM134,061,998 from MIG.

The purchase consideration will be satisfied entirely through the issue of 134,061,998 new ordinary shares of RM1.00 each in MSB at an issue price of RM1.00 per share.

(ii) Public Offer

The proceeds from the Public Offer totalling RM62,913,200 (44,938,000 shares at RM1.40 per share) will be utilised as follows:

	RM
Repayment of bank borrowings	25,000,000
Working capital for the Group	34,913,200
Estimated listing expenses	3,000,000
	62,913,200

The estimated listing expenses of RM3,000,000 will be written off against the Share Premium Account.

10.10 ADDITIONAL DISCLOSURE ON TRADE DEBTORS

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Company has trade debts amounting RM42,576,293. However, there are no non-performing trade debts owing from customers that exceeds its normal credit period of 60 days. An analysis of the MSB Group's debtor's ageing is provided below:

Debtors Ageing	0 – 60 days	61 – 90 days	90 – 120 days	Total
Amount owing as at 30 April 2004	RM38,720,354	RM3,207,488	RM648,451	42,576,293

As at 30 April 2004, there are no trade debts exceeding six (6) months and management is confident of being able to recover in full all the remaining trade debts exceeding the normal credit period.

10. FINANCIAL INFORMATION

10.11 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEET

(Prepared for inclusion in this Prospectus)



Partners/Directors
Dato' Koay Soon Eng
Ong Eng Loo
Tang Kin Kheong
Jean Gan Morn Ghuat
Tang Chin Fook

14 May 2004

The Board of Directors
Mycron Steel Berhad
Suite 20.03, 20th Floor
Menara MAA
No.12 Jalan Dewan Bahasa
50460 Kuala Lumpur

Dear Sirs

**PROFORMA CONSOLIDATED BALANCE SHEETS
AT 31 JANUARY 2004**

We have reviewed the proforma consolidated balance sheets of Mycron Steel Berhad ("MSB") at 31 January 2004 together with the notes thereon, for which the Directors of MSB are solely responsible, as set out in the accompanying statement (which has been stamped for the purpose of identification). The proforma consolidated balance sheets have been prepared for the inclusion in the Prospectus to be dated 25 May 2004 in connection with the following, and should not be relied on for any other purposes.

- i) Acquisition of the entire issued and paid-up share capital of Mycron Steel CRC Sdn Bhd ("MSCRC", *formerly known as Cold Rolling Industry (Malaysia) Sdn Bhd*).
- ii) Public offer of 44,938,000 new ordinary shares of RM1.00 each at an offer price of RM1.40 per share.
- iii) Listing of and quotation for the entire enlarged issued and paid-up ordinary share capital of MSB on the Main Board of Bursa Malaysia Securities Berhad.

Chartered Accountants
A member of
Moores Rowland International
an association of independent
accounting firms throughout
the world


Wisma Selangor Dredging
7th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur
Malaysia


G.P.O. Box 10731
50722 Kuala Lumpur
Malaysia
Tel : 603-2161 5222
Fax: 603-2161 3909
Email: consult@mooresrowland.com.my

10. FINANCIAL INFORMATION

In our opinion, the proforma consolidated balance sheets together with the notes thereon, which are provided for illustrative purposes only, have been properly compiled on the accounting principles and bases consistent with those normally adopted by the Group and the adjustments are appropriate for the purposes of proforma consolidated balance sheets.

Yours faithfully


MOORES ROWLAND
No. AF:0539
Chartered Accountants


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

s
J
J
J
t
k

1
r
a
2
9
y

10. FINANCIAL INFORMATION

MYCRON STEEL BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS
AT 31 JANUARY 2004

The proforma consolidated balance sheets of the Group as set out below are provided for illustrative purposes only to show the effects of the acquisition of MSCRC and public offer on the assumption that they have been completed on 31 January 2004.

	Audited as at 31 January 2004 RM'000	After acquisition of MSCRC RM'000	After acquisition and public offer RM'000
PROPERTY, PLANT AND EQUIPMENT	-	126,879	126,879
CURRENT ASSETS			
Inventories	-	46,542	46,542
Trade and other receivables	-	33,114	33,114
Amount owing by holding company	-	2,959	2,959
Amount owing by related company	-	726	726
Time deposits	-	1,400	1,400
Cash and bank balances	*	5,504	40,417
	-----	-----	-----
	-	90,245	125,158
	-----	-----	-----
Less:			
CURRENT LIABILITIES			
Trade and other payables	6	6,806	6,806
Amount owing to holding company	-	11,500	11,500
Bank borrowing	-	61,589	36,589
Tax payable	-	27	27
	-----	-----	-----
	6	79,922	54,922
	-----	-----	-----
NET CURRENT (LIABILITIES)/ASSETS	(6)	10,323	70,236
	-----	-----	-----
	(6)	137,202	197,115
	-----	-----	-----
Financed by:			
SHARE CAPITAL	*	134,062	179,000
SHARE PREMIUM	-	-	14,975
ACCUMULATED LOSS/ UNAPPROPRIATED PROFIT	(6)	2,133	2,133
	-----	-----	-----
SHAREHOLDERS' EQUITY	(6)	136,195	196,108
DEFERRED TAX LIABILITY	-	1,007	1,007
	-----	-----	-----
	(6)	137,202	197,115
	-----	-----	-----
NTA per share (RM)	(3,000)	1.02	1.10
	-----	-----	-----

* Represents issued and paid-up share capital of 2 ordinary shares of RM1 each



14 MAY 2004

10. FINANCIAL INFORMATION

MYCRON STEEL BERHAD

NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS

1. The proforma consolidated balance sheets have been prepared for illustrative purposes only. They are based on the audited balance sheets of MSB and MSCRC at 31 January 2004 and compiled on the accounting principles and bases consistent with those normally adopted by the Group.
2. The proforma consolidated balance sheets have been adjusted to reflect the effects of the acquisition and public offer on the assumption that they had been completed on 31 January 2004.

(i) *Acquisition of MSCRC*

MSB will acquire the entire issued and paid-up share capital of MSCRC comprising 60,000,000 ordinary shares of RM1.00 each at a total purchase consideration of RM134,061,998 from Melawar Industrial Group Berhad (*formerly known as Maruichi Malaysia Steel Tube Berhad*).

The purchase consideration will be satisfied entirely through the issue of 134,061,998 new ordinary shares of RM1.00 each in MSB at an issue price of RM1.00 per share.

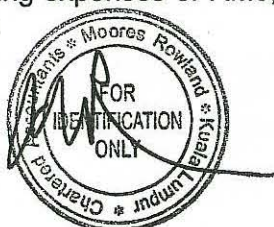
(ii) *Public Offer*

The proceeds from the public offer totaling RM62,913,200 (44,938,000 shares at RM1.40 per share) will be utilised as follows:

	RM
Repayment of bank borrowings	25,000,000
Working capital of the Group	34,913,200
Estimated listing expenses	3,000,000

	62,913,200
	=====

The estimated listing expenses of RM3,000,000 will be written off against the Share Premium Account.



14 MAY 2004

11. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)



Partners/Directors
Dato' Koay Soon Eng
Ong Eng Loo
Tang Kin Kheong
Jean Gan Morn Ghuat
Tang Chin Fook

14 May 2004

The Board of Directors

Mycron Steel Berhad

Suite 20.03, 20th Floor

Menara MAA

No. 12, Jalan Dewan Bahasa

50460 Kuala Lumpur

Dear Sirs

ACCOUNTANT'S REPORT

1. INTRODUCTION

This report has been prepared by Moores Rowland, approved company's reporting accountants, for inclusion in the Prospectus to be dated 25 May 2004 in connection with the Public Offer of 44,938,000 new ordinary shares of RM1.00 each in Mycron Steel Berhad (hereinafter referred to as "MSB" or "the Company") at an offer price of RM1.40 per share, and the listing of and quotation for the entire enlarged issued and paid-up share capital of MSB of 179,000,000 ordinary shares of RM1.00 each on the Main Board of Bursa Malaysia Securities Berhad.

11. ACCOUNTANTS' REPORT**2. GENERAL INFORMATION****2.1 Background**

The Company was incorporated in Malaysia as a public limited company on 24 July 2003 under the name of Mycron Steel Berhad.

The authorised share capital of MSB as at the date of this report is RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each.

The issued and paid-up share capital as at the date of this report is RM134,062,000 comprising 134,062,000 ordinary shares of RM1.00 each.

2.2 Principal Activity

The principal activity of the Company is investment holding.

2.3 Changes in Share Capital

Details of the changes in the issued and paid-up share capital of MSB since incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Purpose	Total issued and paid-up share capital (cumulative) RM
24 July 2003 (Date of incorporation)	2	Subscribers' shares	2
29 March 2004	134,061,998	Acquisition of Subsidiary company	134,062,000

11. ACCOUNTANTS' REPORT

Upon completion of the Public Offer of 44,938,000 new ordinary shares of RM1.00 each, the issued and paid-up share capital of MSB will be increased to RM179,000,000 comprising 179,000,000 ordinary shares of RM1.00 each.

2.4 Acquisition of a Subsidiary Company

As an integral part of its public flotation scheme, MSB acquired the entire issued and paid-up share capital of Mycron Steel CRC Sdn Bhd ("MSCRC", *formerly known as Cold Rolling Industry (Malaysia) Sdn Bhd*) comprising 60,000,000 ordinary shares of RM1.00 each at a total purchase consideration of RM134,061,998 from Melewar Industrial Group Berhad ("MIG", *formerly known as Maruichi Malaysia Steel Tube Berhad*). The purchase consideration for the acquisition was satisfied entirely through the issue of 134,061,998 new ordinary shares of RM1.00 each in MSB. The acquisition was completed on 29 March 2004.

2.5 Public Offer

As part of the listing exercise, MSB will implement a public offer of 44,938,000 new ordinary shares of RM1.00 each, representing 25.1% of the enlarged issued and paid-up share capital of the Company, at an offer price of RM1.40 per share, to be allocated in the following manner:

- (a) 4,833,000 ordinary shares, representing 2.7% of the enlarged issued and paid-up share capital of MSB, will be reserved for application by bumiputera investors approved by the Ministry of International Trade and Industry ("MITI");
- (b) 8,950,000 ordinary shares, representing 5.0% of the enlarged issued and paid-up share capital of MSB, will be made available for

11. ACCOUNTANTS' REPORT

application by Malaysian citizens, companies, societies, co-operatives and institutions;

- (c) 11,052,000 ordinary shares, representing 6.2% of the enlarged issued and paid-up share capital of MSB, will be reserved for application by eligible directors, employees and business associates of MSB Group as well as eligible directors and employees of MIG; and
- (d) 20,103,000 ordinary shares, representing 11.2% of the enlarged issued and paid-up share capital of MSB, will be reserved for private placement to identified investors.

The proceeds from the Public Offer totaling RM62,913,200 (44,938,000 shares at RM1.40 per share) are to be utilised for the following:

	RM'000
Repayment of bank borrowings	25,000
Working capital	34,913
Estimated listing expenses	3,000

	62,913
	=====

The estimated listing expenses amounting to RM3,000,000 are to be written off against the share premium account.

11. ACCOUNTANTS' REPORT**3. BACKGROUND OF THE SUBSIDIARY COMPANY****Subsidiary Company**

MSCRC was incorporated in Malaysia on 6 January 1989 under the Companies Act, 1965 as a private company limited by shares and it commenced production in June 1990. MSCRC is principally engaged in the manufacturing and trading of cold rolled steel sheets in coils. On 1 October 1996, MSCRC achieved MS ISO 9002 Certification for the manufacture of cold rolled steel sheets in coils. The company was granted pioneer status by the MITI for a tax relief period of five years from 1 October 1990 to 30 September 1995 under Section 14A of the Promotion of Investments Act, 1986. The tax relief period was extended for another five years from 1 October 1995 to 30 September 2000.

The authorised share capital as at the date of this report is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital as at the date of this report is RM60,000,000 comprising 60,000,000 ordinary shares of RM1.00 each.

The movements in the issued and paid-up share capital of MSCRC since the date of incorporation until the date of this report are as follows:

Date of allotment	No of ordinary shares of RM1.00 each allotted	Consideration	Total issued and paid-up capital (cumulative)
			RM
6 January 1989 (Date of incorporation)	2	Cash	2
12 September 1989	13,925,998	Cash	13,926,000
15 May 1990	6,074,000	Acquisition of freehold land	20,000,000
8 January 1991	20,000,000	Cash	40,000,000
30 December 1991	20,000,000	Cash	60,000,000

Subsequent to the Acquisition in Section 2.4 above, MSB and MIG are the immediate and ultimate holding companies respectively of MSCRC.

11. ACCOUNTANTS' REPORT**4. FINANCIAL STATEMENTS AND AUDITORS**

We were appointed as auditors of MSCRC from its first financial year ended 31 January 1990 to 31 January 2003.

The financial statements of MSB and MSCRC for the period/year ended 31 January 2004 were audited by another firm of chartered accountants.

The respective auditors' reports of MSB for the period ended 31 January 2004 and of MSCRC for the five financial years from 31 January 2000 to 2004 were not subject to any qualification.

5. BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

This report is based on the audited financial statements and is presented on a basis consistent with the accounting policies adopted by MSB and those previously adopted by MSCRC except that certain reclassifications have been made, where appropriate, principally to comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

6. DIVIDENDS

MSB has not paid any dividend since its incorporation.

The dividends paid or declared by MSCRC during the financial years under review are as follows:

Year ended	Dividend rate	Tax rate	Net dividend paid/declared
	%	%	RM'000
31 January 2000	20	-	12,000
31 January 2001	20	-	12,000
31 January 2002	20	-	12,000
31 January 2003	20	-	12,000
31 January 2004	180	-	108,000

11. ACCOUNTANTS' REPORT**7. SUMMARISED INCOME STATEMENTS****7.1 Proforma Group**

The proforma consolidated financial results of MSB for the past five financial years ended 31 January 2004, are provided for illustrative purposes based on the audited financial statements of MSB and MSCRC, assuming that the Group had existed throughout the years under review.

	Year ended 31 January				
	2000	2001	2002	2003	2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Gross Revenue	197,927	181,724	160,194	201,085	269,577
Gross profit	41,299	34,269	21,039	38,341	37,599
Profit before finance costs, depreciation and tax expense/income	47,513	40,435	28,979	43,217	43,700
Finance costs	(52)	-	-	-	(1,896)
Depreciation	(10,646)	(10,379)	(9,926)	(9,323)	(9,155)
Profit before tax	36,815	30,056	19,053	33,894	32,649
Tax (expense)/income	(30)	(63)	18,556	(9,949)	(9,079)
Profit after tax	36,785	29,993	37,609	23,945	23,570
Paid-up capital comprising ordinary shares of RM1.00 each ('000)	134,062	134,062	134,062	134,062	134,062

11. ACCOUNTANTS' REPORT

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

Note:

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

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

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

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

11. ACCOUNTANTS' REPORT

- (b) *There are no minority interests in the financial years under review.*
- (c) *There are no extraordinary or exceptional items during the financial years under review.*
- (d) *Earnings per share for the respective years under review is calculated based on the proforma profit attributable to shareholders of MSB and the number of ordinary shares of RM1.00 each in issue.*

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

7.2 MSB

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

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

11. ACCOUNTANTS' REPORT

7.3 MSCRC

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

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

11. ACCOUNTANTS' REPORT*Notes:*

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

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

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

- (b) *The finance costs in 2004 represent the interest charged on banker's acceptance utilised during the year.*
- (c) *The effective tax rates compared to the statutory tax rates are:*

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

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

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

11. ACCOUNTANTS' REPORT

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

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

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

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

- (d) There are no extraordinary or exceptional items during the financial years under review.*
- (e) Earnings per share is calculated based on profit after tax and the number of ordinary shares of RM1.00 each in issue.*

11. ACCOUNTANTS' REPORT

8. SUMMARISED BALANCE SHEETS

8.1 MSB

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

	31 January 2004 RM
Current asset	
Cash balance	2

	2

Less:	
Current liability	
Other payables	(5,600)

Net current liability	(5,598)
	=====
Financed by:	
Share capital	2
Accumulated loss	(5,600)

	(5,598)
	=====

11. ACCOUNTANTS' REPORT**8.2 MSCRC**

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

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

11. ACCOUNTANTS' REPORT

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

Notes:

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

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

11. ACCOUNTANTS' REPORT

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

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

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

11. ACCOUNTANTS' REPORT**9. PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

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

	<i>Note</i>	RM'000
PROPERTY, PLANT AND EQUIPMENT	<i>11.3</i>	126,879
CURRENT ASSETS		
Inventories	<i>11.4</i>	46,542
Trade and other receivables	<i>11.5</i>	33,114
Amount owing by holding company	<i>11.6</i>	2,959
Amount owing by related company		726
Time deposits	<i>11.7</i>	1,400
Cash and bank balances		40,417

		125,158

Less:		
CURRENT LIABILITIES		
Trade and other payables	<i>11.8</i>	6,806
Amount owing to holding company	<i>11.6</i>	11,500
Bank borrowing	<i>11.9</i>	36,589
Tax payable		27

		54,922

NET CURRENT ASSETS		70,236

		197,115
		=====

11. ACCOUNTANTS' REPORT

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

11. ACCOUNTANTS' REPORT**10. PROFORMA CONSOLIDATED CASH FLOW STATEMENT**

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

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	32,649
Adjustments for:	
Depreciation	9,155
Gain on disposal of property, plant and equipment	(60)
Interest income	(732)
Interest expenses	1,896

Operating profit before working capital changes	42,908
Changes in inventories	5,399
Changes in receivables	(5,564)
Changes in payables	(3,065)

Cash generated from operations	39,678
Interest received	732
Interest paid	(1,896)
Tax paid	(188)

Net cash from operating activities	38,326

11. ACCOUNTANTS' REPORT

	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(9,681)
Proceeds from disposal of property, plant and equipment	87

Net cash used in investing activities	(9,594)

CASH FLOWS FROM FINANCING ACTIVITIES	
Drawdown of banker's acceptance	61,589
Dividend paid	(120,000)
Advances from holding company	11,500

Net cash used in financing activities	(46,911)

NET CHANGES IN CASH AND CASH EQUIVALENTS	(18,179)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	25,083

CASH AND CASH EQUIVALENTS CARRIED FORWARD	6,904
	=====
Represented by:	
TIME DEPOSITS	1,400
CASH AND BANK BALANCES	5,504

	6,904
	=====

11. ACCOUNTANTS' REPORT

11. NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**11.1 Significant accounting policies****(a) Basis of accounting**

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

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

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

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

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

11. ACCOUNTANTS' REPORT

(b) *Subsidiary company*

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

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

(c) *Basis of consolidation*

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

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

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

11. ACCOUNTANTS' REPORT

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

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

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

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

(i) Measurement basis

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

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

11. ACCOUNTANTS' REPORT**(ii) Depreciation**

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

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

(f) Inventories

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

(g) Receivables

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

(h) Payables

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

11. ACCOUNTANTS' REPORT

(i) *Share capital*

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

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

(j) *Impairment of assets*

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

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

11. ACCOUNTANTS' REPORT

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

(k) *Foreign currencies*

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

(l) *Deferred taxation*

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

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

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

11. ACCOUNTANTS' REPORT

(m) *Cash equivalents*

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

(n) *Employee benefits*

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

(o) *Financial instruments*

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

(p) *Rounding of amounts*

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

11. ACCOUNTANTS' REPORT

11.2 Financial risk management objectives and policies

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

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

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

Credit risk

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

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

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

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

11. ACCOUNTANTS' REPORT

Interest rate risk

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

11. ACCOUNTANTS' REPORT

11.3 Property, plant and equipment

<i>Cost/Valuation</i>	RM'000
At valuation	
Freehold land and buildings	71,067
At cost	
Plant, machinery, equipment and electrical installation	166,717
Motor vehicles	527
Furniture, fittings and office equipment	141

	238,452

<i>Accumulated Depreciation</i>	
Freehold land and buildings	39
Plant, machinery, equipment and electrical installation	111,290
Motor vehicles	126
Furniture, fittings and office equipment	118

	111,573

<i>Net Book Value</i>	
At valuation	
Freehold land and buildings	71,028
At cost	
Plant, machinery, equipment and electrical installation	55,427
Motor vehicles	401
Furniture, fittings and office equipment	23

	126,879
	=====

11. ACCOUNTANTS' REPORT

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

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

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

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

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

11. ACCOUNTANTS' REPORT**11.4 Inventories**

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

	46,542
	=====

11.5 Trade and other receivables

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

	33,114
	=====

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

11. ACCOUNTANTS' REPORT**11.6 Amount owing by/to holding company**

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

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

11.7 Time deposits

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

11.8 Trade and other payables

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

	6,806
	=====

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

11. ACCOUNTANTS' REPORT**11.9 Bank borrowing**

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

11.10 Share capital

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

11.11 Deferred tax liabilities

The net deferred tax liabilities comprise:

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

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

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

11. ACCOUNTANTS' REPORT**11.12 Dividends**

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

	RM'000
(a) In respect of the year ended 31 January 2003	
- Interim dividend of 20% tax exempt paid on 7 February 2003	12,000
	<u>12,000</u>
(b) In respect of the year ended 31 January 2004	
- Interim dividend of 150% tax exempt paid on 23 July 2003	90,000
- Interim dividend of 30% tax exempt paid on 29 January 2004	18,000
	<u>108,000</u>

12. SEGMENT ANALYSIS

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

11. ACCOUNTANTS' REPORT**13. PROFORMA CONSOLIDATED NET TANGIBLE ASSETS COVER**

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

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

11. ACCOUNTANTS' REPORT

14. EVENT SUBSEQUENT TO BALANCE SHEET DATE

- (i) On 26 March 2004, MSB increased its authorised share capital from 100,000 ordinary shares of RM1.00 each to 500,000,000 ordinary shares of RM1.00 each.
- (ii) On 29 March 2004, MSB completed the acquisition of 60,000,000 ordinary shares of RM1.00 each in MSCRC, representing 100% of its issued and paid up share capital from MIG at a total purchase consideration of RM134,061,998 satisfied by the issuance of 134,061,998 new ordinary shares of RM1.00 each in MSB.

15. AUDITED FINANCIAL STATEMENTS

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

Yours faithfully



MOORES ROWLAND
No. AF: 0539
Chartered Accountants



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

12. VALUATION CERTIFICATE

(Prepared for inclusion in this Prospectus)



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

S. GOPALA KRISHNAN SMS PJK
FRICS FISM ARVA
Registered Valuer

AZMI & CO
AZMI & CO SDN BHD
[77155-D]

B9 Jalan Ampang Utama 2/2
One Ampang Avenue, 68000 Ampang
Selangor Darul Ehsan, Malaysia

Telephone : 03-4256 6666
Facsimile : 03-4252 5252

Website : www.azmigroup.com.my
E-Mail : azmico@azmigroup.com.my

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

Your Reference :

18 May 2004

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

Dear Sirs,

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

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

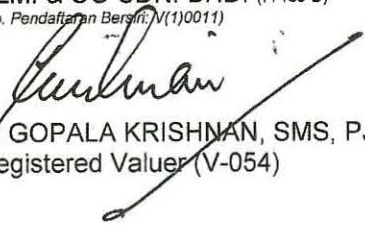
In accordance with the instruction from MSB, we have assessed the Market Value of the properties vide our Valuation Reports under reference as set out herein. These Reports and Valuations were prepared in conjunction with the listing of MSB on the Main Board of the Bursa Malaysia Securities Exchange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

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

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

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

Yours faithfully
AZMI & CO SDN. BHD. (77155-D)
(No. Pendaftaran Berhad: V(1)0011)


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

MNA/nsc

12. VALUATION CERTIFICATE

AZMI & CO

The particulars of the property are as follows:

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

12. VALUATION CERTIFICATE

AZMI & CO

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

13. DIRECTORS' REPORT



MYCRON STEEL BERHAD (622819-D)



MS ISO 9001 REG. NO. AR 0912

Address: Lot 717, Jalan Sungai Rasau, Seksyen 16, P.O.Box 7168, 40706 Shah Alam, Selangor, Malaysia.

• Tel: 03-5510 6608 • Fax: 03-5510 3720 • e-mail: enquiry@mycronsteel.com • website: www.mycronsteel.com

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

18 May 2004

The Shareholders
Mycron Steel Berhad

Dear Sir/Madam,

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

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

Yours faithfully

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

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

14. STATUTORY AND GENERAL INFORMATION

14.1 SHARE CAPITAL

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in MSB. As at the date of this Prospectus, there is only one class of shares in MSB, namely, ordinary shares of RM1.00 each, all of which rank pari passu with one another.
- (iii) No person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of the MSB Group.
- (iv) There is no scheme involving the employees of the MSB Group in the capital of the MSB Group, except for the pink form allocation pursuant to the Public Offer.
- (v) No shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of the MSB Group have been or are proposed to be issued as partly or fully paid-up, in cash or otherwise than in cash, within the two (2) years preceding the date of this Prospectus.

14.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association which comply with the Listing Requirements of Bursa Malaysia and Rules of the Central Depository:

(i) Transfer of Securities

The provisions in the Company's Articles of Association in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:

Article 23

The transfer of any securities or class of securities of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and notwithstanding Section 103 and 104 of the Act, but subject to subsection 107C(2) of the Act, and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Securities.

Article 24

The transfer books and registers of members and debenture holders and debenture stock holders (if any) may be closed during such time as the Directors think fit not exceeding in the whole thirty days in each year. Any notice of intention to fix a books closing date and the reason therefore shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Stock Exchange; such notice shall state the books closing date, which shall be at least twelve (12) market days after the date of notification to the Stock Exchange, and the address of share registry at which documents will be accepted for registration. The Company shall give notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.

14. STATUTORY AND GENERAL INFORMATION

(ii) Transmission of Securities

The provisions in the Company's Articles of Association in respect of the arrangements for transmissions of the securities and restrictions on their free transferability are as follows:

Article 27

In case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 28

Any person becoming entitled to shares in consequences of the death, bankruptcy, insolvency or lunacy of any member (herein referred to as a person entitled by transmission) shall on producing to the Company such evidence as may be reasonably required by the Directors to prove his title be entitled to be registered as a member in respect of the shares or instead or being registered himself to make such transfer as the deceased, bankrupt or insolvent person could have made but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy as the case may be. This Article is hereinafter referred to as the transmission article. Provided always that where the share is a deposited security, subject to the Rules, a transfer or withdrawal of the share may be carried out by the person becoming so entitled.

Article 29

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, provided that where the share is a deposited security and the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Central Depository. If he elects to have another person registered he shall testify his election by execution to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

Article 31

Where :-

- (a) the Securities of the Company are listed on an Approved Market Place; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities.

14. STATUTORY AND GENERAL INFORMATION

The Company shall, upon request of a member, permit a transmission of securities held by such member holder from the register of members maintained by the registrar of the Company in the jurisdiction of the Foreign Exchange (hereinafter referred to as "the Foreign Register"), to the register of members maintained by the registrar of the Company in Malaysia (hereinafter referred to as "The Malaysian Register") provided that there shall be no change in the ownership of such securities.

For the avoidance of doubt, notwithstanding that the Company fulfils the requirements of subparagraphs (a) and (b) of Article 29A shall not allow any transmission of securities from the Malaysian Register into the Foreign Register".

(iii) Remuneration of Directors

The provisions in the Company's Articles of Association in respect of remuneration of the Directors are as follows:

Article 84

- (a) The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. That remuneration shall be deemed to accrue from day to day. Remuneration paid by the Company to the alternate shall be deducted from the Director nominating him. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meeting of the Company or in connection with the business of the Company.
- (b) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.
- (c) Salaries payable to executive Directors may not include a commission on or percentage of turnover.

Article 85

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting.

Article 86

If any Director being willing and having been called upon to do so by the other Directors shall render or perform special or extraordinary services or travel or reside abroad for any business or purposes on behalf of the Company, he shall be entitled to receive such sum as the Directors may think fit for expenses and also such remuneration as the Directors may think fit, either as a fixed sum or as percentage of profits or otherwise but not a commission on or percentage of turnover and such remuneration may, as the directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

14. STATUTORY AND GENERAL INFORMATION

(iv) Voting and Borrowing Powers of Directors

The provisions in the Company's Articles of Association dealing with the powers of the Directors in proposals, arrangements or contracts in which they are interested in their borrowing powers exercisable by them and how much such borrowing powers can be varied are as follows:

Article 91

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge any of the Company or the subsidiaries undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or a related third party only.
- (b) In accordance with Section 132C of the Act and Section 317 of the Listing Requirements of the Stock Exchange, the Directors shall not acquire or dispose of an undertaking or property of a substantial value or dispose of a substantial portion of the Company's main undertaking or property without the approval of the Company in General Meeting.

Article 101

Subject to these Articles questions arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chairman of the meeting shall have a second a casting vote except where only two Directors are competent to vote on the question at issue, or are the quorum present at the meeting.

Article 103

A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest.

Article 105

A Director may vote and be counted in a quorum at a meeting in respect of :

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

(v) Changes in Capital or Variation of Class Rights

The provisions in the Company's Articles of Association as to the changes in capital or variation of class rights, which are as stringent as those provided in the Companies Act, 1965 are as follows:

14. STATUTORY AND GENERAL INFORMATION

Article 6

The repayment of preference capital other than redeemable preference, or any other alteration of preference shareholders rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 7

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders the shares of the class. To every such separate General Meeting the provision of these articles relating to the General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. PROVIDED ALWAYS that where the necessary majority is not obtained at the meeting, consent in writing if obtained from members holding at least three-fourth (3/4) of the issued shares of that class within two (2) months from the date of the separate general meeting shall have the force and validity of a resolution duly carried by vote in person or by proxy. The special rights attached to any class of shares having preferential rights attached to any class of shares having preferential rights shall not unless expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respect pari passu therewith but in no respect in priority thereto. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

14. STATUTORY AND GENERAL INFORMATION

14.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors of MSB are set out in **Section 1** of this Prospectus.
- (ii) A Director of MSB is not required to hold any qualification shares in MSB:
- (iii) None of the Directors or key management and technical personnel of the MSB Group is or has been involved in any of the following events, whether in or outside Malaysia:
 - (a) a petition under any bankruptcy or insolvency law filed (and not struck out) against such director or personnel or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
 - (b) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or
 - (c) a subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or regulatory authority permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
- (iv) Save as disclosed in **Section 6.2.4** of this Prospectus, there has been no amounts and benefits that have been or are intended to be paid or given to the Promoter, Directors and substantial shareholder of MSB within the two (2) years preceding the date of this Prospectus.
- (v) The details of the Directors' and substantial shareholders' direct and indirect interests in the shares in MSB before and after the Public Offer are set forth in **Sections 6.2.2** and **6.1.1** of this Prospectus.
- (vi) Save as disclosed in **Section 9.2** of this Prospectus, none of the Directors and substantial shareholders of MSB has any interest, direct or indirect, in any contract or arrangement subsisting as at the date of this Prospectus which is significant in relation to the business of the MSB Group taken as a whole.
- (vii) Save for the risk factors highlighted in **Section 4** of this Prospectus, the Directors and substantial shareholders of MSB are not aware of any material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the MSB Group.

14.4 GENERAL

- (i) Save as disclosed in **Section 5.7** of this Prospectus, no property has been acquired or is proposed to be acquired, and save as disclosed in **Section 3.12** of this Prospectus, no preliminary expenses are to be repaid, by MSB in contemplation of the Public Offer.
- (ii) The nature of the MSB Group's business and the names of all corporations which are deemed to be related to the MSB Group by virtue of Section 6 of the Act are disclosed in the **Section 5** of this Prospectus.
- (iii) The time of the opening of the Public Offer is set out in **Section 3.2** of this Prospectus.

14. STATUTORY AND GENERAL INFORMATION

- (iv) The amount payable in full on application is RM1.40 per Offer Share.
- (v) No person has an option or is entitled to be given an option to subscribe for any share, stock, debenture or other security of the MSB Group.
- (vi) No capital of MSB has been issued or is proposed to be issued, whether partly or fully paid-up, otherwise than for cash within the two (2) years preceding the date of this Prospectus.
- (vii) No capital of MSB has been issued or is proposed to be issued for cash within the two (2) years preceding the date of this Prospectus.
- (viii) The name and address of the auditors are set out in **Section 1** of this Prospectus.
- (ix) The MSB Group has not established any place of business outside Malaysia.
- (x) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set forth in **Section 15** of this Prospectus.
- (xi) Save as disclosed in **Section 6.5** of this Prospectus, there are no persons who, directly or indirectly, jointly or severally, exercise control over the MSB Group and the voting capital in MSB.

14.5 EXPENSES

- (i) There have been no commissions, discounts, brokerages or other special terms granted to or paid by the MSB Group within the two (2) years preceding the date of this Prospectus in connection with the issue or sale of any shares in or debentures of the MSB Group for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscription for, any shares in or debentures of the MSB Group, and no Director, Promoter of the MSB Group, or expert, is entitled to receive any such payment.
- (ii) Expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of MSB on the Main Board of Bursa Malaysia amounting to approximately RM3.0 million will be borne by the MSB Group.
- (iii) No amount or benefit has been paid or given within the two (2) years preceding the date of this Prospectus, nor is it intended to be so paid or given, to any Promoter of MSB, save as disclosed in **Section 5.5.1** of this Prospectus.
- (iv) Placement fees shall be payable by MSB to the Placement Agent at the rate of 0.2% of the Offer Price for placees identified and secured by MSB. Underwriting commission and brokerage fee is payable by MSB in respect of the Offer Shares at the rate of 1.5% and 1.0% of the Offer Shares respectively.

14.6 MATERIAL LITIGATION

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the MSB Group is not engaged in any litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the MSB Group, and the Directors of MSB are not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of the MSB Group.

14. STATUTORY AND GENERAL INFORMATION

14.7 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by the MSB Group within the two (2) years preceding the date of this Prospectus:

- (i) On 13 May 2004, MSB entered into an Underwriting Agreement with OSK ("the Managing Underwriter") and MIDF Sisma Securities Sdn Bhd ("Underwriter") for the underwriting of up to a maximum of 20,002,000 new MSB Shares. Please refer to Sections 3.9 and 3.10 for further details on the same.
- (ii) On 13 May 2004, MSB entered into a Placement Agreement with OSK ("the Placement Agent") for the placement of 20,103,000 new MSB Shares to identified investors. The Company will pay to OSK a placement fee of zero point two percentum (0.2%) of the issue price of RM1.40 for each of the 20,103,000 new MSB Shares successfully placed by OSK to prospective investors.

14.8 MATERIAL AGREEMENTS

Save as disclosed in Section 14.10, as at 30 April 2004 being the last practicable date prior to the printing of this Prospectus, there is no material agreement (including but not limited to shareholders' agreements, agreements underlying the basis of the MSB Group's business, supplier agreements, customer agreements, and directors' service agreements), or informal arrangement or understanding, entered into by the MSB Group.

14.9 MATERIAL COMMITMENT AND CONTINGENT LIABILITIES

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Directors of MSB are not aware of any material commitment contracted or known to be contracted by the MSB Group which, upon becoming enforceable, may have a material impact on the financial position of the MSB Group, save as follows:

- (i) On 30 July 2003, MSCRC entered into a conditional SPA with MIG to acquire two (2) plots of adjoining vacant industrial land for a total purchase consideration of RM11.0 million. Pursuant to a Supplementary Agreement dated 27 January 2004, the same parties have agreed to vary the purchase price of the said properties to RM8.25 million vide the SC approval letter dated 29 December 2003. The purchase price was subsequently satisfied entirely by cash. The details of the two (2) plots of adjoining vacant industrial land are listed below.

Registered owner	Location	Tenure of land	Land area (acres)
MSCRC	Lot nos. 23043 and 23044 (GM1650 and GM1651), Mukim of Kapar, District of Klang, State of Selangor	Freehold	4.625

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Directors of MSB are not aware of any contingent liabilities incurred by the MSB Group which, upon becoming enforceable, may have a material impact on the financial position of the MSB Group.

14. STATUTORY AND GENERAL INFORMATION**14.10 INSURANCE POLICIES**

MSCRC has purchased the following insurance policies:

Type of Insurance Cover	Amount Insured (RM'000)	Period Insured
Industrial all risks policy	92,700	1 February 2004 to 31 January 2005 (both dates inclusive)
Group term life policy	7,140	1 February 2004 to 31 January 2005 (both dates inclusive)
Burglary policy	20	1 February 2004 to 31 January 2005 (both dates inclusive)
Group personal accident policy	13,187	1 February 2004 to 31 January 2005 (both dates inclusive)
Open contract of marine insurance – effected to insure all shipments, including interests, voyage and conveyance	20,000 (Limit of liability)	Commencing 16 July 1999

14.11 PUBLIC TAKE-OVERS

During the last financial year and the current financial year, there were no:

- (i) public take-over offers by third parties in respect of the MSB Group's shares; and
- (ii) public take-over offers by the MSB Group in respect of other companies' shares.

14.12 CONSENTS

- (i) The written consents of the Adviser, Managing Underwriter and Placement Agent, Underwriter, Auditors, Solicitors, Principal Bankers, Valuer, Issuing House, Registrars, and Company Secretary to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus, and have not subsequently been withdrawn.
- (ii) The written consent of the Reporting Accountants to the inclusion in this Prospectus of their name, the Accountants' Report, and letters relating to the Consolidated Profit and Cash Flow Forecasts and Proforma Consolidated Balance Sheets in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iii) The written consents of the Malaysian Iron & Steel Industry Federation and Bumiputra-Commerce Economic Research Services to the inclusion of the extract of articles in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

14. STATUTORY AND GENERAL INFORMATION

14.13 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the MSB Group during office hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of MSB;
- (ii) The material contracts and material agreements referred to in **Sections 14.7 and 14.8** of this Prospectus;
- (iii) The Accountants' Report and Directors' Report as included in **Sections 11 and 13** of this Prospectus, respectively;
- (iv) The Reporting Accountants' Letters relating to the consolidated profit and cash flow forecasts for FYE 31 January 2005 and proforma consolidated balance sheets of the MSB Group as at 31 January 2004 referred to in **Sections 10.4, 10.6 and 10.11** respectively, of this Prospectus;
- (v) The valuation certificate relating to the landed properties of the MSB Group referred to in **Section 12** of this Prospectus;
- (vi) The letters of consent referred to **Section 14.12** of this Prospectus; and
- (vii) The audited accounts of MSB and MSCRC for the five (5) FYE 31 January 2004.

14.14 RESPONSIBILITY STATEMENTS

- (i) This Prospectus has been seen and approved by the Directors and Promoter of MSB, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there is no false or misleading statement, or other fact the omission of which would make any statement herein false or misleading. The Directors hereby accept full responsibility for the consolidated profit and cash flow forecast included in this Prospectus and confirm that the consolidated profit and cash flow forecast has been prepared based on the assumptions made.
- (ii) OSK acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Offer and the MSB Group and is satisfied that the consolidated profit and cash flow forecast (for which the Directors of MSB are fully responsible) prepared for inclusion in this Prospectus has been stated by the Directors of MSB after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

15.1 OPENING AND CLOSING OF PUBLIC OFFER

Applications will be accepted from 10.00 a.m. on 25 May 2004 and will close at 5.00 p.m. on 4 June 2004 or for such further period or periods as the directors of the Company and the Managing Underwriter in their absolute discretion may decide. Late applications will not be accepted.

In the event the closing date for the applications is extended, investors will be notified of the change in a widely circulated English and Bahasa Malaysia newspaper in Malaysia.

Copies of the Application Forms together with this Prospectus may be obtained, subject to availability, from the issuing house, MIDFCCS and ADAs which are registered Bursa Malaysia members.

15.2 METHODS OF APPLICATION

Subject to the conditions set forth in this Section 15, applications for the Offer Shares may be made using either of the following ways:

- (a) Application Forms; or
- (b) Electronic Share Application.

15.3 GENERAL CONDITIONS FOR APPLICATIONS

Applications for the Offer Shares that are reserved for Bumiputera investors identified by MITI and identified placees, must be made only by way of the **WHITE** and **BLUE** Application Forms provided respectively and not by way of Electronic Share Application.

Directors and employees of MIDFCCS and their immediate families are strictly prohibited from applying for the Offer Shares in this exercise.

Only one Application Form from each applicant will be considered and applications must be for 100 ordinary shares of nominal value RM1.00 each in the Company or multiples thereof. **Multiple applications will not be accepted.** A person who submits multiple applications using the name of others, with or without their consents, commits an offence under Section 87A of the Securities Industry Act, 1983 ("SIA") and if convicted, may be punished with a minimum fine of RM1,000,000 and a jail term of up to ten (10) years under Section 88B of the SIA. The amount payable in full on application is RM1.40 per Offer Share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications and vice versa. A corporation or institution cannot apply for the Offer Shares by way of Electronic Share Application.

No acknowledgement of the receipt of Application Forms or application monies will be made by the Company and /or the Issuing House.

The applications shall be made in connection with and subject to the terms of this Prospectus and the memorandum and articles of association of the Company.

IN THE CASE OF AN INDIVIDUAL APPLICANT OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME, NATIONAL REGISTRATION IDENTITY CARD NUMBER AND ADDRESS OF THE APPLICANT MUST BE EXACTLY THE SAME AS STATED IN:

- (i) (a) THE APPLICANT'S IDENTITY CARD (NRIC);

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

- (b) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FORM TIME TO TIME; OR
 - (c) THE APPLICANT'S RESIT PENGENALAN SEMENTERA (JPN 1/9) ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND
- (ii) THE RECORDS OF MCD, IF ANY.

WHERE THE APPLICANT IS A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME AND THE ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, OF THE APPLICANT MUST BE EXACTLY THE SAME AS STATED IN THIS AUTHORITY CARD.

IN THE CASE OF A CORPORATE/INSTITUTIONAL APPLICANT, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN THE APPLICANT'S CERTIFICATE OF INCORPORATION.

15.4 APPLICATION USING APPLICATION FORMS

15.4.1 Application Forms

WHITE Application Forms for applications by Bumiputera investors identified by MITI (in respect of the 4,833,000 new MSB Shares reserved for these Bumiputera investors identified by MITI) and for applications by the Malaysian public (in respect of the 8,950,000 new MSB Shares reserved for the Malaysian public) issued with the notes and instructions printed therein accompanying this Prospectus and are deemed to form part hereof.

PINK Application Forms for applications by the eligible Directors and employees of the MSB Group, the business associates of the MSB Group as well as the eligible Directors and employees of MIG and the business associates of the MIG Group (in respect of the 11,052,000 new MSB Shares reserved for the eligible directors, employees and persons contributing to the success of the Group) issued with the notes and instructions printed therein accompanying this Prospectus and are deemed to form part hereof.

BLUE Application Forms for application by way of private placement will be sent to a group of pre-identified placees together with this Prospectus on the opening of the application.

WHITE Application Forms, together with copies of this Prospectus, may be obtained, subject to availability, from OSK, member companies of Bursa Malaysia, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia and MIDFCCS.

PINK Application Forms, together with copies of this Prospectus, may be obtained, subject to availability from the Company.

15.4.2 Terms and conditions for application using Application Forms

Applications by way of Application Forms shall be made on, and subject to, the following terms and conditions.

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

- (a) Applications for the Offer Shares must be made on the Application Form issued together with this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 41(2) of the Securities Commission Act 1993 ("SCA") the Application Forms together with the Notes and Instructions printed therein shall accompany this Prospectus. Applications which do not **strictly** conform to the terms of this Prospectus, the Application Form or the notes and instructions printed therein, or which are illegible, will not be accepted.
- (b) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY A REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE EITHER BY:
- (i) BANKER'S DRAFT OR CASHIER'S ORDER purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
 - (ii) CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES IN MALAYSIA (differentiated by a special red band for Bumiputera applicants);
 - (iii) MONEY ORDER OR POSTAL ORDER (for applicants from Sabah and Sarawak only); OR
 - (iv) GUARANTEED GIRO ORDER ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants);
 - (v) ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING:
 - Affin-ACF Finance Berhad;
 - Alliance Bank Malaysia Berhad;
 - AmBank Berhad (formerly known as Arab-Malaysian Bank Berhad);
 - AmFinance Berhad (formerly known as Arab-Malaysian Finance Berhad);
 - Bank Utama (Malaysia) Berhad;
 - Bumiputra-Commerce Bank Berhad;
 - EON Bank Berhad;
 - EON Finance Berhad;
 - Hong Leong Bank Berhad;
 - Hong Leong Finance Berhad;
 - Malayan Banking Berhad;
 - Mayban Finance Berhad;
 - Public Bank Berhad;
 - Public Finance Berhad;
 - RHB Bank Berhad;
 - Southern Bank Berhad; or
 - Southern Finance Berhad.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK BLANK

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

and must be made out in favour of "MIDF Share Issue Account No. 567" and crossed "A/c Payee only" (excluding ATM statements) and endorsed on the reverse side with the name and address of the applicant (as exactly stated on the application form). Applications accompanied by payments other than those stated here or with excess or insufficient remittances or inappropriate banker's drafts, cashier's orders, cheques issued by participating licensed finance companies, ATM statements, money orders or GGOs will not be accepted. Details of the remittance must be completed in the appropriate boxes provided in the application forms.

- (c) An applicant must state his CDS Account number in the space provided in the Application Form and he shall be deemed to have authorised MCD to disclose information pertaining to the CDS Account to the issuing house/company.
- (d) The name and address of the applicant must be written on the reverse side of the banker's draft, cashier's order, ATM statement, money order, cheque issued by participating licensed finance companies or GGO from Bank Simpanan Nasional Malaysia Berhad.
- (e) The Directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIDFCCS within 14 days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (f) The Issuing House on the authority of the Directors of the Company reserve the right to reject applications which do not conform to these instructions, which are illegible or which are accompanied by remittances improperly drawn.
- (g) The Issuing House on the authority of the Directors of the Company reserve the right not to accept any application or accept any application in part only without assigning any reason thereof. Due consideration will be given to the desirability of allotting the Offer Shares to a reasonable number of applicants with a view to establish an adequate market for the Shares of the Company.
- (h) Where an application is not accepted or accepted in part only, the full amount or the balance of the application monies, as the case may be, without interest, will be returned and despatched to the applicant within 10 market days from the date of the ballot of the application lists by ordinary post at the applicant's address last maintained with MCD or where the application is not accepted due to the applicant not having provided a CDS account, to the address per the National Registration Identity Card or "Resit Pengenaln Sementara" (JPN 1/9) or any valid temporary identity document as issued by the National Registration Department from time to time.
- (i) The applicant shall ensure that his/her personal particulars stated in the Application Form are identical with the records maintained by MCD. The applicant must inform MCD promptly of any change in address failing which the notification letter of successful allocation will be sent to his/her registered or correspondence address last maintained with MCD.
- (j) PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORMS TO MIDFCCS.

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

- (k) MIDFCCS reserves the right to bank in all application monies from unsuccessful Bumiputera applicants and partially-successful applicants, which would subsequently be refunded without interest by registered post.
- (l) Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents, must be dispatched by **ordinary post** in the official envelopes provided, to the following address:

MIDF Consultancy and Corporate Services Sdn Bhd
195A Jalan Tun Razak
P.O. Box 11122
50736 Kuala Lumpur
Tel : 03-2141 3060

or **delivered by hand and deposited** in the drop-in boxes provided at the above address so as to arrive not later than 5.00 p.m. on 4 June 2004.

- (m) Copies of the Prospectus together with the Application Forms, and the official envelopes may be obtained, subject to availability from:

OSK Securities Berhad
16th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur

or from member companies of Bursa Malaysia, members of the Association of Banks in Malaysia, members of the Association of Merchant Bankers in Malaysia or MIDFCCS.

15.5 APPLICATION USING ELECTRONIC SHARE APPLICATION

15.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATMs

- (a) The applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
- (b) The applicant must have a CDS Account.
- (c) The applicant is to apply for the initial public share offering via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application is set forth in **Section 15.5.2** under "Terms and conditions for Electronic Share Applications". The applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so:
- Personal Identification Number ("PIN");
 - **MIDF Share Issue Account No. 567**;
 - CDS Account number;
 - number of Offer Shares applied for and the Malaysian Ringgit amount to be debited from the account; and
 - confirmation of several mandatory statements.

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

15.5.2 Terms and conditions for Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set forth on the ATM screens of the relevant Participating Financial Institutions ("Steps"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set forth in "Steps for Electronic Share Application through a Participating Financial Institution's ATMs" in **Section 15.5.1**. The Steps set forth the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this prospectus, the Steps and the terms and conditions for Electronic Share Applications set forth herein before making an Electronic Share Application. Any reference to "applicant" in the terms and conditions for Electronic Share Applications and the Steps shall mean the applicant who applies for the Offer Shares through an ATM of any of the Participating Financial Institutions. Only an applicant who is an individual with a CDS Account is eligible to utilise the facility.

The applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Financial Institutions before he can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Offer Shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of his Electronic Share Application transaction, the applicant will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by the Company or MIDFCCS. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of the offer for the application for the Offer Shares on 4 June 2004 at 5.00 p.m. ("Closing Date and Time"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the Offer Shares to MIDFCCS as soon as practicable but not later than 5.00 p.m. of the second business day after the Closing Date and Time.

An applicant will be allowed to make an Electronic Share Application for the Offer Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he has an account and its branches, subject to the applicant making only 1 application. An applicant who has a bank account with a Participating Financial Institution and has been issued an ATM card will be allowed to apply for the Offer Shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to the applicant making only 1 application.

AN APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. HIS APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE FOREGOING.

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained in **Sections 15.3 and 15.5.2** as well as the following terms and conditions.

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the memorandum and articles of association of the Company.

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

- (b) The applicant is required to confirm the following statement, by depressing pre-designated keys (or buttons) on the ATM keyboard, and undertake that the following information given is true and correct:
- “I have attained 18 years of age as of the closing date of the share application”;
 - “I am a Malaysian citizen residing in Malaysia”;
 - “I have read the relevant prospectus and understood and agreed with the terms and conditions of this application”;
 - “This is the only application that I am submitting”; and
 - “I give consent to the Participating Financial Institution and MCD to disclose information pertaining to myself and my account with the Participating Financial Institution and MCD to MIDFCCS and other relevant authorities”.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the Steps required by the Participating Financial Institution. By doing so, the applicant shall be treated as signifying his confirmation of each of the said statements as well as giving consent in accordance with the relevant laws of Malaysia, including Section 97 of the Banking and Financial Institutions Act 1989 and Section 45 of the Securities Industry (Central Depositories) Act 1991, to the disclosure by the relevant Participating Financial Institution or MCD, as the case may be, of any of the applicant’s particulars to MIDFCCS or any relevant regulatory body.

- (c) THE APPLICANT CONFIRMS THAT HE/SHE IS NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE/SHE MAKES IS MADE BY HIM/HER AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE PUBLIC ISSUE SHARES, WHETHER AT THE ATMs OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.
- (d) The applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Share Application, failing which his Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set forth on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (e) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of Offer Shares applied for as stated on the Transaction Record or any lesser number of Offer Shares that may be allotted to him in respect of his Electronic Share Application. In the event that the Company decides to allot any lesser number of the Offer Shares or not to allot any Offer Shares to the applicant, the applicant agrees to accept any such decision as final. If the applicant’s Electronic Share Application is successful, his confirmation (by his action of pressing the designated key on the ATM) of the number of Offer Shares applied for shall signify, and shall be treated as, his acceptance of the number of Offer Shares that may be allotted to him and to be bound by the memorandum and articles of association of the Company.
- (f) The Issuing House on the authority of the Directors of the Company and OSK reserve the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor.

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Due consideration will be given to the desirability of allotting the Offer Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares of the Company.

- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications. Where the Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into the applicant's account with that Participating Financial Institution within 2 Market Days after the receipt of confirmation from MIDFCCS. MIDFCCS shall inform the Participating Financial Institutions of the non-successful or partially successful applications within 2 Market Days after the balloting date. The applicants may check their accounts on the fifth Market Day from the balloting day.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from MIDFCCS. A number of applications will, however, be held in reserve to replace any successfully balloted applications which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to applicants by MIDFCCS by way of cheques issued by MIDFCCS. The cheque will be issued to the applicant not later than ten (10) market days from the balloting day. Should applicants encounter any problems in their applications, they may refer to the Participating Financial Institutions.

- (h) The applicant requests and authorises the Company:
- (i) to credit the Offer Shares allotted or allocated to the applicant into the CDS Account of the applicant; and
 - (ii) to issue share certificate representing such Offer Shares allotted in the name of MCD Nominees Sdn Bhd and send the same to MCD.
- (i) The applicant, acknowledging that his Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of the Company, OSK, MIDFCCS or the Participating Financial Institution, irrevocably agrees that if:
- (i) the Company or MIDFCCS does not receive the applicant's Electronic Share Application; or
 - (ii) data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to the Company or MIDFCCS;

the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall have no claim whatsoever against the Company, OSK, MIDFCCS or the Participating Financial Institutions for the Offer Shares applied for or for any compensation, loss or damage, any such claim being waived by the applicant.

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

- (j) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he makes his Electronic Share Application shall be deemed to be true and correct and the Company, OSK, MIDFCCS and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) The applicant shall ensure that his personal particulars as recorded by both MCD and relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Share Application is liable to be rejected. The applicant must inform MCD promptly of any change in address failing which the notification letter of successful allotment will be sent to his registered address last maintained with MCD.
- (l) By making and completing an Electronic Share Application, the applicant agrees that:
 - (i) in consideration of the Company agreeing to allow and accept the making of any application for the Offer Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, his Electronic Share Application is irrevocable;
 - (ii) the Company, OSK, the Participating Financial Institutions, MCD and MIDFCCS shall not be liable for any delay, failure or inaccuracy in the processing of data relating to his Electronic Share Application to the Company due to a breakdown, failure of transmission or communication facilities, or any cause beyond their control;
 - (iii) notwithstanding the receipt of any payment by or on behalf of the Company, the acceptance of the offer made by the applicant to subscribe for and purchase the Offer Shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment for Prescribed Securities, in respect of the said Offer Shares;
 - (iv) the applicant irrevocably authorises MCD to complete and sign on his behalf as transferee or renounce any instrument of transfer and/or other document required for the issue or transfer of the Offer Shares allotted to the applicant; and
 - (v) the Company agrees that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties, the Electronic Share Application Scheme and/or any term herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from the relevant regulatory bodies, and that the Company irrevocably submits to the jurisdiction of the Malaysian courts.
- (m) The directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIDFCCS within 14 days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

- (n) The Issuing House on the authority of the directors of the Company reserve the right to reject applications which do not conform to these instructions.
- (o) Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:
- AmBank Berhad (formerly known as Arab-Malaysian Bank Berhad);
 - AmFinance Berhad (formerly known as Arab-Malaysian Finance Berhad);
 - Bumiputra-Commerce Bank Berhad (at selected branches in the Klang Valley only);
 - HSBC Bank Malaysia Berhad;
 - Malayan Banking Berhad;
 - Mayban Finance Berhad;
 - OCBC Bank (Malaysia) Berhad; or
 - Standard Chartered Bank Malaysia Berhad (at selected branches only).
- (p) A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

15.6 APPLICATIONS AND ACCEPTANCES

The Issuing House on the authority of the Directors of the Company reserves the right not to accept any application, which does not comply with the instructions, or to accept any application in part only without assigning any reason therefor.

THE SUBMISSION OF AN APPLICATION FORM DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

ALL APPLICATIONS MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.

In the event of an over-subscription for the Offer Shares, acceptance of applications shall be subject to ballot to be conducted in the manner approved by the Directors of the Company. Due consideration will be given to the desirability of distributing the ordinary shares of the Company to a reasonable number of applicants with a view to broadening the shareholding base of the Company and establishing an adequate market for the Company's Shares. Pursuant to the SC's Policies and Guidelines on the Issue/Offer of Securities, the Company is required to have at least 25% of the issued and paid-up capital of the Company at the point of Listing in the hands of public shareholders, and a minimum number of 1,000 public shareholders holding not less than 100 shares each. The Company is expected to achieve this at the point of Listing. However, in the event that this requirement is not met pursuant to the Public Offer, the Company may not be allowed to proceed with its Listing. In the event thereof, monies paid in respect of all applications will be returned.

Where an application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and shall be dispatched by ordinary post or registered post respectively to the applicant within ten (10) market days from the date of the final ballot of the Application Lists at the address shown on the Application Form at the applicant's own risk.

No application shall be deemed to have been accepted by reason of the remittances having been presented for payment.

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

MIDFCCS reserves the right to bank in all application monies from unsuccessful Bumiputera applicants and from partially successful applicants. Refund monies in respect of unsuccessful Bumiputera applicants and partially successful applicants will be refunded without interest and shall be dispatched to the applicant within 21 days from the date of the final ballot of the Application Lists by registered post at the address shown on the Application Form at the applicant's own risk.

15.7 CDS ACCOUNTS

Pursuant to section 29 of the Securities Industry (Central Depositories) Act 1991, all dealings in the Company's Shares will be by book entries through CDS Accounts. No share certificates will be issued to successful applicants.

Only an applicant who has a CDS account can make an application by way of an Application Form. An applicant should state his CDS account number in the space provided on the Application Form and he shall be deemed to have authorized MCD to disclose information pertaining to the CDS account to MIDFCCS/the Company. Where an applicant does not presently have a CDS account, he/she should open a CDS account at an ADA prior to making an application for the Offer Shares.

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS Account can make an Electronic Share Application and the applicant shall furnish his CDS Account number to the Participating Financial Institution by way of keying in his CDS Account number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so.

Failure to comply with these specific instructions or inaccuracy in the CDS account number, arising from the use of invalid, third party or nominee accounts, may result in the application being rejected. If a successful applicant fails to state his/her CDS account number, the issuing house on the authority of the Company will reject the application. The issuing house on the authority of the Directors of the Company also reserves the right to reject any incomplete and inaccurate application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application differ from those in MCD's records, such as the identity card number, name and nationality.

15.8 NOTICE OF ALLOTMENT

Shares allotted to all successful applicants will be credited to their respective CDS Accounts. A notice of successful allotment will be dispatched to the successful applicants or partially successful applicant at their addresses last maintained with the MCD at the applicants' own risk within five (5) market days after the ballot of the Application List. For Electronic Shares Application, the notice of allotment will be dispatched to the successful or partially successful applicant at his/her address last maintained with the MCD within five (5) market days after the ballot of the Application Lists. This is the only acknowledgement of acceptance of the Application.

All applicants must inform MCD of his/her updated address promptly by adhering to certain rules and registration of the MCD, failing which the notification letter on successful allotment shall be sent to the Applicant address last registered with MCD.

Applicants may also check the status of their application by calling their respective ADAs at the telephone number as stated in Section 15.9 of the Prospectus or at the telephone number stated below five (5) market days (during office hours only) after the balloting date.

MIDFCCS Enquiry Services
Tel: 03-2161 3355, 03-2160 2724
Website: www.midfccs.com

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE**15.9 LIST OF AUTHORISED DEPOSITORY AGENTS**

A list of the ADA (Broker) Codes is as follows:-

Name	Address and Telephone Number	ADA Code
<u>KUALA LUMPUR</u>		
AFFIN-UOB SECURITIES SDN BHD (Kuala Lumpur Branch)	Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel. No.: 03-21438668	028-001
AMSECURITIES SDN BHD (Kuala Lumpur Branch)	15 th Floor Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-20782788	086-001
AVENUE SECURITIES SDN BHD (Kuala Lumpur Branch)	Ground Floor & Level 1, THB Satu Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-20951111	052-001
BBMB SECURITIES SDN BHD (Kuala Lumpur Branch)	Level 2, 3, 4 & 15 Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-20319990	099-001
BIMB SECURITIES SDN BHD	1 st and 2 nd Floor, Block Podium Bangunan AMDB 1, Jalan Lumut 50400 Kuala Lumpur Tel. No.: 03-40433533	024-001
CIMB SECURITIES SDN BHD (Kuala Lumpur Branch)	9 th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-20849999	065-001
HLG SECURITIES SDN BHD	Level 5, Wisma Kia Peng Jalan Kia Peng 50450 Kuala Lumpur Tel. No.: 03-21681168	066-001
HWANG-DBS SECURITIES BERHAD (Cheras Branch)	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5 th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan Kaskas, 5 th Mile Cheras 56100 Kuala Lumpur Tel. No.: 03-91303399	068-012
HWANG-DBS SECURITIES BERHAD (Taman Tun Dr. Ismail Branch)	2 nd Floor, Bangunan AHP No.2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel. No.: 03-77106688	068-009
INTER-PACIFIC SECURITIES SDN BHD	Level 7, Menara Shahzan Insas 30, Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03-21441888	054-001

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
JUPITER SECURITIES SDN BHD	7 th -9 th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-20341888	055-001
K&N KENANGA BHD (Kuala Lumpur Branch)	8 th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03-21649080	073-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	30 th Floor, Menara Weld 76, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-20201600	053-001
KUALA LUMPUR CITY SECURITIES SDN BHD (Desa Sri Hartamas Branch)	Ground, 1 st & 2 nd Floor No. 33, Plaza Crystaville Jalan 23/70A Desa Sri Hartamas 50480 Kuala Lumpur Tel. No.: 03-62033366	076-010
KUALA LUMPUR CITY SECURITIES SDN BHD (Kuala Lumpur Branch)	No. 8, Jalan Binjai Off Jalan Ampang 50450 Kuala Lumpur Tel. No.: 03-21667922	076-001
LEONG & COMPANY SDN BHD	Level 18, Wisma Cyclecarri 288, Jalan Raja Laut 50350 Kuala Lumpur Tel. No.: 03-26928899	061-001
M & A SECURITIES SDN BHD (Kuala Lumpur Branch)	Level G-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Tel. No.: 03-22821820	057-002
MAYBAN SECURITIES SDN BHD (Kuala Lumpur Branch)	Tingkat 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: 03-22978888	098-001
MIDF SISMA SECURITIES SDN BHD	17 th & 18 th Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03-21668888	026-001
OSK SECURITIES BERHAD (Kepong Branch)	Ground Floor, No. 15 Block A, Jalan Prima 1 Pusat Niaga Metro Prima Kepong 52100 Kuala Lumpur Tel. No.: 03-62575869	056-028
OSK SECURITIES BERHAD (Kuala Lumpur Branch)	10 th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel. No.: 03-21624388	056-001

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
PB SECURITIES SDN BHD	27 th Floor, Bangunan Public Bank 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: 03-20313011	051-001
PM SECURITIES SDN BHD (Kuala Lumpur Branch)	Ground & 1 st Floor, Plaza MUI Jalan P Ramlee 50250 Kuala Lumpur Tel. No.: 03-21463000	064-001
RHB SECURITIES SDN BHD (Kuala Lumpur Branch)	Level 9, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03-92852233	087-001
SIME SECURITIES SDN BHD	21 st Floor, Bangunan Sime Bank 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: 03-22749288	097-001
TA SECURITIES BERHAD	Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel. No.: 03-20721277	074-001
<u>SELANGOR DARUL EHSAN</u>		
AFFIN-UOB SECURITIES SDN BHD (Klang Branch)	2 nd , 3 rd and 4 th Floor Wisma Amsteel Securities 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: 03-33439999	028-002
HWANG-DBS SECURITIES BERHAD (Shah Alam Branch)	16 th , 18 th – 20 th Floor, Plaza Masalam 2, Jalan Tengku Ampuan Zabedah E9/E, Section 9 40100 Shah Alam Selangor Darul Ehsan Tel. No.: 03-55133288	068-002
HWANG-DBS SECURITIES BERHAD (Subang Jaya Branch)	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: 03-56356688	068-010
JF APEX SECURITIES BERHAD (Kajang Branch)	3 rd Floor, Wisma Apex 145A-C, Jalan Bukit 43000 Kajang Selangor Darul Ehsan Tel. No.: 03-87361118	079-001
JF APEX SECURITIES BERHAD (Petaling Jaya Branch)	Level 15 & 16, Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-76201118	079-002

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
K & N KENANGA BHD (Klang Branch)	Room 7.02, Level 7, Menara ING Intan Millennium Square No. 68, Jalan Batai Laut 4 Taman Intan, 41300 Klang Selangor Darul Ehsan Tel. No.: 03-30057001	073-007
K & N KENANGA BHD (Petaling Jaya Branch)	13 th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-79562169	073-005
K & N KENANGA BHD (Subang Jaya Branch)	1 st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel. No.: 03-80241682	073-006
MOHAIYANI SECURITIES SDN BHD	1 st , 2 nd & 3 rd Floor, Plaza Damansara Utama No.2, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-77297345	095-001
OSK SECURITIES BERHAD (Petaling Jaya Branch)	24, 24M, 26M, 28M & 28A Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-78736366	056-011
PM SECURITIES SDN BHD (Klang Branch)	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No.: 03-33415300	064-007
PM SECURITIES SDN BHD (Puchong Branch)	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No.: 03-80700773	064-003
SJ SECURITIES SDN BHD	Level 3, Holiday Villa 9, Jalan SS 12/1 Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-56340202	096-001
<u>MELAKA</u>		
MALACCA SECURITIES SDN BHD	1, 3 & 5 Jalan PPM 9 Plaza Pandan Malim (Business Park), Balai Panjang P.O.Box 248 75250 Melaka Tel. No.: 06-3371533	012-001

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
OSK SECURITIES BERHAD (Melaka Branch)	579, 580-581 A & B Taman Melaka Raya 75000 Melaka Tel. No.: 06-2825211	056-003
PM SECURITIES SDN BHD (Melaka Branch)	No. 11 & 13, Jalan PM2 Plaza Makota 75000 Melaka Tel. No.: 06-2866008	064-006
RHB SECURITIES SDN BHD (Melaka Branch)	Lot 9 & 10, 1 st Floor Bangunan Tabung Haji Jalan Bandar Kaba 75000 Melaka Tel. No.: 06-2833622	087-002
<u>PERAK DARUL RIDZUAN</u>		
AVENUE SECURITIES SDN BHD (Ipoh Branch)	No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2422828	052-002
BOTLY SECURITIES SDN BHD	1 st Floor, Plaza Teh Teng Seng 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Tel. No.: 05-2531313	058-001
HWANG-DBS SECURITIES BERHAD (Taiping Branch)	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: 05-8060888	068-003
KUALA LUMPUR CITY SECURITIES SDN BHD (Sitiawan Branch)	No. 43 & 44, Ground Floor Taman Sentosa, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel. No.: 05-6910910	076-008
MAYBAN SECURITIES SDN BHD (Ipoh Branch)	55, 57 & 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2558233	098-002
M&A SECURITIES SDN BHD	M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: 05-2419800	057-001
OSK SECURITIES BERHAD (Bagan Serai Branch)	28, Jalan Maharaja Taman Bagan Serai Baru 34300 Bagan Serai Perak Darul Ridzuan Tel. No.: 05-7231888	056-018
OSK SECURITIES BERHAD (Ipoh Branch)	21-25, Jalan Seenivasagam 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2415100	056-002

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
OSK SECURITIES BERHAD (Sitiawan Branch)	No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel. No.: 05-6921228	056-016
OSK SECURITIES BERHAD (Taiping Branch)	Ground Floor, No. 40, 42 & 44, Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel. No.: 05-8088229	056-034
OSK SECURITIES BERHAD (Teluk Intan Branch)	17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel. No.: 05-6236498	056-014
SBB SECURITIES SDN BHD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2530888	090-001
<u>PULAU PINANG</u>		
A.A. ANTHONY SECURITIES SDN BHD (Penang Branch)	41-1-1 & 41-2-1, Jalan Cantonment 10250 Pulau Pinang Tel. No.: 04-2299318	078-002
AVENUE SECURITIES SDN BHD (Penang Branch)	No. 111, Jalan Macalister 10400 Pulau Pinang Tel. No.: 04-2281868	052-003
HWANG-DBS SECURITIES BERHAD (Penang Branch)	Levels 2,3,4,7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel. No.: 04-2636996	068-001
HWANG-DBS SECURITIES BERHAD (Bukit Mertajam Branch)	Ground, 1 st & 2 nd Floor 1620 & 1621 Jalan Permatang Batu Taman Industri Permatang Batu 14000 Bukit Mertajam Pulau Pinang Tel. No.: 04-5372882	068-006
MERCURY SECURITIES SDN BHD	Ground, 1 st , 2 nd & 3 rd Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Perai Pulau Pinang Tel. No.: 04-3322123	093-001
OSK SECURITIES BERHAD	No. 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel. No.: 04-5831888	056-032
OSK SECURITIES BERHAD (Bayan Baru Branch)	Ground & 1 st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel. No.: 04-6404888	056-042

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
OSK SECURITIES BERHAD (Bukit Mertajam Branch)	11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel. No.: 04-5402888	056-015
OSK SECURITIES BERHAD (Butterworth Branch)	Level 19, NB Tower 5050, Jalan Bagan Luar 12000 Butterworth Pulau Pinang Tel. No.: 04-3322299	056-005
OSK SECURITIES BERHAD (Penang Branch)	64, Bishop Street 20F & 20G Penang Street 10200 Pulau Pinang Tel. No.: 04-2634222	056-004
PM SECUTIRIES SDN BHD (Penang Branch)	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: 04-2273000	064-004
BBMB SECURITIES SDN BHD (Penang Branch)	7 th & 8 th Floor Menara PSCI 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: 04-2283355	099-002
THONG & KAY HIAN SECURITIES SDN BHD	Wisma Sri Pinang Level 5 & 6 60, Green Hall 10200 Pulau Pinang Tel. No.: 04-2635481	070-001
UT SECURITIES SDN BHD	6 th , 10 th & 12 th Floor Bangunan Mayban Trust 3, Penang Street 10200 Pulau Pinang Tel. No.: 04-2626644	059-001
<u>KEDAH DARUL AMAN</u>		
HWANG-DBS SECURITIES BERHAD (Sungai Petani Branch)	70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel. No.: 04-4256666	068-011
KUALA LUMPUR CITY SECURITIES SDN BHD (Alor Setar Branch)	2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel. No.: 04-7317088	076-004
OSK SECURITIES BERHAD (Alor Setar Branch)	Ground & 1 st Floor, 215-A & 215B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No.: 04-7209888	056-021

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
OSK SECURITIES BERHAD (Kulim Branch)	No. 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel. No.: 04-4964888	056-019
OSK SECURITIES BERHAD (Sungai Petani Branch)	No. 1, Jalan Pahlawan 08000 Sungai Petani Kedah Darul Aman Tel. No.: 04-4204888	056-017
<u>PERLIS INDRA KAYANGAN</u>		
KUALA LUMPUR CITY SECURITIES SDN BHD (Kangar Branch)	2 nd Floor, Podium Block Bangunan KWSP 01000 Kangar Perlis Indra Kayangan Tel. No.: 04-9765200	076-003
<u>NEGERI SEMBILAN DARUL KHUSUS</u>		
HWANG-DBS SECURITIES BERHAD (Bahau Branch)	No. 6, Upper Level Jalan Mahligai, 72100 Bahau Negeri Sembilan Darul Khusus Tel. No.: 06-4553188	068-013
HWANG-DBS SECURITIES BERHAD (Seremban Branch)	Ground & 1 st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: 06-7612288	068-007
OSK SECURITIES BERHAD (Bahau Branch)	1 st & 2 nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 71200 Bahau Negeri Sembilan Darul Khusus Tel. No.: 06-4553011	056-040
OSK SECURITIES BERHAD (Seremban Branch)	Ground, 1 st & 2 nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: 06-7641641	056-024
OSK SECURITIES BERHAD (Tampin Branch)	1 st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel. No.: 06-4421000	056-037
PM SECURITIES SDN BHD (Seremban Branch)	1 st , 2 nd and 3 rd Floor No. 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: 06-7623131	064-002
<u>JOHOR DARUL TAKZIM</u>		
A.A ANTHONY SECURITIES SDN BHD (Johor Bahru Branch)	Suite 8.2, Level 8 Menara Sarawak Enterprise No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No.: 07-3332000	078-001

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
AVENUE SECURITIES SDN BHD (Muar Branch)	57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: 06-9532222	052-004
AMSECURITIES SDN BHD (Batu Pahat Branch)	2 nd & 3 rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel. No.: 07-4342282	086-002
ENG SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel. No.: 07-2231211	081-001
HWANG-DBS SECURITIES BERHAD (Johor Bahru Branch)	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel. No.: 07-2222692	068-004
K & N KENANGA BHD (formerly known as Peninsula Securities Sdn Bhd) (Johor Bahru Branch)	Level 2, Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: 07-3333600	073-004
K & N KENANGA BHD (Kluang Branch)	No.33 & 35 (Ground & 1 st Floor A & B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel. No.: 07-7771161	073-010
K & N KENANGA BHD (Muar Branch)	No.31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel. No.: 06-9542711	073-008
K & N KENANGA BHD (Segamat Branch)	No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel. No.: 07-9333515	073-009
KUALA LUMPUR CITY SECURITIES SDN BHD (Kluang Branch)	No. 46 & 48, Jalan Dato' Kapten Ahmad 86000 Kluang Johor Darul Takzim Tel. No.: 07-7717922	076-006
OSK SECURITIES BERHAD (Johor Bahru Branch)	Unit 27-01 to 27-08 Level 27 Menara Landmark No. 12, Jalan Ngee Heng 80000 Johor Bahru Johor Darul Takzim Tel. No.: 07-2212233	056-006

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
OSK SECURITIES BERHAD (Batu Pahat Branch)	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel. No.: 07-4380288	056-009
OSK SECURITIES BERHAD (Kota Tinggi Branch)	Ground Floor, No. 7, Jalan Jaya 81900 Kota Tinggi Johor Darul Takzim Tel. No.: 07-8822018	056-036
OSK SECURITIES BERHAD (Kulai Branch)	Ground, 1 st & 2 nd Floor No.10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel. No.: 07-6626288	056-035
OSK SECURITIES BERHAD (Labis Branch)	1 st Floor, No. 2 & 4 Jalan Makmur, Taman Sri Aman 85300 Labis Johor Darul Takzim Tel. No.: 07-9256881	056-039
OSK SECURITIES BERHAD (Muar Branch)	Ground & 1 st Floor No. 19, Jalan Pesta 1-1 Taman Tun Dr. Ismail 1 Jalan Bakri 84000 Muar Johor Darul Takzim Tel. No.: 07-9538262	056-025
OSK SECURITIES BERHAD (Pontian Branch)	Ground Floor, 17, Jalan Delima Pusat Perdagangan Pontian 82000 Pontian Johor Darul Takzim Tel. No.: 07-6868018	056-023
OSK SECURITIES BERHAD (Skudai Branch)	Ground & 1 st Floor 10, Jalan Bendahara 12 Taman Ungku Tun Aminah 81300 Skudai Johor Darul Takzim Tel. No.: 07-5577628	056-029
OSK SECURITIES BERHAD (Segamat Branch)	Ground & 1 st Floor No. 28 Jalan Tengku Ahmad 85000 Segamat Johor Darul Takzim Tel No.: 07-9321543	056-030
OSK SECURITIES BERHAD (Kluang Branch)	Ground, 1 st & 2 nd floor No. 17 Jalan Manggis 86000 Kluang Johor Darul Takzim Tel No.: 07-7769655	056-031
OSK SECURITIES BERHAD (Yong Peng Branch)	240 & 240A, Jalan Besar 83700 Yong Peng Johor Darul Takzim Tel No.: 07-4675388	056-033

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
OSK SECURITIES BERHAD (Tangkak Branch)	Ground, 1 st & 2 nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel. No.: 07-9787180	056-038
PM SECURITIES SDN BHD (Johor Bahru Branch)	Suite 5.1, Level 5, Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: 07-2781813	064-005
<u>PAHANG DARUL MAKMUR</u>		
KUALA LUMPUR CITY SECURITIES SDN BHD (Kuantan Branch)	A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel. No.: 09-5660800	076-002
OSK SECURITIES BERHAD (Bentong Branch)	Ground Floor, 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel. No.: 09-2234943	056-022
OSK SECURITIES BERHAD (Cameron Highlands Branch)	Ground Floor, 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel. No.: 05-4914913	056-041
OSK SECURITIES BERHAD (Kuantan Branch)	A-27 & A-29, Lorong Tun Ismail 9 Seri Dagangan Kuantan Business Centre 25000 Kuantan Pahang Darul Makmur Tel. No.: 09-5163811	056-007
OSK SECURITIES BERHAD (Mentakab Branch)	Ground Floor No. 43, Jalan Bunga Tanjung 28400 Mentakab Pahang Darul Makmur Tel. No.: 09-2771541	056-026
<u>KELANTAN DARUL NAIM</u>		
KOTA BAHRU SECURITIES SDN BHD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No.: 09-7432288	075-001
KUALA LUMPUR CITY SECURITIES SDN BHD (Kota Bharu Branch)	Lot 6 & 7, Section 25 Jalan Sultan Yahya Petra Bandar Kota Bharu 15200 Kota Bharu Kelantan Darul Naim Tel. No.: 09-7432588	076-007

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
OSK SECURITIES BERHAD (Kota Bharu Branch)	No. 3953-H (Ground & 1 st Floor) Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel. No.: 09-7430077	056-020
<u>TERENGGANU DARUL IMAN</u>		
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1 st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: 09-6238128	021-001
KUALA LUMPUR CITY SECURITIES SDN BHD (Kuala Terengganu Branch)	1D, Ground & Mezzanine 1E, Ground, Mezzanine, 1 st & 2 nd Floor Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel. No.: 09-6317922	076-009
OSK SECURITIES BERHAD (Kemaman Branch)	Ground Floor, 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel. No.: 09-8583109	056-027
PTB SECURITIES SDN BHD	1 st , 2 nd & 3 rd Floors 61, Jalan Sultan Ismail P.O.Box 151 Pejabat Pos Besar 20700 Kuala Terengganu Terengganu Darul Iman Tel. No.: 09-6235546	025-001
<u>SABAH</u>		
HWANG-DBS SECURITIES BERHAD (Kota Kinabalu Branch)	Room Nos. 106-109, Mezzanine Floor Room Nos. 207-212, 2 nd Floor Gaya Centre Jalan Tun Fuad Stephens 88400 Kota Kinabalu Sabah Tel. No.: 088-311688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel. No.: 088-234090	020-001
KUALA LUMPUR CITY SECURITIES SDN BHD (Kota Kinabalu Branch)	Suite 1-9-E1, 9 th Floor CPS Tower No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel. No.: 088-253922	076-005

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

Name	Address and Telephone Number	ADA Code
OSK SECURITIES BERHAD (Kota Kinabalu Branch)	5 th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel. No.: 088-269788	056-010
<u>SARAWAK</u>		
BORNEO SECURITIES SDN BHD	12G, Jalan Kampung Datu 96000 Sibü Sarawak Tel. No.: 084-319998	030-001
HWANG-DBS SECURITIES BERHAD (Kuching Branch)	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel. No.: 082-236999	068-005
K & N KENANGA BHD (Kuching Branch)	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel. No.: 082-338000	073-003
K & N KENANGA BHD (Miri Branch)	Lot 2465 Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel. No.: 085-435577	073-002
OSK SECURITIES BERHAD (Kuching Branch)	Ground & 1 st Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel. No.: 082-422252	056-008
OSK SECURITIES BERHAD (Miri Branch)	Lot 1168, Ground Floor Wisma Interhill Miri Waterfront Commercial Centre 98008 Miri Sarawak Tel. No.: 085-422788	056-012
OSK SECURITIES BERHAD (Sibu Branch)	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibü Sarawak Tel. No.: 084-329100	056-013
<u>WILAYAH PERSEKUTUAN LABUAN</u>		
CIMB SECURITIES SDN BHD (Labuan Branch)	Unit 7(A), Level 7 Main Office Tower Financial Park Labuan Jalan Merdeka 87000 Wilayah Persekutuan Labuan Tel. No.: 087-451666	065-002