

METRO (MALAYSIA) BERHAD

(Company No. : 66954-H)

QUARTERLY REPORT

Quarterly report on consolidated results of the Group for the third financial quarter ended : **30th September 2001**

The figures have not been audited .

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2001 (RM'000)	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2000 (RM'000)	CURRENT YEAR TO DATE 30/09/2001 (RM'000)	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2000 (RM'000)
1 (a) Revenue	157,703	157,906	502,333	446,683
(b) Investment income	0	0	0	0
(c) Other income	390	740	1,160	2,119
2 (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interest and extraordinary items	4,390	5,069	13,808	14,891
(b) Finance cost	-747	-34	-1,625	-1,489
(c) Depreciation and amortisation	-1,507	-1,503	-4,519	-4,509
(d) Exceptional items	0	0	0	0
(e) Profit/(loss) before income tax minority interest and extraordinary items	2,136	3,532	7,664	8,893
(f) Share of profits and losses of associated companies	0	0	0	0
(g) Profit/(loss) before income tax minority interest and extraordinary items after share of profits and losses of associated companies	2,136	3,532	7,664	8,893
(h) Income tax	-314	-813	-828	-1,780
(i) (i) Profit /(loss) after income tax before deducting minority interests	1,822	2,719	6,836	7,113
(ii) Less minority interests	0	0	0	0
(j) Pre-acquisition profit/(loss), if applicable	0	0	0	0
(k) Net profit/(loss) from ordinary activities attributable to members of the company	1,822	2,719	6,836	7,113
(l) i) Extraordinary items	0	0	0	0
(ii) Less minority interests	0	0	0	0
(iii) Extraordinary items attributable to members of the company	0	0	0	0
(m) Net profit/(loss) attributable to members of the company	1,822	2,719	6,836	7,113
3 Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any:				
(a) Basic (based on 40,000,000 ordinary shares) (sen)	4.6	6.8	17.1	17.8
(b) Fully diluted (based on 40,000,000 ordinary shares) (sen)	4.6	6.8	17.1	17.8

METROD
CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER <u>30/09/2001</u> RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2000</u> RM'000
1 Property, plant and equipment	48,979	53,200
2 Investment property	0	0
3 Investment in associated Companies	0	0
4 Long Term Investments	1,747	1,747
5 Goodwill on consolidation	0	0
6 Intangible Assets	0	0
7 Other long term assets	0	0
8 Current Assets		
Inventories	35,980	78,153
Trade Receivables	66,996	44,006
Short Term Investments	12,500	51,000
Cash and bank balances	2,278	6,740
Other Debtors, Deposits and Pre-payment	2,588	2,111
	<u>120,342</u>	<u>182,010</u>
9 Current Liabilities		
Trade payables	-55,202	86,820
Other payables	8,270	6,727
Short Term Borrowings	80,658	8,476
Provision for Taxation	550	633
Proposed Dividend	0	4,000
	<u>34,276</u>	<u>106,656</u>
10 Net Current Assets or Current Liabilities	<u>86,066</u>	<u>75,354</u>
	<u>136,792</u>	<u>130,301</u>
11 Shareholders' Funds		
Share Capital	40,000	40,000
Reserves		
Share Premium	16,200	16,200
Revaluation Reserve	0	0
Capital Reserve	0	0
Statutory Reserve	0	0
Retained Profit	75,950	69,114
Others	0	0
	<u>132,150</u>	<u>125,314</u>
12 Minority Interests	0	0
13 Long Term Borrowings	0	0
14 Other Long Term Liabilities	1,597	1,438
15 Deferred taxation	3,045	3,549
	<u>136,792</u>	<u>130,301</u>
16 Net tangible assets per share (RM)	3.30	3.13

Notes :**1) Accounting Policies**

The accounting policies and methods of computation followed in the quarterly financial statements are similar as compared with the annual financial statements for the financial year 2000.

2) Exceptional Items

There were no exceptional items for the financial period under review.

3) Extraordinary Items

There were no extraordinary items for the financial period under review.

4) Taxation

	INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
	CURRENT YEAR	PRECEEDING YEAR	CURRENT YEAR	PRECEEDING YEAR
	QUARTER	CORRESPONDING QUARTER	TO DATE	CORRESPONDING PERIOD
	30/9/2001	30/9/2000	30/9/2001	30/9/2000
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
The tax figure contain the following:				
- Current period	559	264	1332	700
- Over / under provision for previous years	-	-	-	-
- Transfer to/(from) deferred taxation	(245)	549	(504)	1080
	<u>314</u>	<u>813</u>	<u>828</u>	<u>1780</u>

The effective tax rate for the quarter and for the financial year-to-date was lower than the statutory tax rate prevailing in Malaysia due to utilisation of unabsorbed reinvestment allowances during the period.

5) Profits/(losses) on sales of unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current financial period to-date.

6) Purchase/Disposal of Quoted Securities

- There were no purchases / sales of quoted securities for the current financial period to-date.
- There were no investments in quoted shares as at end of the reporting period.

7) Changes in the Composition of the Group

There were no changes in the composition of the group for the current financial period to-date including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

8) Corporate Proposals

There were no corporate proposals announced but not completed as at 16th November 2001.

9) Issuances and Repayment of Debt and Equity Securities etc

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period to-date.

10) Group Borrowings and Debt Securities

Group borrowings and debt securities as at 30/09/2001 are as follows:

	Amount	Denominated in Foreign Currency		Secured/ Unsecured
	RM'000	Foreign Currency	Foreign Currency Amount (000)	
Long-term borrowings	0	-	0	N.A.
Short-term borrowings:				
- Banker acceptance	80,094	-	0	Unsecured
- Bank overdraft	564	-	0	Unsecured
	<u>80,658</u>			

11) Contingent Liabilities

There were no contingent liabilities as at 16th November 2001.

12) Off Balance Sheet Financial Instruments

There were no financial instruments with off-balance sheet risk as at 16th November 2001.

13) Material Litigations

There were no material litigations pending as at 16th November 2001.

14) Segmental Information

No segmental analysis is prepared as the Group is principally engaged in the manufacturing and sales of electrical conductivity grade copper wires, rods and strips.

15) Material Changes in Quarterly Results

Pre-tax profit for the quarter of RM2.136 million was lower compared to preceeding quarter pre-tax profit of RM2.807 million mainly due to lower sales and margins and provisions for bad debts.

16) Review of the Performance of the Company and its Principal Subsidiaries

For the third quarter under review, the Group recorded a pre-tax profit of RM2.136 million and turnover of RM157.703 million. Cumulatively for first nine months, the Group recorded a pre-tax profit of RM7.664 million with turnover of RM502.333 million.

The market remains difficult due to slow recovery in domestic demand, oversupplied construction sector and intense competition. The company succeeded in increasing sales marginally at highly competitive prices during the first nine months of the year. Financial position of many units in the wire and cable industry deteriorated affecting timely collections. Appropriate provisions for bad and doubtful debts have been made.

In the opinion of the Directors, subject to above, the results of the operations for the Group have not been substantially affected by any item, transaction or event of a material and unusual nature as at the date of this report.

17) Material subsequent events

There were no material events subsequent to the end of financial quarter as at 16th November 2001.

18) Seasonal or Cyclic Factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

19) Current year prospects

As per Budget 2002, the growth of Malaysian economy in the current year is now projected to be lower at 2%. Slow down in exports is adversely impacting the business environment. The domestic construction sector remains oversupplied and growth in electric and electronic sectors has slowed down.

Credit risks remains significant in the domestic market due to deteriorating financial position of several units in the cable and wire industry. The situation is being closely and continuously monitored.

The company is continuing to seek new opportunities in this difficult market environment.

The Board expects the performance of the Group for the financial year 2001 to be satisfactory in the context of a challenging market environment.

20) Profit Forecast and Profit Guarantee

There were no profit forecast or profit guarantees issued during the financial period to-date.

21) Dividend

No dividend has been proposed till date for the current year.