

METROD (MALAYSIA) BERHAD

(Company No. : 66954-H)

QUARTERLY REPORTQuarterly report on consolidated results of the Group for the first financial quarter ended : **31 March 2002**

The figures have not been audited .

CONSOLIDATED INCOME STATEMENT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|--|---|
| | CURRENT YEAR QUARTER <u>31/03/2002</u> | PRECEDING YEAR CORRESPONDING QUARTER <u>31/03/2001</u> | CURRENT YEAR TO DATE <u>31/03/2002</u> | PRECEDING YEAR CORRESPONDING PERIOD <u>31/03/2001</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| 1 (a) Revenue | 122,228 | 176,112 | 122,228 | 176,112 |
| (b) Investment income | 0 | 0 | 0 | 0 |
| (c) Other income | 442 | 355 | 442 | 355 |
| 2 (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interest and extraordinary items | 4,306 | 4,390 | 4,306 | 4,390 |
| (b) Finance cost | -246 | -163 | -246 | -163 |
| (c) Depreciation and amortisation | -1,514 | -1,506 | -1,514 | -1,506 |
| (d) Exceptional items | 0 | 0 | 0 | 0 |
| (e) Profit/(loss) before income tax minority interest and extraordinary items | 2,546 | 2,721 | 2,546 | 2,721 |
| (f) Share of profits and losses of associated companies | 0 | 0 | 0 | 0 |
| (g) Profit/(loss) before income tax minority interest and extraordinary items | 2,546 | 2,721 | 2,546 | 2,721 |
| (h) Income tax | -107 | -244 | -107 | -244 |
| (i) (i) Profit /(loss) after income tax before deducting minority interests | 2,439 | 2,477 | 2,439 | 2,477 |
| (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 | 2,439 | 2,477 | 2,439 | 2,477 |
| (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 | 2,439 | 2,477 | 2,439 | 2,477 |
| 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) | 6.10 | 6.19 | 6.10 | 6.19 |
| (b) Fully diluted (based on 40,000,000 ordinary shares) (sen) | | | | |

METROD (MALAYSIA) BERHAD
CONSOLIDATED BALANCE SHEET

| | AS AT END OF CURRENT QUARTER <u>31/03/2002</u> RM'000 | AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2001</u> RM'000 |
|--|--|--|
| 1 Property, plant and equipment | 47,988 | 49,332 |
| 2 Investment property | 0 | 0 |
| 3 Investment in associated Companies | 0 | 0 |
| 4 Long Term Investments | 0 | 0 |
| 5 Goodwill on consolidation | 0 | 0 |
| 6 Intangible Assets | 0 | 0 |
| 7 Other long term assets | 0 | 0 |
| 8 Current Assets | | |
| Inventories | 50,572 | 46,119 |
| Trade Receivables | 54,427 | 53,056 |
| Short Term Investments | 14,500 | 16,500 |
| Cash and bank balances | 2,085 | 3,533 |
| Other Debtors, Deposits and Pre-payment | 4,770 | 4,352 |
| | <u>126,354</u> | <u>123,560</u> |
| 9 Current Liabilities | | |
| Trade payables | (19,313) | 15,124 |
| Other payables | 6,777 | 5,735 |
| Short Term Borrowings | 44,429 | 11,900 |
| Provision for Taxation | 577 | 638 |
| Proposed Dividend | 0 | 0 |
| | <u>32,470</u> | <u>33,397</u> |
| 10 Net Current Assets or Current Liabilities | <u>93,884</u> <u>141,872</u> | <u>90,163</u> <u>139,495</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 | 81,038 | 78,599 |
| Others | 0 | 0 |
| | <u>137,238</u> | <u>134,799</u> |
| 12 Minority Interests | 0 | 0 |
| 13 Long Term Borrowings | 0 | 0 |
| 14 Other Long Term Liabilities | 1,756 | 1,683 |
| 15 Deferred taxation | <u>2,878</u> <u>141,872</u> | <u>3,013</u> <u>139,495</u> |
| 16 Net tangible assets per share (RM) | 3.4310 | 3.3700 |

Notes :

1) Accounting Policies

The accounts of the Group were prepared using the same accounting policies and methods of computation as those used in the preparation of the most recent annual financial statements. The accounts were also prepared in compliance with the applicable approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965.

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 | PRECEDING YEAR | CURRENT YEAR | PRECEDING YEAR |
| | QUARTER | CORRESPONDING QUARTER | TO DATE | CORRESPONDING PERIOD |
| | 31/03/2002 | 31/03/2001 | 31/03/2002 | 31/03/2001 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| The tax figure contain the following: | | | | |
| - Current period | 242 | 353 | 242 | 353 |
| - Over / under provision for previous years | - | - | - | - |
| - Transfer to/(from) deferred taxation | (135) | (109) | (135) | (109) |
| | <u>107</u> | <u>244</u> | <u>107</u> | <u>244</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 and unabsorbed capital allowances and business loss carried forward in a subsidiary.

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 19th April 2002.

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 31/03/2002 are as follows:

| | Amount | Denominated in Foreign Currency | | Secured/ Unsecured |
|------------------------|----------|---------------------------------|----------------------------------|-----------------------|
| | RM'000 | Foreign Currency | Foreign Currency Amount (000) | |
| Long-term borrowings | <u>0</u> | - | 0 | N.A. |
| Short-term borrowings: | | | | |
| - Banker acceptance | 44,029 | - | 0 | Unsecured |

| | | | | |
|------------------|---------------|---|---|------|
| - Bank overdraft | 400 | - | 0 | N.A. |
| | <u>44,429</u> | | | |

11) Contingent Liabilities

There were no contingent liabilities as at 19th April 2002.

12) Off Balance Sheet Financial Instruments

There were no financial instruments with off-balance sheet risk as at 19th April 2002.

13) Material Litigations

There were no material litigations pending as at 19th April 2002 except for a case filed in last financial year by the Group against one of the customers for recovery of debts amounting to RM4.425 million.

14) Segmental Information

No segmental analysis is prepared as the Group is principally engaged in the manufacturing and sales of electrical conductivity grade copper wire, rod and strip.

15) Material Changes in Quarterly Results

Pre-tax profit for the quarter of RM2.546 million was marginally higher compared to preceding quarter pre-tax profit of RM2.354 million mainly due to better sales-mix.

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

For the first quarter under review, the Group recorded a pre-tax profit of RM2.546 million and turnover of RM122.228 million.

The markets remained difficult due to slow recovery in domestic demand, oversupplied construction sector and intense competition. The financial position of many units in the wire and cable industry continues to be weak affecting timely collections. The collections are being monitored closely and continuously.

In the opinion of the Directors, 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 19th April 2002.

18) Seasonal or Cyclical Factors

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

19) Current year prospects

The growth of Malaysian economy in the current year is projected at around 3%. The domestic construction sector remains oversupplied, though the demand from the domestic sector continues to improve at a modest rate. Though the US economy seems to have started improving, the prospects of a strong recovery and its impact on the Malaysian economy remains uncertain. Market conditions, both domestically and internationally, continues to be extremely competitive.

Credit risks remains significant in the domestic market due to weak financial position of several units in the cable and wire industry.

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

The Board expects the performance of the Group for the financial year 2002 to be reasonable 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.

22) Update on meeting minimum paid-up capital requirement :

Metrod is yet to increase its minimum paid-up share capital to RM60 million as required by the Securities Commission. The Company is confident of meeting the requirement within the stipulated time-frame.