Interim report for the fourth quarter ended 31 December 2023.

Notes: -

1) Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of *MFRS 134 "Interim Financial Reporting"* issued by the Malaysian Accounting Standards Board and paragraph 9.22, Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2022. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

The financial information has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Changes in Accounting policies and adoption of amendments to MFRSs

The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2022, except for the change in accounting policy on valuation of "Land and Buildings" during the quarter from historical cost method to fair value method. The impact for the change in accounting policy is disclosed in Note 9 below.

In addition, the Group has adopted the following pronouncements issued by the Malaysian Accounting Standards Board that are mandatory for the current financial year beginning 1 January 2023: -

New MFRSs adopted during the financial year

Title	Effective Date
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the above pronouncements did not have any material financial impact on the Group and the Company.

As at the date of authorisation of these interim financial statements, the new and revised MFRSs and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are:

Title	Effective Date
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies	1 January 2024
Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'	1 January 2024

The Group will apply the above MFRSs, Amendments to MFRSs that are applicable when they become effective. The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

2) Audit qualification of preceding annual financial statements

The auditors' report for the preceding annual financial statements for the year ended 31 December 2022 was not subject to any qualification.

3) Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the interim period except the low season for Group's hospitality business generally during second and third quarters of the financial year.

4) Unusual items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the interim period.

5) Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the interim period.

6) Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim period.

7) Dividends

No dividend was paid during the fourth quarter ended 31 December 2023.

8) Segment Reporting

The Board of Directors is the Group's chief operating decision-maker (CODM). Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions. The CODM considers the business both from a geographical and business segment perspective and reviews internal management reports at least on a quarterly basis. Performance is measured based on segment's profit before interest and tax as management believes that such information is most relevant in evaluating the results of the segments.

The Group's two main business segments operate in two geographical areas: -

Malaysia	Copper Business- Procurement of raw materials and manufacturing and marketing of electrical conductivity grade copper wires, rods and strips
India	Hospitality and Copper Business

Information regarding each reportable business segment is as follows: -

Segment reporting	**Copper Business**	**Hospitality Business**	**Holding Company, Others & eliminations**	**Group**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial year ended 31 December 2023				
Revenue				
External	4,279,717	77,755	0	4,357,472
Inter segment revenue	0	0	0	0
Total revenue	4,279,717	77,755	0	4,357,472
Results				
Segment results	59,328	16,219	2,367	77,914
Finance costs				(77,230)
Tax expense				15,544
Net profit for the financial year				16,228
As at 31 December 2023				
Net assets				
Segment assets	1,278,448	547,361	-247	1,826,056
Segment liabilities	931,828	332,563	(82,567)	1,181,824
Other Information				
- Depreciation	11,246	8,471	0	19,717
- Capital expenditure	2,310	52,706	0	55,016
- Interest income	(6,793)	(969)	118	(7,824)
- Interest expense	57,496	27,501	(7,767)	77,230

Segment reporting	**Copper Business**	**Hospitality Business**	**Holding Company, Others & eliminations**	**Group**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial year ended 31 December 2022				
Revenue				
External	4,052,960	93,686	0	4,146,646
Inter segment revenue	0	0	0	0
Total revenue	4,052,960	93,686	0	4,146,646
Results				
Segment results	38,565	29,196	(3,879)	63,882
Finance costs				(35,815)
Tax expense				(2,182)
Net profit for the financial year				25,885
As at 31 December 2022				
Net assets				
Segment assets	1,124,859	402,297	6,017	1,533,173
Segment liabilities	870,140	279,257	(88,784)	1,060,613
Other Information				
- Depreciation	9,515	7,498	0	17,013
- Capital expenditure	5,045	10,328	0	15,373
- Interest income	(3,711)	(888)	0	(4,599)
- Interest expense	24,684	11,131	0	35,815

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Copper business	Hospitality business	Group
	RM	RM	RM
As at 31 December 2023	**RM'000**	**RM'000**	**RM'000**
Sale of copper products	4,279,717	0	4,279,717
Room rentals	0	55,082	55,082
Food and beverages	0	18,206	18,206
Others	0	4,467	4,467
	4,279,717	**77,755**	**4,357,472**
Geographical market			
Malaysia	963,976	0	963,976
Asia Pacific	3,315,741	77,755	3,393,496
	4,279,717	**77,755**	**4,357,472**
Timing of revenue recognition			
At a point in time	4,279,717	22,673	4,302,390
Over-time	0	55,082	55,082
	4,279,717	**77,755**	**4,357,472**

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Copper business	Hospitality business	Group
	RM	RM	RM
As at 31 December 2022	**RM'000**	**RM'000**	**RM'000**
Sale of copper products	4,052,960	0	4,052,960
Room rentals	0	65,732	65,732
Food and beverages	0	22,673	22,673
Others	0	5,281	5,281
	4,052,960	**93,686**	**4,146,646**
Geographical market			
Malaysia	1,092,406	0	1,092,406
Asia Pacific	2,960,554	93,686	3,054,240
	4,052,960	**93,686**	**4,146,646**
Timing of revenue recognition			
At a point in time	4,052,960	27,954	4,080,914
Over-time	0	65,732	65,732
	4,052,960	**93,686**	**4,146,646**

The Group's non-current assets excluding deferred tax assets by geographical location are as follows:

	2023	2022
	RM'000	RM'000
Malaysia**	**234,575**	**152,707**
India	**531,481**	**368,511**
	766,056	**521,218**

9) Valuation of Property, Plant and Equipment (PPE)

During the quarter the Group changed its accounting policy for valuation of its Land and Buildings from historical cost to fair value.

The revaluation of Land and Buildings was carried out in December 2023 by independent firms of professional valuers, Knight Frank Malaysia Sdn Bhd and Knight Frank (India) Pvt Ltd for Copper business and Jones Lang LaSalle Property Consultants India Pvt Ltd, India for Hospitality business based on adjusted market comparison approach for Land and depreciated replacement cost approach for Buildings.

Arising from the said revaluation, a revaluation surplus (net of deferred tax) amounting to RM143.26 million has been recognized in other comprehensive income and accumulated in equity under asset revaluation reserve. The revaluation surplus resulted in an increase in the net assets per share attributable to the owners of the Company by RM 0.94 per share.

An announcement to Bursa has been made on even date to this effect.

10) Material subsequent events

There were no material events subsequent to the end of the interim period reported on, that have not been reflected in the financial statements for the said interim period.

11) Changes in composition of the Group

There were no changes in the composition of the Group during the fourth quarter ended 31 December 2023, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

12) Contingent liabilities / assets

There were no contingent liabilities or contingent assets as at the date of this report.

13) Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2023 is as follows:

	RM'000
Property, plant and equipment :-	
• Authorised and contracted for	28,300
• Authorised but not contracted for	75,200
Total :	**103,500**

14) Review of the performance of the Company and its principal subsidiaries

Financial review of current quarter and year to date

	Individual period (4th quarter)				**Cumulative Period**			
	Current Year Quarter	**Preceding year corresponding quarter**			**Current Year to Date**	**Preceding year corresponding period**		
	31/12/2023	31/12/2022	Change	Change	**31/12/2023**	31/12/2022	Change	Change
	RM'000	RM'000	RM'000	%	**RM'000**	RM'000	RM'000	%
Revenue	**1,113,089**	903,025	210,064	23%	**4,357,472**	4,146,646	210,826	5%
E.B.I.T.D.A. *	**23,658**	30,715	-7,057	-23%	**89,808**	76,296	13,512	18%
Profit before depreciation,amortisation, difference in fair value on foreign exchange derivatives and exchange translation on the investment in CCD	**1,972**	8,227	-6,255	-76%	**29,986**	41,080	-11,094	-27%
Profit /(loss) before tax	**-6,710**	14,525	-21,235	-146%	**684**	28,067	-27,383	-98%
Profit after tax	**6,465**	11,179	-4,714	-42%	**16,228**	25,885	-9,657	-37%
Profit for the financial period attributable to :								
- Owners of the Company	**3,036**	9,566	-6,530	-68%	**11,583**	17,036	-5,453	-32%
- Non-controlling interest	**3,429**	1,613	1,816	113%	**4,645**	8,849	-4,204	-48%

**** Earnings before Interest, Taxes, Depreciation and Amortisation***

The Group registered a higher EBITDA of RM89.808 million as compared to previous year's EBITDA of RM76.296 million. Profit before Tax ("PBT") for the year was significantly lower at RM0.684 million (Loss before tax for the current quarter RM6.710 million) as compared to preceding year's PBT of RM28.067 million (corresponding quarter PBT RM14.525 million) mainly due to higher interest costs and reduced room availability for certain period due to renovation of the hotel.

Pre-tax profit for the year includes net negative impact of RM9.585 million (net negative impact of RM2.266 million for the quarter) arising from fair value loss on foreign exchange derivatives and exchange translation gain on the investment in Compulsory Convertible Debentures (CCD) of a subsidiary as compared to a net positive impact of RM 4.000 million (corresponding quarter net positive impact of RM11.388 million) in previous year. Previous year's last quarter also includes the negative impact of one-time brand upgradation cost and renovation cost of RM2.729 million in the Hospitality business segment.

Revenue for year and the current quarter was higher as compared to previous year's corresponding periods mainly due to higher copper volumes.

Copper business performance in the first half of the current year remained weak due to several factors including slow economic recovery in Malaysia, weak demand in other ASEAN countries, high interest rates, global inflation, and property sector weakness in China. However, the second half of the year saw some improvements with the recovery of the construction sector in Malaysia, increased public sector spending in Singapore, and growing demand in India. Consistently elevated USD interest rates, rising energy cost and geopolitical uncertainties in Europe and the Middle East added pressure on cost and supply chain. Competition arising from over capacity remained intense. Credit, commercial and security risks remained high due to the difficult conditions in financial markets and high and volatile copper prices. The Group continues to manage such risks with robust internal systems, hedging policies & procedures and remains steadfastly focused on optimising its costs and working capital cycle, expanding its geographic reach and improving market share.

Hotel's performance during the current quarter was hit by delays in completion of the renovation. For the year as a whole, significant number of rooms were out of inventory for a period of almost seven months. Profitability of the hospitality business was impacted due to lower occupancy, though average daily rates improved during the period. Hospitality business otherwise was strong across the country, especially in Goa.

Subject to above, 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.

15) Material Changes in Quarterly Results

Financial review of the current quarter compared with immediately preceding quarter

	Current Quarter	Immediate Preceding Quarter		
	31/12/2023	30/09/2023	Change	Change
	RM'000	RM'000	RM'000	%
Revenue	**1,113,089**	1,224,539	-111,450	-9%
E.B.I.T.D.A.	**23,658**	21,619	2,039	9%
Profit before depreciation,amortisation, difference in fair value on foreign exchange derivatives and exchange translation on the investment in CCD	**1,972**	7,290	-5,318	-73%
Profit /(loss) before tax	**-6,710**	514	-7,224	-1405%
Profit after tax	**6,465**	1,033	5,432	526%
Profit for the financial period attributable to :				
- Owners of the Company	**3,036**	3,735	-699	-19%
- Non-controlling interest	**3,429**	-2,702	6,131	-227%

Revenue for the quarter was lower as compared to preceding quarter mainly due to lower volumes.

The Group reported a pre-tax loss for the quarter as compared to preceding quarter's pre-tax profit mainly due to reduced availability of significant number of rooms in hospitality segment due to renovation and delays in timely completion, lower volumes in the copper business segment and higher finance costs.

16) Prospects

Construction sector activities in key markets in which the Group operates are on an uptrend and are likely to remain such during 2024. Recent announcement of the New Industrial Master Plan 2030 in Malaysia lays strong emphasis on manufacturing and charters a foundation for long term sustainable growth. Most of the key export markets are expected to invest in expansion of rail, road, airport, property sector and renewable energy infrastructures which could boost copper demand in Asia Pacific region.

However, introduction of potential tariff and non-tariff barriers could bring an elevated level of uncertainty and business continuity in certain countries.

Red Sea challenges are adversely impacting the global shipping industry and could pose significant supply delays and higher logistics cost. The outlook for the inflation in US economy remains uncertain and may influence Fed's decision on monetary policies. The Chinese economy continues to be dragged by the weak real estate segment. The geopolitical situation in the Middle East continues to be drawn-out. Consequently, this may impact copper demand and supply during the year 2024.

Credit, commercial and security risks are expected to remain high due to volatile copper prices and currency. Consistently high LME copper prices are resulting in significant increase in working capital funding requirements. The Group is optimizing the working capital cycle while working with banks to secure additional financing. Prolonged high US interest rates resulting in higher financing cost, volatility in financial and copper markets and rising energy prices continue to add to the business challenges.

Hotel is expected to undergo next phase of renovation during 2024. Since the renovation is expected to be at a much smaller scale as compared to the previous year, its overall financial performance is expected to improve. Hospitality industry across the country in India is expected to improve further due to positive GDP growth and increase in disposable incomes.

Despite all the above challenges and headwinds, the Group continues with its efforts optimize cost, improve operational efficiencies and internal processes to mitigate the impact of these challenges.

17) Profit forecast and variance

There was no profit forecast or profit guarantee issued during the financial period to-date.

18) Taxation

	Current year Quarter 31/12/2023 RM'000	Comparative Quarter 31/12/2022 RM'000	**Current year YTD 31/12/2023 RM'000**	Comparative YTD 31/12/2022 RM'000
In respect of current period				
- Income tax	**1,399**	3,421	**3,043**	3,980
- Deferred	**(14,470)**	(220)	**(18,483)**	(1943)
Subtotal	**(13,071)**	3,201	**(15,440)**	2,037
In respect of prior years				
- Income tax	**(104)**	145	**(104)**	145
Subtotal	**(104)**	145	**(104)**	145
Total	**(13,175)**	3,346	**(15,544)**	2,182

Effective tax rate for the year is lower mainly due to profits of a subsidiary subject to tax at lower rate and recognition of previously unrecognized deferred tax assets on unabsorbed capital allowances due to improved operating conditions in hospitality business. Hence the Group determined that it is more probable of achieving the future taxable profits against which the unabsorbed capital allowances can be utilised.

19) Corporate proposals

There are no corporate proposals announced but not completed as at 21 February 2024.

20) Group Borrowings and Debt Securities

Group borrowings as at 31 December 2023 are as follows: -

As at quarter ended 31 December2023

		Long Term		Short Term		Total Borrowings	
		Foreign Currency '000	RM'000	Foreign Currency '000	RM'000	Foreign Currency '000	RM'000
Secured							
Term Loan	INR	2,283,946	126,039	131,567	7,260	2,415,513	133,299
Bank Overdraft	INR	0	0	25,562	1,411	25,562	1,411
Unsecured							
Foreign Currency Trade Loans	USD	0	0	155,151	712,141	155,151	712,141
Term Loan	RM		0	0	14,944	0	14,944
Compulsorily Convertible Debenture	INR	1,227,450	67,737	0	0	1,227,450	67,737
Total			**193,776**		**735,756**		**929,532**

As at quarter ended 31 December2022

		Long Term		Short Term		Total Borrowings	
		Foreign Currency '000	RM'000	Foreign Currency '000	RM'000	Foreign Currency '000	RM'000
Secured							
Term Loan	INR	1,876,501	99,553	286,233	15,186	2,162,734	114,739
Unsecured							
Foreign Currency Trade Loans	USD	0	0	162,506	713,400	162,506	713,400
Term Loan	RM		14,944	0	16,200	0	31,144
Compulsorily Convertible Debenture	INR	1,227,450	65,120	0	0	1,227,450	65,120
Total			**179,617**		**744,786**		**924,403**

21) Material litigation

Effective January 2020 Director General of Trade Remedies (DGTR) under Ministry of Commerce, Government of India had imposed a Countervailing duty (CVD) for the export of copper wires from Malaysia, Indonesia, Thailand and Vietnam. Metrod had appealed for the same to Customs Excise & Service Tax Appellate Tribunal New Delhi (CESTAT). The principal bench of CESTAT pronounced an order in the open court on 8th September 2021 setting aside the imposition of CVD on Metrod. An appeal was filed in the Supreme Court (SC) of India against the decision of CESTAT by the Indian domestic industry. No stay was granted by the SC at the initial hearing. The next hearing date is yet to be listed.

Other than as stated above, Metrod Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Metrod Group.

22) Earnings per share

	Current Year Quarter 31/12/2023 RM'000	Comparative Year Quarter 31/12/2022 RM'000	**Current Year To Date 31/12/2023 RM'000**	Comparative Year To Date 31/12/2022 RM'000
Basic Net profit for the period attributable to Owners of the Company (RM'000)	**3,036**	9,566	**11,583**	17,036
Weighted average number of ordinary shares in issue ('000)	**120,000**	120,000	**120,000**	120,000
Basic earnings per share (sen)	**2.53**	7.97	**9.65**	14.20

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

23) Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Input that are based on observable market data, either directly or indirectly
Level 3 - Input that are not based on observable market data.

The derivatives of the Group amounting to RM3,737,000 in credit (31.12.2022: RM8,572,000 in debit) are measured at Level 2 hierarchy.

24) Profit Before Tax

Profit before tax is arrived at after (crediting)/charging the following (incomes)/expenses:

	Current Year Quarter 31/12/2023	Comparative Year Quarter 31/12/2022	**Current Year To Date 31/12/2023**	Comparative Year To Date 31/12/2022
	RM'000	RM'000	**RM'000**	RM'000
Interest income	**(358)**	(1,184)	**(7824)**	(4,599)
Other income	**(841)**	(285)	**(1,777)**	(1,401)
Interest expense	**24,310**	12,284	**77,230**	35,815
Depreciation and amortisation	**6,415**	5,090	**19,717**	17,013
Provision for and write off of receivables	**0**	0	**0**	0
Write off/(write back) of inventories	**0**	36	**0**	36
(Gain)/ loss on disposal of quoted or unquoted investments or properties	**0**	0	**0**	0
Impairment of assets	**0**	0	**0**	0
Foreign exchange (gain)/loss (net) #	**(5,611)**	4,050	**6,812**	53,896
(Gain) / loss on foreign exchange derivatives (net)	**615**	(15,111)	**12,308**	(8,019)
Other material items:	**0**	0	**0**	0

Significant part of foreign exchange (gains)/losses, both realised and unrealised, pertain to cost of sales due to back-to-back nature of covering raw material copper prices and have been classified as "other (gains)/losses" in the income statement.

25) Authorisation for issue

The interim financial statements were issued by the Board of Directors in accordance with a resolution of the directors on 28 February 2024.