

**UNIMECH GROUP BERHAD**

(Company No : 407580-X)

(Incorporated in Malaysia)

**CONSOLIDATED BALANCE SHEET**

	As at end of current quarter 31 March 2001 RM'000	As at preceding financial year end 31 December 2000 RM'000
1. Property, plant and equipment	19,644	19,820
2. Investment in associated company	1,733	1,589
3. Long term investments	1,307	-
4. Quoted investments	1,127	1,361
5. Goodwill on consolidation	538	518
6. Current assets		
Inventories	39,686	37,250
Trade receivables	27,115	27,930
Other receivables	905	1,772
Fixed deposit with licensed banks	1,360	1,665
Cash and bank balances	3,952	4,185
	<u>73,018</u>	<u>72,802</u>
7. Current liabilities		
Trade payables	6,089	6,913
Other payables	1,418	1,744
Amount owing to directors	236	376
Short term borrowings	10,517	10,664
Proposed dividend	2,362	2,362
Provision for taxation	2,317	2,629
	<u>22,939</u>	<u>24,688</u>
8. Net current assets/(liabilities)	50,079	48,114
	<u>74,428</u>	<u>71,402</u>
9. Shareholders' funds		
Share capital	41,000	41,000
Share premium	8,346	8,346
Exchange fluctuation reserve	(11)	(29)
Retained profit	20,873	17,747
	<u>70,208</u>	<u>67,064</u>
10. Minority interests	1,113	1,127
11. Long term borrowings		
Term loan	1,187	1,670
Hire purchase creditors	1,674	1,296
12. Deferred tax	246	245
	<u>74,428</u>	<u>71,402</u>
13. Net tangible assets per share (RM)	1.70	1.62

(i) Basic (based on 41,000,000 ordinary shares;  
2000: 31,363,850 ordinary shares) (sen)

4.86

5.68

4.86

5.68

**UNIMECH GROUP BERHAD**

(Company No: 407580-X)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

QUARTERLY REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FIRST FINANCIAL QUARTER ENDED  
31 MARCH 2001

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2000 RM'000	CURRENT YEAR TO DATE 31/3/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2000 RM'000
1. (a) Revenue	13,515	11,783	13,515	11,783
(b) Investment income	6	-	6	-
(c) Other income	9	7	9	7
2. (a) Operating profit before finance cost, depreciation, exceptional items, income tax, minority interests and extraordinary items	3,789	3,025	3,789	3,025
(b) Finance cost	(131)	(141)	(131)	(141)
(c) Depreciation and amortisation	(524)	(355)	(524)	(355)
(d) Exceptional items	(225)	11	(225)	11
(e) Operating profit before income tax, minority interests and extraordinary items	2,909	2,540	2,909	2,540
(f) Share in the results of associated company	10	75	10	75
(g) Profit before income tax, minority interest and extraordinary items	2,919	2,615	2,919	2,615
(h) Income tax	(1,009)	(735)	(1,009)	(735)
(i) (i) Profit after taxation before deducting minority interest	1,910	1,880	1,910	1,880
(ii) Less minority interest	81	(29)	81	(29)
(j) Pre-acquisition profit/(loss), if applicable	-	(69)	-	(69)
(k) Net profit from ordinary activities attributable to members of the Company	1,991	1,782	1,991	1,782
(l) (i) Extraordinary items	-	-	-	-
(ii) Less minority interests	-	-	-	-
(iii) Extraordinary items attributable to members of the Company	-	-	-	-
(m) Net profit after taxation and extraordinary items attributable to members of the Company	1,991	1,782	1,991	1,782
3. (a) Earnings per share based on 2 (l) above after deducting any provision for preference dividends, if any:				
(i) Basic (based on 41,000,000 ordinary shares; 2000: 31,363,850 ordinary shares) (sen)	4.86	5.68	4.86	5.68

**17. Material Changes in Quarterly Results**

The Group registered a profit before tax of RM2.9million for the current quarter, which is an increase of RM3.4million compared to a loss before tax of RM0.5million in the preceding quarter. The loss in the fourth quarter ended 31 December 2000 is mainly due to certain provisions made at the year end. There is no material factor affecting the profit before tax for the quarter ended 31 March 2001 of RM2.9million, a pretax profit margin of 21.5%. This is also in line with the profit before tax of RM2.5million registered in the preceding year corresponding quarter ended 31 March 2000 with a pretax profit margin of 21.6%.

**18. Review of Performance**

The profit margin for Engineering and Distribution has dropped 4.41% and 3.52% respectively in the first quarter as compared to the preceding year corresponding quarter ended 31.3.2000. This is mainly due to the continuous price competition resulted from entry of new competitors who were previously involved only in the building and general construction business.

The profit margin for Manufacturing has increased by 8.73% in the first quarter as compared to the preceding year corresponding quarter. This is resulted by the reduction of production cost through the Group relocation program for the labour intensive manufacturing activities.

In the opinion of the Board of Directors, no item, transaction or event of a material and unusual nature has arisen which would affect substantially the results for the operation of the Group for the period from 31 March 2001 to the date of issue of this quarterly report.

**19. Current Year Prospects**

The acquisition of two subsidiaries in Indonesia involving in the manufacturing of the Group's products will help to reduce production cost through the Group's relocation program for the labour intensive manufacturing activities. This will compensate for reduction in profit margin of the Group's Engineering and Distribution Sectors resulting from price competition. As a result, the Directors anticipate that the performance for the year ending 31December 2001 will remain satisfactory.

**20. Variations of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee**  
Not applicable.**21. Dividend**

No dividend has been recommended or declared for the period under review.

**BY ORDER OF THE BOARD**