



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER
ENDED 31 MARCH 2007**

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	2007 Current quarter ended 31 Mar RM'000	2006 Comparative quarter ended 31 Mar RM'000
Revenue	102,624	87,526
Other income	1,216	1,373
Operating expenses	(94,426)	(80,488)
Finance costs	(837)	(294)
Profit before taxation	8,577	8,117
Taxation	(1,830)	(1,649)
Profit for the period	6,747	6,468
Attributable to:		
Equity holders of the parent	6,747	6,468
Earnings per share (EPS):		
a) Basic (sen)	6.35	6.22
b) Diluted (sen)	6.35	6.19

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006)



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER
ENDED 31 MARCH 2007**

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 31 Mar 2007	As at 31 Dec 2006 (Restated)
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	102,781	97,992
Investment properties	1,150	1,150
Prepaid lease payments (Leasehold land)	5,655	5,681
Other investments	96	170
Goodwill on consolidation	1,382	1,382
Deferred tax asset	-	72
	<u>111,064</u>	<u>106,447</u>
Current Assets		
<i>Inventories</i>	187,933	157,757
<i>Trade and other receivables</i>	126,256	138,285
<i>Current tax assets</i>	4,795	4,669
<i>Cash and bank balances</i>	3,678	4,834
	<u>322,662</u>	<u>305,545</u>
TOTAL ASSETS	<u>433,726</u>	<u>411,992</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	109,903	109,903
Reserves attributable to capital	19,696	19,698
Retained earnings	186,146	185,604
Total Equity	<u>315,745</u>	<u>315,205</u>
Non-current liabilities		
<i>Borrowings</i>	915	3,934
<i>Deferred tax liabilities</i>	11,050	10,357
<i>Long-term provisions</i>	480	355
Total non-current liabilities	<u>12,445</u>	<u>14,646</u>



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER
ENDED 31 MARCH 2007**

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 31 Mar 2007 RM'000	As at 31 Dec 2006 (Restated) RM'000
Current liabilities		
<i>Trade and other payables</i>	18,351	22,897
<i>Borrowings</i>	79,460	57,829
<i>Proposed dividend</i>	6,205	-
<i>Current tax liabilities</i>	1,520	1,415
Total current liabilities	<u>105,536</u>	<u>82,141</u>
TOTAL LIABILITIES	117,981	96,787
TOTAL EQUITY AND LIABILITIES	<u><u>433,726</u></u>	<u><u>411,992</u></u>
Net Tangible Assets Per Share (RM)	2.96	2.95
Net Assets Per Share (RM)	2.97	2.97

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006)



INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2007

	Period ended 31 Mar 2007 RM ' 000	Period ended 31 Mar 2006 RM ' 000
Net Profit before tax	8,577	8,117
Adjustments for non-cash flow:-		
Non-cash items	1,270	(615)
Non-operating items	819	179
Operating Profit Before Changes In Working Capital	10,666	7,681
Changes In Working Capital :		
Net Change in Current Assets	(17,914)	16,534
Net Change in Current Liabilities	(4,547)	(5,371)
Income Tax Paid	(1,085)	(1,419)
Net Cash From / (Used In) Operating Activities	(12,880)	17,425
Investing Activities :		
Equity Investments	75	-
Other Investments	(6,020)	(5,712)
Net Cash From / (Used In) Investing Activities	(5,945)	(5,712)
Financing Activities :		
Bank Borrowings	17,211	(8,288)
Issue of shares	-	307
Others	(840)	(296)
Net Cash From / (Used In) Financing Activities	16,371	(8,277)
Net Change in Cash & Cash Equivalents	(2,454)	3,436
Cash & Cash Equivalents at beginning of year	3,272	7,315
Cash & Cash Equivalents at end of period	818	10,751

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006)



INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2007

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2007**

	<----- Attributable to Equity Holders of the Company ----->							
	< ----- Non-distributable Reserves ----- >							
	Share Capital RM '000	Treasury Shares RM '000	Share Premium RM '000	Reserve on Consolidation RM '000	General Reserve RM '000	Equity- settled Employee Benefits Reserve RM '000	Retained Earnings RM '000	Total Equity RM '000
Balance as at 1 January 2007								
As previously stated	109,903	(5,603)	24,115	-	1,186	-	184,713	314,314
Effect of changes in accounting policies for :								
Restatement of fair value for Investment Property	-	-	-	-	-	-	891	891
Restated balance as at 1 January 2007	109,903	(5,603)	24,115	-	1,186	-	185,604	315,205
Changes in equity for the 1st quarter ended 31 March 2007								
Profit for the period	-	-	-	-	-	-	6,747	6,747
Total recognised income and expense for the period	-	-	-	-	-	-	6,747	6,747
Dividend distributed to equity holders	-	-	-	-	-	-	(6,205)	(6,205)
Buy-back of ordinary shares	-	(2)	-	-	-	-	-	(2)
Balance as at 31 March 2007	109,903	(5,605)	24,115	-	1,186	-	186,146	315,745



INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2006

	<----- Attributable to Equity Holders of the Company ----->							Total Equity RM '000
	Share Capital RM '000	Treasury Shares RM '000	Share Premium RM '000	Reserve on Consolidation RM '000	General Reserve RM '000	Equity- settled Employee Benefits Reserve RM '000	Retained Earnings RM '000	
Balance as at 1 January 2006								
As previously stated	107,499	(5,465)	23,585	1,366	1,186	-	155,462	283,633
Effect of changes in accounting policies for :								
Share-based payment	-	-	-	-	-	27	(27)	-
Business combinations	-	-	-	(1,366)	-	-	1,366	-
Restated balance as at 1 January 2006	107,499	(5,465)	23,585	-	1,186	27	156,801	283,633
Changes in equity for the 1st quarter ended 31 March 2006								
Profit for the period	-	-	-	-	-	-	6,468	6,468
Total recognised income and expense for the period	-	-	-	-	-	-	6,468	6,468
Dividend distributed to equity holders	-	-	-	-	-	-	(4,490)	(4,490)
Recognition of share-based payments	-	-	-	-	-	2	-	2
Issue of share under Employee Share Options Scheme	258	-	50	-	-	-	-	308
Buy-back of ordinary shares	-	(1)	-	-	-	-	-	(1)
Balance as at 31 March 2006	107,757	(5,466)	23,635	-	1,186	29	158,779	285,920

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006)



INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2007

EXPLANATORY NOTES : (AS PER FRS 134 - PARAGRAPH 16)

A1 Accounting Policies and methods of computation

The interim financial report has been prepared in accordance with FRS 134, "Interim Financial Reporting" and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia). The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2006. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2006, except for the adoption of the 2 new and revised Financial Reporting Standards (FRS) applicable for annual financial periods beginning on or after 1 January 2007.

The adoption of new and revised FRSs which resulted in changes in accounting policies and methods of computation are as follows :

a) *Leases (FRS 117)*

FRS 117 requires the unamortised revalued amount of leasehold land held for own use to be accounted for as Prepaid Lease Payments and to be amortised on a straight line basis over the lease term. The Group has reclassified such properties which were previously presented as part of Property, Plant and Equipment and were stated at costs less accumulated depreciation. Other than the reclassification from Property, Plant and Equipment to Prepaid Lease Payments of RM5,655,490, the change in accounting policy does not affect the results of the Company and of the Group for the financial period. The restatement of the comparative amount as at 31 December 2006 are summarised in (c)(i) and (ii).

FRS 140 requires that an investment property held by a lessee under an operating lease is to be accounted for using the fair value model. Accordingly, the Group has changed the measurement basis of its investment properties from the previously used cost model to fair value model. The effect of the change amounted to RM891,231 and has been adjusted to the opening retained earnings in accordance with FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors. The restatement of the comparative amount as at 31 December 2006 are summarised in (c)(iii) and (iv).

b) *Related Party Disclosures (FRS 124)*

The adoption of FRS 124 has no material effect on the results of the Company and of the Group for the financial period.

c) *Restatement of comparative amounts*

The adoption of new and revised FRSs has resulted in the restatement of the comparative amounts as at 31 December 2006 of the following :

	As previously reported RM'000	Effects of restatement RM'000	As restated RM'000
i) Prepaid Lease Payments (Leasehold land)	-	5,681	5,681
ii) Property, Plant and Equipment	103,673	(5,681)	97,992
iii) Investment Properties	259	891	1,150
iv) Retained Earnings	184,713	891	185,604

A2 Report of Auditors

The preceding annual financial statements of the Group were reported on without any qualification.

A3 Seasonality or Cyclicity of Operations

The level of business activities usually varies with the festivals at the end and beginning of each year subject to the level of underlying demand and prices prevailing.



INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2007

EXPLANATORY NOTES : (AS PER FRS 134 - PARAGRAPH 16)

A4 Unusual items

There were no material items of an unusual nature and amount for the current quarter and financial year to date.

A5 Material Changes in estimates of amounts reported

There were no material changes in the estimates used in the current quarter compared to the estimates used in the previous financial year, which have a material effect in the current quarter or the financial year to date.

A6 Changes in Debt and Equity Securities

Details of share buy-back for the current financial year to date.

	<i>No. of shares purchased</i>	<i>Average Purchase price (RM)</i>	<i>Total consideration paid (RM)</i>	<i>Treasury shares No. of shares retained</i>
<i>Opening balance at 01-01-2007</i>	3,649,600	1.54	5,603,227	3,649,600
February	1,000	2.28	2,277	1,000
<i>Total as at 31-03-2007</i>	3,650,600	1.54	5,605,504	3,650,600

None of the Treasury Shares has been resold or redistributed as share dividends during the current financial year.

There were no issues of debt or equity securities for the current financial year to date.

A7 Dividend

No dividend has been paid for the current financial year to date.

A8 Segmental Reporting

Segmental analysis for the current financial period ended 31 March 2007 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
Revenue	61,211	41,413	102,624
Results			
Segment results	4,959	4,557	9,516
Unallocated corporate expenses			(102)
Finance cost			(837)
Profit before tax			8,577

Segmental analysis for the previous financial period ended 31 March 2006 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
Revenue	57,116	30,410	87,526
Results			
Segment results	3,547	4,739	8,286
Unallocated corporate income			125
Finance cost			(294)
Profit before tax			8,117



INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2007

EXPLANATORY NOTES : (AS PER FRS 134 - PARAGRAPH 16)

A9 Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment in the financial year to date except that the carrying amount of investment properties of the Group has been changed to fair value as a result of the adoption of FRS 117 in the quarter. Other than this, the value of property, plant and equipment has been brought forward, without amendment from the previous annual financial statements.

A10 Material Events

There were no material subsequent events that have not been reflected in the financial statements for the period at the date of issue of the quarterly report.

A11 Changes in Composition of the Group

On 29 March 2007, Choo Bee Metal Industries Bhd disposed of the entire issued and paid-up share capital of its wholly-owned subsidiary company, Choo Bee Hardware (Sabah) Sdn. Bhd. ("CBH(S)") which was formerly known as Choo Bee Steel Servicing Centre Sdn Bhd, comprising 3 ordinary shares of RM1 each to another wholly owned subsidiary company, Choo Bee Hardware Sdn Bhd ("CBH") for a total consideration of RM3. This resulted in CBH(S) becoming a wholly owned subsidiary of CBH.

A12 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets at the date of issue of the quarterly report.

A13 Capital Commitments

Capital Commitments as at 10 May 2007, being a date not earlier than 7 days from the issue of this quarterly report are as follows:

	RM '000
Capital expenditure :	
Contracted but not provided for	6,957
Approved but not contracted for	6,134
	<u>13,091</u>

A14 Reversal of write down of inventories

During the quarter, increases in net realisable values of some previously written down inventories of the Group resulted in a reversal of RM109,783 of the written down amounts.



INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2007

EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA - PART A OF APPENDIX 9B)

B1 Review of the Performance of the Company and its Principal Subsidiaries

Turnover recorded for the first quarter of this year was RM102.62 million, an increase of 17.25% compared to RM87.53 million for the first quarter of the previous year. However, the strong turnover growth achieved was offset by the lower margins of the Group's products in the first quarter of this year compared to previous year. As a result, profit before taxation increased slightly to RM8.58 million for the first quarter of this year from RM8.12 million in the corresponding quarter of the previous year.

B2 Material changes in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter

Turnover increased by 16.19% in the first quarter to RM102.62 million from RM88.33 million in the immediate preceding quarter. The increase was due to higher sales volume which was offset by lower margins. Hence, profit before tax decreased by 22.14% to RM8.58 million from RM11.02 million in the immediate preceding quarter.

B3 Prospects for the remaining quarters up to 31 December 2007

The local steel industry is expected to continue to enjoy continuous growth for the remaining quarters of 2007. The implementation of the Ninth Malaysian Plan projects, water pipe replacements and development of export of structural hollow section to new markets will lead to higher demand for the Group's increased product range in line with its expansion plan. Hence, the prospects for the current financial year are expected to be good.

B4 (a) Variance of Actual Profit After Tax and Minority Interest

Not applicable

(b) Shortfall in Profit Guarantee

Not applicable

B5 Taxation

	Current Quarter 31-03-2007 RM' 000	Financial Year to date 31-03-2007 RM' 000
Estimated tax payable	1,065	1,065
Deferred taxation	765	765
	<u>1,830</u>	<u>1,830</u>
Under / (Over) provision in prior year	-	-
Net provision for taxation	<u>1,830</u>	<u>1,830</u>

The effective tax rate for the current quarter and financial year to date is lower than the statutory tax rate mainly due to utilisation of capital allowances by the Group.

B6 Profit/(Losses) On Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investments and / or properties during the quarter and financial year to date.



INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2007

EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA - PART A OF APPENDIX 9B)

B7 Purchases or Disposal of Quoted Securities

(a)	Current Quarter 31-03-2007 RM' 000	Financial Year to date 31-03-2007 RM' 000
Total purchase consideration	-	-
Total sale proceeds	75	75
Total gain / (loss) on disposals	7	7
(b) Investments as at 31 March 2007		RM'000
At Cost		201
At Book Value		96
At Market Price		96

B8 (a) Status of Corporate Proposals announced but not completed

There were no corporate proposals at the date of issue of the quarterly report.

(b) Status of utilisation of proceeds raised from any corporate proposal

Not applicable.

B9 Group Borrowings and Debt Securities

Details of Group's borrowings as at 31 March 2007 are as follows:-

(a) <i>Short term borrowings</i>	RM' 000	
USD Trade loan (USD 7,323,818)	25,362	Unsecured
Bankers acceptance	39,467	Unsecured
Bank overdraft	2,860	Unsecured
Fixed Term Loan		
- Amount due within 12 months (USD 3,402,000)	11,771	Unsecured
	<u>79,460</u>	
(b) <i>Long term borrowings</i>		
Fixed Term Loan		
- Non current portion (USD 264,500)	915	Unsecured
Total Borrowings	<u>80,375</u>	

The Group has no debt securities as at 31 March 2007.

B10 Summary of Off Balance Sheet Financial Instruments by type and maturity profile

There were no financial instruments with off balance sheet risk at the date of issue of the quarterly report.



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER
ENDED 31 MARCH 2007**

**EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA - PART A OF APPENDIX
9B)**

B11 Changes in Material Litigation (including status of any pending material litigation)

Kent Engineering Works Sdn Bhd (KEW), a debtor of Taik Bee Hardware Sdn Bhd ("TBH") which is a subsidiary company of Choo Bee Metal Industries Berhad, filed a suit for defamation on 7 March 2000 against TBH for an amount of RM10 million claiming that the drawdown of a bank guarantee provided by KEW in favour of TBH was defamatory to KEW. In response, TBH has filed a writ of summons on defence with the High Court of Malaya on 24 April 2000 against the defamation suit and for the recovery of a debt amounting to RM118,092.

The lawyers advising TBH on the above matter, opined that it is highly unlikely that the litigant will be able to prove libel as TBH has a complete defence in justification.

The trial has been adjourned to 8 and 9 August 2007 by the Court.

B12 Dividend

The Directors have not recommended any dividend for the current financial quarter ended 31 March 2007. The dividend accrued as a liability is the proposed final ordinary dividend of 8% less 27% tax for the year ended 31 December 2006.

B13 Earnings Per Share (EPS)

		3 months ended	
		31-03-2007	31-03-2006
Basic earnings per share			
(a)	Net profit for the period	(RM '000)	
		6,747	6,468
	Weighted average number of ordinary shares in issue	(' 000)	
		106,253	104,019
	Basic earnings per share	(sen)	
		6.35	6.22
Diluted earnings per share			
(b)	Net profit for the period	(RM '000)	
		6,747	6,468
	Weighted average number of ordinary shares in issue	(' 000)	
		106,253	104,019
	Adjustment for share options	(' 000)	
		-	418
	Weighted average number of ordinary shares for diluted earnings per share	(' 000)	
		106,253	104,437
	Diluted earnings per share	(sen)	
		6.35	6.19