

SUMMARY OF KEY FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2003

		INDIVIDUAL	QUARTER
		Current Year Quarter 31.03.2003 RM '000	Preceding Year Corresponding Quarter 31.03.2002 RM '000
1	Revenue	54,828	49,534
2	Profit before tax	6,914	3,337
3	Profit after tax and minority interest	5,157	2,103
4	Net profit for the period	5,157	2,103
5	Basic earnings per share (sen)	5.19	2.11
6	Dividends per share (sen)	-	3.60
7	Net tangible assets per share (RM)	2.10	2.08

ADDITIONAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2003

		INDIVIDUAL	QUARTER
		Current Year Quarter 31.03.2003 RM '000	Preceding Year Corresponding Quarter 31.03.2002 RM '000
1	Profit from operations	6,130	3,024
2	Gross Interest Income	164	229
3	Gross Interest expenses	100	59

**CHOO BEE METAL INDUSTRIES BERHAD**

( Company No. 10587-A)

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2003**

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	2003	2002
	Current	Comparative
	quarter Ended	quarter ended
	31 Mar	31 Mar
	RM'000	RM'000
Revenue	54,828	49,534
Profit from Operations	6,130	3,024
Interest Income	164	229
Finance costs	(100)	(59)
Income from other investments	720	143
Profit before tax	6,914	3,337
Taxation	(1,478)	(1,123)
Profit after tax	5,436	2,214
Minority Interest	(279)	(111)
Net Profit for the period	5,157	2,103
Earnings per share (EPS) :		
a) Basic	5.19	2.11
b) Diluted	5.18	2.06

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2002)

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## CONDENSED CONSOLIDATED BALANCE SHEET

	As at year ended 31 Mar 2003 RM'000	As at year ended 31 Dec 2002 RM'000
Property, plant and equipment	47,874	48,340
Other investments	2,015	18,058
Current assets		
<i>Inventories</i>	118,165	90,207
<i>Trade receivables</i>	61,303	61,369
<i>Other receivables and prepaid expenses</i>	9,992	8,898
<i>Cash &amp; cash equivalents</i>	9,868	12,852
	<hr/> 199,328	<hr/> 173,326
Current liabilities		
<i>Trade payables</i>	5,975	4,064
<i>Other payables and accrued expenses</i>	11,174	12,750
<i>Short term borrowings</i>	9,123	4,302
<i>Tax liabilities</i>	(72)	671
<i>Proposed dividend</i>	3,579	-
	<hr/> 29,779	<hr/> 21,787
Net current assets	169,549	151,539
Long-term and Deferred Liabilities		
<i>Deferred tax liabilities</i>	(5,141)	(5,491)
Minority interests	(5,636)	(5,356)
	<hr/> 208,661	<hr/> 207,090
Represented by :		
Issue capital	102,139	102,139
Reserves	106,522	104,951
Shareholders' Equity	<hr/> 208,661	<hr/> 207,090
Net Tangible Assets Per Share (RM)	2.10	2.08

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2002)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2003**

	Period ended
	31 Mar 2003
	RM ' 000
Net Cash from operating activities	(23,704)
Net Cash Used In Investing activities	16,277
Net Cash Used In Financing activities	<u>4,443</u>
Net Change in Cash & Cash Equivalents	(2,984)
Cash & Cash Equivalents at beginning of year	<u>12,852</u>
Cash & Cash Equivalents at end of period	<u>9,868</u>

( The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2002)

Note: No comparative figures are available as the first interim financial report prepared in accordance with MASB 26, Interim Financial Reporting only took effect in the third quarter 2002.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2003**

	<----->		Non-distributable Reserves		----->		<---Distributable Reserves--->		Total
	Issued	Share	Revaluation	Reserve on	General	Treasury	Unappropriated	Capital	Shareholders'
	Capital	Premium	Reserve	Consolidation	Reserve	Shares	profit	Reserve	Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
As previously stated	102,139	22,461	84	1,494	1,186	(3,965)	84,023	-	207,422
Prior year adjustments	-	-	(84)	-	-	-	(248)	-	(332)
Restated balance	102,139	22,461	-	1,494	1,186	(3,965)	83,775	-	207,090
<i>Issue of shares</i>	-	-	-	-	-	-	-	-	-
<i>Shares repurchased</i>	-	-	-	-	-	(7)	-	-	(7)
<i>Net profit for the year</i>	-	-	-	-	-	-	5,157	-	5,157
<i>Dividends</i>	-	-	-	-	-	-	(3,579)	-	(3,579)
	102,139	22,461	-	1,494	1,186	(3,972)	85,353	-	208,661

( The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2002)

Note: No comparative figures are available as the first interim financial report prepared in accordance with MASB 26, Interim Financial Reporting only took effect in the third quarter 2002.

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**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2003****EXPLANATORY NOTES : (AS PER MASB 26 - PARAGRAPH 16)****A1 Accounting Policies and methods of computation**

The interim financial report has been prepared in accordance with MASB 26, Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Kuala Lumpur Stock Exchange. The Interim Financial Report should be read in conjunction with the audited financial statements for the year ended 31 December 2002. The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2002 except for the adoption of MASB 25, Income Taxes. The change and effects of adopting MASB 25 which resulted in prior year adjustments are as follows :

## a) Change in Accounting policy

## MASB 25 : Income Taxes

Under MASB 25, deferred tax liabilities are recognised for all taxable temporary differences. Previously, deferred tax liabilities were provided for on account of timing differences only to the extent that a tax liability was expected to materialise in the foreseeable future.

## b) Prior Year Adjustments

The change in accounting policy has been applied retrospectively and comparatives have been restated. The effects of the change on revaluation surplus are as follows :

	As Previously Reported	Effects of change in policy	As restated
	RM '000	RM '000	RM '000
At 31 December 2002			
Retained profits	84,023	(248)	83,775
Deferred tax liabilities	5,108	383	5,491
Minority Interest	5,408	(52)	5,356
Revaluation reserves	84	(84)	-
Net Tangible Assets Per Share (RM)	2.09	(0.01)	2.08

The adoption of MASB 25 does not affect the computation of income taxes for the current financial period materially.

**A2 Declaration of Audit Qualification**

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

**A3 Seasonality or Cyclicity of Operations**

Apart from the traditional variation in the level of business activities coinciding with the festivals at the end and beginning of each year, the Group's activities are not subject to any marked seasonal or cyclical fluctuations.

**A4 Unusual Nature and amount of items**

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

**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 prior interim periods of the current financial year or in the previous financial year, which have a material effect in the current quarter or the financial year to date.

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**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2003****EXPLANATORY NOTES : (AS PER MASB 26 - PARAGRAPH 16)****A6 Changes in Debt and Equity Securities**

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

	<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>
<b>Opening balance at 1-1-2003</b>	2,710,000	1.46	3,965,291	2,710,000
January	5,000	1.20	5,991	5,000
February	1,000	1.19	1,194	1,000
<b>Total as at 31-03-2003</b>	<b>2,716,000</b>	<b>1.46</b>	<b>3,972,476</b>	<b>2,716,000</b>

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 todate.

**A7 Dividend**

There were no dividend paid for the current financial year todate.

**A8 Segmental Reporting**

Segmental analysis for the current quarter ended 31 March 2003 are as follows:-

By Business Segments :

	Trading RM' 000	Manufacturing RM' 000	Total RM' 000
<b>Revenue</b>	<u>36,775</u>	<u>18,053</u>	<u>54,828</u>
<b>Results</b>			
Segment results	<u>1,265</u>	<u>4,919</u>	<u>6,184</u>
Unallocated corporate expenses			(54)
Profit from operations			6,130

Segmental analysis for the comparative quarter ended 31 March 2002 are as follows:-

By Business Segments :

	Trading RM' 000	Manufacturing RM' 000	Total RM' 000
<b>Revenue</b>	<u>31,080</u>	<u>18,454</u>	<u>49,534</u>
<b>Results</b>			
Segment results	<u>1,421</u>	<u>1,616</u>	<u>3,037</u>
Unallocated corporate expenses			(13)
Profit from operations			3,024

**A9 Valuation of Property, Plant and Equipment**

The Group did not carry out any revaluations on its property, plant and equipment in the financial year todate. The value of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements.

**A10 Material Events**

There were no material events subsequent to 31 March 2003 that have not been reflected in the financial statements for the said period, up to the date of this report.

**A11 Changes in Composition of the Group**

There were no changes in composition of the Group for the current financial year todate.

**A12 Changes in Contingent Liabilities or Contingent Assets**

There were no contingent assets at the date of issue of the quarterly report. The update on the contingent liability is disclosed under Note B11, Changes in Material Litigation.

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**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 March 2003****EXPLANATORY NOTES : (AS PER KLSE LISTING REQUIREMENT - PART A OF APPENDIX 9B)****B1 Review of the Performance of the Company and its Principal Subsidiaries**

The Group achieved a turnover of RM 54.8 million and profit before tax of RM 6.9 million for the first quarter and financial year to date which is an increase of 10.7% and 107.0% respectively when compared to the corresponding period in 2002. Selling prices of the Group's products increased substantially during the quarter due to strong demand in the global steel industry. Domestic demand was largely driven by the anticipation of further increase in prices.

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

The Group recorded a turnover of RM 54.8 million in the current quarter which represents an increase of 8.5% when compared to RM 50.5 million in the preceding quarter. Group profit before tax increased by 74.6% from RM3.9 million in the preceding quarter to RM 6.9 million. The substantial increase in the profit before tax were mainly attributable to higher volume and margin of the Group's products as explained in B1 above.

**B3 Prospects for the current financial year**

Global steel prices were unable to sustain the rate of increase experienced during the first quarter as market sentiment was weighed down by geopolitical conflicts and a slow down in buying in China. However, prices for the Group's products still remain at an improved level compared to prices in the previous year. On balance, the Board expects performance for the current financial year to be satisfactory.

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

Not applicable

**(b) Shortfall in Profit Guarantee**

Not applicable

**B5 Taxation**

	Current year quarter 31-03-2003 RM' 000	Financial year to date 31-03-2003 RM' 000
Estimated tax payable	1,827	1,827
Deferred taxation	<u>(349)</u>	<u>(349)</u>
	1,478	1,478
Under/(Overprovision) in prior year	<u>-</u>	<u>-</u>
Net provision for taxation	<u>1,478</u>	<u>1,478</u>

The effective tax rate for the financial year is lower than the statutory tax rate due to the availability of reinvestment allowances.

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

Profit realised on the sale of Bond Fund Unit Trusts in the current quarter and financial year to date amounted to RM 526,000. Apart from the above, there was no other profit or loss on sales of unquoted investments and/or properties during the period.

**B7 Purchases or Disposal of Quoted Securities**

(a)	Current Quarter RM' 000	Financial Year to Date RM' 000
Total purchase consideration	<u>-</u>	<u>-</u>
Total sale proceeds	<u>602</u>	<u>602</u>
Total loss on disposals	<u>(36)</u>	<u>(36)</u>
(b) Investments as at 31 March 2003		RM'000
At Cost		2,201
At Book Value		2,015
At Market Price		2,015

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**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 2003 are as follows:-

**Short Term borrowings**

Bankers Acceptances

Overdraft

The Group has no debt securities as at 31 March 2003.

**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.

**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 March 7, 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 April 24, 2000 against the defamation suit and for the recovery of a debt amounting to RM118,092.41.  
Since the last annual Balance Sheet, the matter has been set for trial and we are still awaiting for the hearing date to be fixed by the Court.

**B12 Dividend**  
The Directors have not recommended any dividend for the current financial quarter ended 31 March 2003.

**B13 Earnings Per Share (EPS)**

		3 months ended		3 months ended		
		31-03-2003	31-03-2002	31-03-2003	31-03-2002	
<b>Basic earnings per share</b>						
a)	Net profit for the period	(RM '000)	5,157	2,103	5,157	2,103
	Weighted average number of ordinary shares in issue	(' 000)	99,423	99,515	99,458	99,515
	Basic earnings per share	(sen)	5.19	2.11	5.19	13.44
<b>Diluted earnings per share</b>						
b)	Net profit for the period	(RM '000)	5,157	2,103	5,157	2,103
	Weighted average number of ordinary shares in issue	(' 000)	99,423	99,515	99,458	99,515
	Adjustment for share options	(' 000)	42	2,492	42	2,492
	Weighted average number of ordinary shares for diluted					
	earnings per share	(' 000)	99,465	102,007	99,500	102,007
	Diluted earnings per share	(sen)	5.18	2.06	5.18	2.06