



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND
FINANCIAL QUARTER ENDED 30 JUNE 2012

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

	Note	Individual quarter		Cumulative quarter	
		Current year quarter 30.06.2012 RM'000	Preceding year corresponding quarter 30.06.2011 (Restated) RM'000	Current year todate 30.06.2012 RM'000	Preceding year todate 30.06.2011 (Restated) RM'000
Revenue		127,175	120,469	237,104	229,463
Other (expense)/gain	B12	(286)	80	(315)	(159)
Depreciation and amortisation		(1,579)	(1,415)	(3,155)	(2,991)
Operating expenses		(122,113)	(109,606)	(225,380)	(204,518)
Finance costs		(78)	(350)	(106)	(568)
Profit before taxation		3,119	9,178	8,148	21,227
Tax expense	B6	(711)	(1,972)	(2,195)	(4,585)
Profit for the period		2,408	7,206	5,953	16,642
Profit attributable to: Owners of the Company		2,408	7,206	5,953	16,642
Earnings per share attributable to owners of the Company:					
a) Basic (sen)	B11(a)	2.21	6.61	5.46	15.26
b) Diluted (sen)	B11(b)	N/A	N/A	N/A	N/A

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Individual quarter		Cumulative quarter	
	Current year quarter 30.06.2012 RM'000	Preceding year corresponding quarter 30.06.2011 (Restated) RM'000	Current year todate 30.06.2012 RM'000	Preceding year todate 30.06.2011 (Restated) RM'000
Profit for the period	2,408	7,206	5,953	16,642
Total comprehensive income for the period	<u>2,408</u>	<u>7,206</u>	<u>5,953</u>	<u>16,642</u>
Total comprehensive income attributable to: Owners of the Company	<u>2,408</u>	<u>7,206</u>	<u>5,953</u>	<u>16,642</u>

(The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

	Note	As at 30 Jun 2012 (Unaudited) RM'000	As at 31 Dec 2011 (Restated) RM'000	As at 01 Jan 2011 (Restated) RM'000
ASSETS				
Non-current Assets				
Property, plant and equipment		121,164	122,495	120,201
Land use rights		3,270	3,332	3,439
Investment properties		2,570	2,570	2,280
Goodwill on consolidation		87	87	87
		<u>127,091</u>	<u>128,484</u>	<u>126,007</u>
Current Assets				
Inventories		169,765	179,581	187,874
Trade and other receivables		155,521	126,391	114,617
Current tax assets		2,651	1,426	1,926
Derivative		-	9	-
Other assets		362	398	280
Cash and cash equivalents		7,587	10,163	5,172
		<u>335,886</u>	<u>317,968</u>	<u>309,869</u>
TOTAL ASSETS		<u>462,977</u>	<u>446,452</u>	<u>435,876</u>
Current Liabilities				
Trade and other payables		23,723	9,705	17,280
Borrowings	B8	21,397	20,331	21,550
Current tax liabilities		16	228	77
Derivative		257	-	47
		<u>45,393</u>	<u>30,264</u>	<u>38,954</u>
Non-current Liabilities				
Deferred tax liabilities		13,070	12,682	12,564
		<u>13,070</u>	<u>12,682</u>	<u>12,564</u>
TOTAL LIABILITIES		<u>58,463</u>	<u>42,946</u>	<u>51,518</u>
Equity attributable to owners of the company				
Share capital		109,903	109,903	109,903
Treasury shares		(1,415)	(1,374)	(1,121)
Reserves		19,244	19,244	18,951
Retained earnings	B13	276,782	275,733	256,625
		<u>404,514</u>	<u>403,506</u>	<u>384,358</u>
TOTAL EQUITY AND LIABILITIES		<u>462,977</u>	<u>446,452</u>	<u>435,876</u>
Net Tangible Assets Per Share (RM)		3.71	3.70	3.52
Net Assets Per Share (RM)		3.71	3.70	3.52

(The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 6 MONTHS
ENDED 30 JUNE 2012 (UNAUDITED)

	30 Jun 2012	30 Jun 2011 (Restated)
	RM'000	RM'000
Cash Flows from Operating Activities		
Cash received from customers	236,399	248,173
Cash payments for inventory/to suppliers	(215,724)	(237,357)
Cash paid for operating expenses and to employees	(14,552)	(20,426)
Cash generated from/(used in) operations	6,123	(9,610)
Income tax paid	(3,703)	(3,544)
Income tax refund	459	462
Interest received	194	102
Net Cash Flows From Operating Activities	3,073	(12,590)
Cash Flows from Investing Activities		
Proceeds from disposal of land use rights and property plant and equipment	22	169
Repo interest income	88	28
Purchase of property, plant and equipment	(1,768)	(2,055)
Purchase of investment property	-	(300)
Purchase of land use rights	(6)	-
Net Cash Flows From Investing Activities	(1,664)	(2,158)
Cash Flows from Financing Activities		
Net proceeds from short-term borrowings	1,066	23,790
Finance cost paid	(106)	(568)
Dividends paid	(4,904)	(4,907)
Repurchase of own shares	(41)	(185)
Net Cash Flows From Financing Activities	(3,985)	18,130
Net (decrease)/increase in cash and cash equivalents	(2,576)	3,382
Cash and Cash Equivalents at beginning of period	10,163	5,172
Cash and Cash Equivalents at end of period	<u>7,587</u>	<u>8,554</u>
Cash and cash equivalents comprise:		
Cash and bank balances	7,587	8,554
Cash and Cash Equivalents at end of period	<u>7,587</u>	<u>8,554</u>



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 6 MONTHS
ENDED 30 JUNE 2012 (UNAUDITED) (CONT'D)

	30 Jun 2012	30 Jun 2011
	RM'000	(Restated) RM'000
Note: Reconciliation of operating profit to cash flows from operations:		
Profit before taxation	8,148	21,227
Adjustments for non-cash flow:-		
Allowance for doubtful debts	-	13
Allowance for doubtful debts no longer required	(113)	-
Amortisation of land use rights	68	40
Bad debts written off	-	19
Depreciation of property, plant and equipment	3,087	2,951
Finance costs	106	568
Fair value loss/(gain) on financial instruments	257	15
Gain on disposal of land use rights and property plant and equipment	(9)	(36)
Interest income from overdue accounts	(194)	(102)
Net write down/(back) of inventories	1,812	(2,531)
Repo interest income	(88)	(28)
Property, plant and equipment written off	-	6
Unrealised (gain)/ loss on foreign exchange	24	(158)
Total adjustments	<u>4,950</u>	<u>757</u>
Operating Profit Before Changes In Working Capital	13,098	21,984
<u>Changes In Working Capital :</u>		
Inventories	8,003	(8,748)
Trade and other receivables	(29,041)	(21,940)
Other assets	45	(230)
Trade and other payables	14,018	(676)
Total changes in working capital	<u>(6,975)</u>	<u>(31,594)</u>
Cash flows from operations	6,123	(9,610)
Income tax paid	(3,703)	(3,544)
Income tax refund	459	462
Interest received	194	102
Net Cash Flows From Operating Activities	<u><u>3,073</u></u>	<u><u>(12,590)</u></u>

(The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to Owners of the Company						Total Equity RM '000
	Non-distributable					Distributable	
	Share Capital RM '000	Treasury Shares RM '000	Share Premium RM '000	Revaluation Reserve RM '000	General Reserve RM '000	Retained Earnings RM '000	
Opening Balance At 1 Jan 2012 (restated)	109,903	(1,374)	17,765	292	1,187	275,733	403,506
Total comprehensive income for the period	-	-	-	-	-	5,953	5,953
Proposed dividend	-	-	-	-	-	(4,904)	(4,904)
Transactions with owners							
Purchase of treasury shares	-	(41)	-	-	-	-	(41)
Total transactions with owners	-	(41)	-	-	-	-	(41)
Closing Balance at 30 Jun 2012	109,903	(1,415)	17,765	292	1,187	276,782	404,514
Opening Balance At 1 Jan 2011	109,903	(1,121)	17,765	-	1,186	256,625	384,358
Effects of adopting MFRS	-	-	-	-	-	-	-
Restated balance	109,903	(1,121)	17,765	-	1,186	256,625	384,358
Total comprehensive income for the period	-	-	-	-	-	16,642	16,642
Proposed dividend	-	-	-	-	-	(4,907)	(4,907)
Transactions with owners							
Purchase of treasury shares	-	(185)	-	-	-	-	(185)
Total transactions with owners	-	(185)	-	-	-	-	(185)
Closing Balance at 30 Jun 2011 (restated)	109,903	(1,306)	17,765	-	1,186	268,360	395,908

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim statements).



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EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements, other than for financial instruments, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to MFRS 139 Financial Instruments: Recognition and Measurement.

The interim financial report has been prepared in accordance with MFRS 134 : “Interim Financial Reporting” and paragraph 9.22 of the Main Market 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 financial year ended 31 December 2011 of the Group and the accompanying notes attached to the interim financial statements. The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with Financial Reporting standards (FRS). As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011.

(i) Application of MFRS 1

These interim financial statements are the Group’s first MFRS compliant financial statements prepared under the MFRS framework and hence, MFRS 1 : First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied in adoption of the MFRSs. The date of transition to the MFRS framework is 1 January 2011. The Group reviewed its accounting policies made on the transition date and considered the transitional opportunities under MFRS 1. The MFRS did not result in any financial impact to the Group as the accounting policies adopted under the previous FRS framework were already in line with the requirements of the MFRS framework.

(ii) MFRS, IC Interpretation and Amendments to MFRSs adopted by the Group during the current quarter:

The following MFRS, IC Interpretation and Amendments to MFRSs have been adopted by the Group during the current period:

MFRSs, Amendments to MFRSs and IC Interpretations **Effective for annual periods
beginning on or after**

IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 March 2012
MFRS 1 (Amendments) : Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 March 2012
MFRS 7 (Amendments) : Disclosures - Transfers of Financial Assets	1 March 2012
MFRS 112 (Amendments) : Deferred tax: Recovery of Underlying Assets	1 March 2012



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A1 Basis of preparation (Cont'd)

(ii) MFRS, IC Interpretation and Amendments to MFRSs adopted by the Group during the current quarter (Cont'd):

The adoption of the Amendments to MFRSs above did not have any financial impact on the Group as they mainly help to clarify the requirements of or provide further explanations to existing MFRSs.

(iii) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
MFRS 9 : Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10 : Consolidated Financial Statements	1 January 2013
MFRS 11 : Joint Arrangements	1 January 2013
MFRS 12 : Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 : Fair Value Measurement	1 January 2013
MFRS 119 : Employee Benefits	1 January 2013
MFRS 127 : Separate Financial Statements	1 January 2013
MFRS 128 : Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7 : Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101 : Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

A2 Auditor's report on preceding annual financial statements

The preceding year's audit report for the year ended 31 December 2011 was not qualified.

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 prevailing prices.

A4 Unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the second quarter ended 30 June 2012.



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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.

A6 Capital management, issuances, repurchases, and repayments of debts and equity instruments

For the current quarter, the Company did not repurchase any ordinary shares from the open market. As at 30 June 2012, a total of 929,225 treasury shares were held by the Company. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

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

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and long-term liabilities to be the key components in the Group's capital structure. The Group monitors capital on the basis of gearing ratio, which is net debt divided by total capital plus net debts. The Group includes within net debt, loan and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the equity holders of the Group less the fair value adjustment reserve. The Group's strategy is to maintain a low gearing ratio.

The gearing ratios as at 30 June 2012 and 30 June 2011, which are within the Group's objectives for capital management, are as follows:

	30 Jun 2012 (RM'000)	30 Jun 2011 (RM'000)
Borrowings	21,397	45,340
Trade and other payables	23,723	16,647
Less : Cash and bank balances	(7,587)	(8,554)
Net debts	37,533	53,433
Equity attributable to the owners of the parent	404,514	395,908
Capital and net debts	442,047	449,341
Gearing ratio (%)	8.5%	11.9%

A7 Dividends paid

There were no dividends paid in the current financial quarter.



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A8 Operating segment information

Segment information is presented in respect of the Group's operating segments.

The Group comprises the following main operating segments:

- (i) Manufacturing Processing of steel coils into steel products and fabrication of steel products
- (ii) Trading Dealing in hardware and construction materials

Segment information for the current financial period ended 30 June 2012 is as follows:-

	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue - external customers	135,623	101,481	237,104
Intersegment revenue	13,556	14,389	27,945
Reportable segment profit	5,778	2,719	8,497
Unallocated corporate expenses			(243)
Finance costs			(106)
Profit before taxation			8,148

Segment information for the previous financial period ended 30 June 2011 is as follows:-

	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue - external customers	137,257	92,206	229,463
Intersegment revenue	13,682	20,231	33,913
Reportable segment profit	9,590	12,644	22,234
Unallocated corporate expenses			(438)
Finance costs			(569)
Profit before taxation			21,227



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A8 Operating segment information (Cont'd)

Segment assets and liabilities as at 30 June 2012 is as follows:-

	Trading RM'000	Manufacturing RM'000	Total RM'000
Segment assets	177,178	272,903	450,081
Unallocated corporate assets			12,896
Total assets			<u>462,977</u>
Segment liabilities	22,611	22,510	45,121
Unallocated corporate liabilities			13,342
Total liabilities			<u>58,463</u>

Segment assets and liabilities as at 30 June 2011 (restated) is as follows:-

	Trading RM'000	Manufacturing RM'000	Total RM'000
Segment assets	161,761	289,400	451,161
Unallocated corporate assets			20,896
Total assets			<u>472,057</u>
Segment liabilities	16,231	45,756	61,987
Unallocated corporate liabilities			14,162
Total liabilities			<u>76,149</u>

A9 Material events subsequent to the end of the interim period

The were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the interim financial statements.

A10 Effects of changes in composition of the group

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

A11 Contingent assets and contingent liabilities

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



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A12 Capital commitments

Authorised capital commitments not recognized in the interim financial statements as at 30 June 2012 are as follows:

	RM'000
Capital expenditure :	
Contracted but not provided for	5,900
Approved but not contracted for	19,500
	<u>25,400</u>

A13 Write back of inventories to net realizable values

Total net inventories written down to either net realizable value or replacement cost for the financial period ended 30 June 2012 was RM1,811,675 compared to write-back of RM2,530,946 for the financial period ended 30 June 2011.



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

B1 Review of the performance of the company and its principal subsidiaries

a) Current quarter vs. Previous year corresponding quarter

For the quarter under review, the Group recorded revenue of RM127.2 million for the quarter ended 30.06.2012 (“2Q 2012”), compared to revenue of RM120.5 million for the quarter ended 30.06.2011 (“2Q 2011”), an increase of RM6.7 million (5.6%). The increase was mainly contributed by the sales of water line pipes from the national water project and construction materials for a property development project and double track rail project.

Despite the higher sales volume, the Group's profit before taxation for 2Q 2012 decreased by RM6.1 million to RM3.1 million as compared to 2Q 2011 of RM9.2 million. This was mainly attributed by lower average selling prices and higher production cost incurred for the manufacturing division due to higher cost of raw materials and operating overheads which eroded profit margins.

The performance of the respective operating business segments of the Group for 2Q 2012 as compared to 2Q 2011 is analysed as follows:

Manufacturing

Manufacturing operations comprises processing of steel coils into steel products and fabrication of steel products. The manufacturing operations recorded a revenue of RM51.5 million in 2Q 2012, an increase of RM3.7 million (7.7%) compared to RM47.8 million in 2Q 2011. The increase is mainly due to the higher sales volume of water line pipes for the national water project.

Trading

Trading operations comprises dealings in hardware and construction materials. The trading operations recorded a revenue of RM75.7 million in 2Q 2012, an increase of RM3.0 million (4.1%) compared to RM72.7 in 2Q 2011. The increase is mainly due to higher sales volume of construction materials for a housing development project and double track rail project.

b) Current year-to date vs. Previous year-to date

For the 6 months ended 30.06.2012 (“YTD 2Q 2012”), the Group recorded revenue of RM237.1 representing an increase of RM7.6 million as compared to revenue of RM229.5 million recorded in the 6 months ended 30.06.2011 (“YTD 2Q 2011”). The increase was mainly contributed by the sales of water line pipes from the national water project.

The Group's profit before taxation for YTD 2Q 2012 meanwhile decreased by RM13.1 million to RM8.1 million as compared to YTD 2Q 2011 of RM21.2 million despite the higher metric tonne sales. This was mainly due to the lower selling prices which offset the higher metric tonne sales and mirrored the current weak market sentiments where steel prices are languishing at lower levels. Higher production cost incurred for the manufacturing division as a result of higher cost of raw materials and operating overheads further eroded profit margins.



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b) Current year-to date vs. Previous year-to date (Cont'd)

The performance of the respective operating business segments of the Group for YTD 2Q 2012 as compared to YTD 2Q 2011 is analysed as follows:

Manufacturing

Manufacturing operations comprises processing of steel coils into steel products and fabrication of steel products. The manufacturing operations recorded a revenue of RM101.5 million in YTD 2Q 2012, an increase of 10.1% compared to RM92.2 million in 2Q 2011. The increase is mainly due to the higher sales volume of water line pipes for the national water project.

Trading

Trading operations comprises dealings in hardware and construction materials. The trading operations recorded a revenue of RM135.6 million in YTD 2Q 2012, a marginal decrease of 1.2% compared to RM137.3 in YTD 2Q 2011. The marginal YTD decrease is mainly due to the overall softer construction sector market as compared to previous year-to date 2011.

B2 Comparison with preceding quarter's results

The Group's revenue for 2Q 2012 of RM127.2 million increased by RM17.3 million or 15.8% as compared to 1Q 2012 of RM109.9 million, while profit before taxation of RM3.1 million was recorded for 2Q 2012, with a decrease of RM1.9 million as compared with RM5.0 million in 1Q 2012. The increase in revenue was due to the pickup in sales from the slower 1Q 2012 (due to festive season) which was made up mainly of higher sales volume for the construction sector, i.e housing development project and double track rail project. Despite the increase in metric tonne sales, profit before taxation decreased from RM5.0 million to RM3.1 million, i.e RM1.9 million mainly impacted by the higher cost of raw materials and operating cost.

B3 Current year prospects and progress on previously announced revenue or profit forecast

a) Prospects for 2012 (commentary on the remaining year 2012)

Despite the marginal improvement in the Global economy in the first half of 2012, uncertainty remains due to the unresolved sovereign debt crisis and recessionary trend in Europe, the struggling US economy and the softening growth in China. Persistent doubts are raised over the effectiveness of the proposed measures to curb the contagion effects of the unravelling EU financial problems which is adversely affecting the global recovery.

As market sentiment remains cautious amidst a challenging global steel environment, projects under the government Economic Transformation Programme (ETP) will be the major factor affecting the steel market performance in terms of steel prices and margins, while bolstering demand for steel products.

While the Group will continue with its business strategy of improving on competitiveness through higher productivity and operational efficiency, the Group's performance for the coming months will continue to be challenging.



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B3 Current year prospects and progress on previously announced revenue or profit forecast (Cont'd)

b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Group.

B4 Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Group.

B5 Variance of actual profit from forecast profit or profit guarantee

There were no profit forecast or profit guarantee issued by the Group.

B6 Taxation

Tax charges comprise:

	Current Quarter RM'000	Financial Year to date RM'000
Income tax		
- current quarter / year	643	1,788
Deferred tax		
- current quarter / year	68	407
Tax expenses	<u>711</u>	<u>2,195</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period. The effective tax rate for the year to date under review was higher than statutory tax rate due to the effect of expenses not deductible for tax purposes.

B7 (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 utilization of proceeds raised from any corporate proposal

Not applicable.



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B8 Group borrowings and debt securities

Details of Group's borrowings as at 30 June 2012 are as follows:-

Short-term borrowings

	RM'000	
Trade loan	13,697	Unsecured
Bankers' acceptance	7,700	Unsecured
	<u>21,397</u>	

Borrowings are denominated in the following currencies:

	RM'000	
- United States Dollar	13,697	Unsecured
- Ringgit Malaysia	7,700	Unsecured
	<u>21,397</u>	

The Group has no debt securities as at 30 June 2012.

B9 Changes in material litigation (including status of any pending material litigation)

There was no material litigation against the Group as at the date of this report.

B10 Dividends proposed

The Board of Directors has proposed a final dividend of 6% less 25% taxation (2010: 6% less 25% taxation) amounting to RM4.9 million in respect of the financial year ended 31 December 2011. The proposed final dividend has been approved by the shareholders at the Annual General Meeting on 22 June 2012 and was paid on 22 August 2012 to shareholders registered at the close of business on 23 July 2012.

B11 Earnings per share (EPS)

(a) Basic earnings per share

		3 months ended		6 months ended	
		30.06.2012	30.06.2011	30.06.2012	30.06.2011
Profit attributable to the owners of the Company	(RM'000)	2,408	7,206	5,953	16,642
Weighted average number of ordinary shares in issue	('000)	108,974	108,949	108,976	109,042
Basic earnings per share	(sen)	2.21	6.61	5.46	15.26

(b) Diluted earnings per share

Not applicable.



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B12 Other (Expense)/Gain

	3 months ended		6 months ended	
	30.06.12	30.06.11	30.06.12	30.06.11
	RM'000	RM'000	RM'000	RM'000
Interest on :				
Customer overdue account	71	51	194	102
Repo	34	13	88	28
Allowance for doubtful debts	-	18	-	(13)
Write-back allowance for doubtful debts	17	-	113	-
Fair valuation for forward contracts	(238)	(32)	(257)	(15)
(Loss)/Gain on disposal of property, plant and equipment	-	(3)	9	36
Trade compensation	-	-	2	-
Income from rental of property	20	19	40	38
Realised gain/(loss) on foreign exchange	63	(147)	(482)	(491)
Unrealised (loss)/gain on foreign exchange	(253)	162	(24)	158
Others	-	(1)	2	(2)
	<u>(286)</u>	<u>80</u>	<u>(315)</u>	<u>(159)</u>

B13 Realised and unrealised profit or losses disclosure

The breakdown of the retained profits of the Group as at the end of the reporting period, into realised and unrealised profit or losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and are as follows:-

	As at 30-06-2012 RM'000	As at 31-12-2011 RM'000
- Realised	284,520	279,084
- Unrealised	<u>12,201</u>	<u>16,790</u>
	296,721	295,874
Less : Consolidation adjustments	<u>(19,939)</u>	<u>(20,141)</u>
Total group retained earnings	<u><u>276,782</u></u>	<u><u>275,733</u></u>

B14 Authorisation for issue

The interim financial statements were authorised on 24 August 2012 for issue by the Board of Directors.