



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	2008 Current quarter ended 31 Dec RM'000	2007 Comparative quarter ended 31 Dec RM'000	2008 12 months cumulative 31 Dec RM'000	2007 12 months cumulative 31 Dec RM'000
Revenue	103,717	128,467	580,057	462,131
Other income / (expense)	(3,891)	1,029	(7,296)	3,020
Operating expenses	(122,828)	(117,985)	(529,107)	(424,774)
Finance costs	(1,544)	(1,473)	(5,854)	(4,682)
Profit before taxation	(24,546)	10,038	37,800	35,695
Taxation	658	(2,003)	(9,540)	(8,241)
Profit for the period	(23,888)	8,035	28,260	27,454
Attributable to:				
Equity holders of the parent	(23,888)	8,035	28,260	27,454
Earnings per share (EPS):				
a) Basic (sen)	-22.57	7.56	26.63	25.84
b) Diluted (sen)	-22.57	7.56	26.63	25.84

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007)



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

**CONDENSED CONSOLIDATED BALANCE SHEET**

	As at 31 Dec 2008  RM'000	As at 31 Dec 2007 (Restated) RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	112,948	110,580
Investment properties	2,000	2,405
Prepaid lease payments (Leasehold land)	5,053	5,669
Goodwill on consolidation	87	1,382
Deferred tax assets	160	-
	<hr/> 120,248	<hr/> 120,036
<b>Current Assets</b>		
<i>Inventories</i>	213,848	230,703
<i>Trade and other receivables</i>	126,538	158,406
<i>Current tax assets</i>	3,127	451
<i>Cash and bank balances</i>	5,552	7,146
	<hr/> 349,065	<hr/> 396,706
<b>TOTAL ASSETS</b>	<hr/> <b>469,313</b>	<hr/> <b>516,742</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	109,903	109,903
Reserves attributable to capital	19,113	19,624
Retained earnings	230,797	207,252
Total Equity	<hr/> 359,813	<hr/> 336,779
<b>Non-current liabilities</b>		
<i>Deferred tax liabilities</i>	9,377	11,676
<i>Long-term provisions</i>	559	515
Total non-current liabilities	<hr/> 9,936	<hr/> 12,191



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER  
ENDED 31 DECEMBER 2008**

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 31 Dec 2008	As at 31 Dec 2007 (Restated)
	RM'000	RM'000
Current liabilities		
<i>Trade and other payables</i>	11,001	21,049
<i>Borrowings</i>	88,563	144,845
<i>Proposed dividend</i>	-	-
<i>Current tax liabilities</i>	-	1,878
Total current liabilities	<u>99,564</u>	<u>167,772</u>
<b>TOTAL LIABILITIES</b>	109,500	179,963
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>469,313</u></u>	<u><u>516,742</u></u>
Net Tangible Assets Per Share (RM)	3.40	3.16
Net Assets Per Share (RM)	3.40	3.17

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007)



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	Period ended 31 Dec 2008 RM'000	Period ended 31 Dec 2007 RM'000
Net Profit before tax	37,800	35,695
Adjustments for non-cash flow:-		
Non-cash items	57,234	7,907
Non-operating items	5,727	4,616
Interest income from operating activities	(863)	-
Operating Profit Before Changes In Working Capital	<u>99,898</u>	<u>48,218</u>
Changes In Working Capital :		
Net Change in Current Assets	(2,254)	(93,564)
Net Change in Current Liabilities	(9,983)	(1,789)
Income Tax Paid	(16,553)	(2,619)
Retirement benefits paid	(32)	-
Interest income	863	-
Others	-	(63)
Net Cash Generated From / (Used In) Operating Activities	<u>71,939</u>	<u>(49,817)</u>
Investing Activities :		
Equity Investments	-	174
Other Investments	(6,194)	(19,096)
Net Cash Used In Investing Activities	<u>(6,194)</u>	<u>(18,922)</u>
Financing Activities :		
Bank Borrowings	(59,419)	80,307
Others	(5,227)	(10,961)
Net Cash Generated From / (Used In) Financing Activities	<u>(64,646)</u>	<u>69,346</u>
Net Change in Cash & Cash Equivalents	1,099	607
Cash & Cash Equivalents at beginning of year	<u>3,879</u>	<u>3,272</u>
Cash & Cash Equivalents at end of period	<u>4,978</u>	<u>3,879</u>

( The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007)



INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<----- Attributable to Equity Holders of the Company ----->  
Non-distributable Reserves

	Share Capital RM '000	Treasury Shares RM '000	Share Premium RM '000	General Reserve RM '000	Retained Earnings RM '000	Total Equity RM '000
<b>Balance as at 1 January 2008</b>	109,903	(5,677)	24,115	1,186	207,253	336,780
<b>Changes in equity for the year ended 31 December 2008</b>						
Profit for the year	-	-	-	-	28,260	28,260
Total recognised income and expense for the year	-	-	-	-	28,260	28,260
Dividend distributed to equity holders	-	-	-	-	(4,716)	(4,716)
Buy-back of ordinary shares	-	(511)	-	-	-	(511)
<b>Balance as at 31 December 2008</b>	<b>109,903</b>	<b>(6,188)</b>	<b>24,115</b>	<b>1,186</b>	<b>230,797</b>	<b>359,813</b>



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<----- **Attributable to Equity Holders of the Company** ----->  
**Non-distributable Reserves**

	Share Capital RM '000	Treasury Shares RM '000	Share Premium RM '000	General Reserve RM '000	Retained Earnings RM '000	Total Equity RM '000
<b>Balance as at 1 January 2007</b>						
As previously stated	109,903	(5,603)	24,115	1,186	184,713	314,314
Effect of changes in accounting policy on Investment Properties	-	-	-	-	1,290	1,290
<b>Restated balance as at 1 January 2007</b>	109,903	(5,603)	24,115	1,186	186,003	315,604
<b>Changes in equity for the year ended 31 December 2007</b>						
Profit for the year	-	-	-	-	27,454	27,454
<b>Total recognised income and expense for the year</b>	-	-	-	-	27,454	27,454
Dividend distributed to equity holders	-	-	-	-	(6,205)	(6,205)
Buy-back of ordinary shares	-	(74)	-	-	-	(74)
<b>Balance as at 31 December 2007</b>	109,903	(5,677)	24,115	1,186	207,252	336,779

( The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007)



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

**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 2007. 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 2007, except for the adoption of some revised Financial Reporting Standards (FRS) applicable for annual financial periods beginning on or after 1 July 2007. The FRSs adopted by the Group, which are relevant to its operations are as follows:

FRS 107 - Cash Flow Statements

FRS 112 - Income Taxes

FRS 118 - Revenue

FRS 134 - Interim Financial Reporting

FRS 137 - Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have significant financial impact on the Group.

**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.

**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>
<b>Opening balance at 01-01-2008</b>	3,684,200	1.54	5,677,413	3,684,200
February	1,000	2.32	2,324	1,000
August	1,000	2.04	2,043	1,000
September	29,000	1.90	55,129	29,000
October	308,600	1.34	412,897	308,600
November	31,200	1.22	38,145	31,200
<b>Total as at 31-12-2008</b>	<b>4,055,000</b>	<b>1.53</b>	<b>6,187,951</b>	<b>4,055,000</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 to date.



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

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

**A7 Dividend**

The final ordinary dividend of 6 sen per share less 26% tax amounting to RM4,716,070 in respect of year ending 31 December 2007 was paid on 22 August 2008.

**A8 Segmental Reporting**

Segmental analysis for the current financial year ended 31 December 2008 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
<b>Revenue</b>	369,999	210,058	580,057
<b>Results</b>			
Segment results	43,293	745	44,038
Unallocated corporate expenses			(384)
Finance cost			(5,854)
Profit before tax			37,800

Segmental analysis for the previous financial year ended 31 December 2007 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
<b>Revenue</b>	296,021	166,110	462,131
<b>Results</b>			
Segment results	26,506	14,240	40,746
Unallocated corporate expenses			(369)
Finance cost			(4,682)
Profit before tax			35,695

**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 and 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**

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

**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.



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

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

**A13 Capital Commitments**

Capital Commitments as at 31 December 2008 are as follows:

	RM '000
Capital expenditure :	
Contracted but not provided for	569
Approved but not contracted for	5,321
	<u>5,890</u>

**A14 Write down of Inventories to Net Realisable Values**

During the current quarter a further write down of RM24,296,938 was made to write down the value of the Group's inventories to either net realisable value or replacement cost as the basis for the best estimate of net realisable value in view of the decline in prices. The total net write down for the year amounted to RM46,567,406.

**A15 Impairment of Property, Plant and Equipment (PPE) and Goodwill**

During the current quarter the directors have recognized the following:

1. PPE - Impairment losses of RM770,986 for PPE of the Group which have either become technologically obsolete or whose recoverable amount based on the value in use is less than its carrying amount.
2. Goodwill - Goodwill associated with certain cash generating unit of a subsidiary was found to be impaired after assessment of the recoverable amount by reference to its value in use. The impairment loss amounted to RM1,295,377.



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

**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**

The Group achieved a turnover of RM580.1 million for the year 2008, an increase of 25.5% compared to RM462.1 million for the previous year. The rapidly increasing prices seen in the earlier part of 2008 were reversed by the plummeting demand caused by the global financial crisis from September 2008.

Although the drastic drop in prices resulted in the value of inventories being written down, profit before tax for 2008 increased by 5.9% to RM37.8 million from RM35.7 million in the previous year.

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

Turnover decreased by 27.7% in the fourth quarter to RM103.7 million from RM143.5 million in the immediate preceding quarter due to weaker demand and lower selling prices. The loss of RM24.6 million in the fourth quarter compared to profit of RM6.0 million in the immediate preceding quarter was mainly due to writedowns in the value of inventories, impairment and lower selling prices.

**B3 Prospects for the current financial year**

We expect both the demand and the prices for steel products to remain subdued in 2009 as global economic conditions continue to deteriorate. There may be signs of some improvement if economic stimulus plans in Malaysia and abroad have the desired effects and help business confidence return.

The Group will continue to focus on products with higher value added, and seek further improvements in operational efficiency and productivity to reduce overall costs and enhance profit margins. At the same time, we continue to seek new and profitable opportunities in both the domestic and export markets.

We are prepared for a difficult period ahead for the steel industry. We are confident that our knowledge of our customers and the market, our sound financial position, and our experience in managing adverse conditions will enable the Group to return a satisfactory performance.

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

Not applicable

**(b) Shortfall in Profit Guarantee**

Not applicable

**B5 Taxation**

	Current Quarter 31-12-2008 RM' 000	Financial Year to date 31-12-2008 RM' 000
Estimated tax payable	866	12,131
Deferred taxation	(1,232)	(2,299)
	(366)	9,832
Over provision in prior year	(292)	(292)
Net provision for taxation	(658)	9,540

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

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

There were no disposal of unquoted investment and property during the quarter. In the preceding quarters, a subsidiary company sold a double storey shophouse for a consideration of RM500,000 resulting in a gain of RM94,731, and the Company completed the sale of a piece of long-term leasehold land classified as prepaid interest in leased land for a consideration of RM2,178,000 which resulted in a gain of RM1,559,548.



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

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

**B7 Purchases or Disposal of Quoted Securities**

(a)	Current Quarter 31-12-2008 RM' 000	Financial Year to date 31-12-2008 RM' 000
Total purchase consideration	-	-
Total sale proceeds	-	-
Total gain on disposals	-	-
<b>(b) Investments as at 31 December 2008</b>		<b>RM'000</b>
At Cost		-
At Book Value		-
At Market Price		-

**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 December 2008 are as follows:-

<b>Short term borrowings</b>		RM' 000	
USD Trade loan	(USD 169,475)	619	Unsecured
Bankers acceptance		87,370	Unsecured
Bank overdraft		574	Unsecured
		<u>88,563</u>	

The Group has no debt securities as at 31 December 2008.

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

As at 19 February 2009, being a date not earlier than 7 days from the issue of this quarterly report, the foreign exchange currency contracts which have been entered into by the Group to hedge its foreign currency sales and purchases are as follows:

Currency	Nature of transactions	Contract Amount in foreign currency	Date of Contracts	Maturity period of Contracts	Equivalent Amount in RM
US Dollar (USD)	Sales	USD 580,331	04.02.2009 - 17.02.2009	23.02.2009 - 10.03.2009	2,102,660
US Dollar (USD)	Purchases	USD 4,004,700	13.01.2009 - 17.02.2009	20.02.2009 - 10.08.2009	14,493,609

The above contracts were executed with creditworthy financial institutions and hence the likelihood of non performance is remote.



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

**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 Court has fixed the hearing on 16 April 2009.

**B12 Dividend**

- a) i) A final ordinary dividend have been recommended.
- ii) Amount per share for final ordinary dividend is 6 sen less 25% tax.
- iii) Previous year ended 31 December 2007: 6 sen less 26% tax.
- iv) Date payable: To be decided
- v) Entitlement date: To be decided
  
- b) Total dividend proposed for the current financial year ended 31 December 2008 of final ordinary dividend of 6% less 25% tax have not been accrued as a liability in compliance with FRS110, "Events after Balance Sheet Date".

**B13 Earnings Per Share (EPS)**

		3 months ended		12 months ended	
		31-12-2008	31-12-2007	31-12-2008	31-12-2007
<b>Basic earnings per share</b>					
(a) Net profit for the period	(RM '000)	(23,888)	8,035	28,260	27,454
Weighted average number of ordinary shares in issue	(' 000)	105,858	106,219	106,125	106,241
Basic earnings per share	(sen)	(22.57)	7.56	26.63	25.84
<b>Diluted earnings per share</b>					
(b) Net profit for the period	(RM '000)	(23,888)	8,035	28,260	27,454
Weighted average number of ordinary shares in issue	(' 000)	105,858	106,219	106,125	106,241
Adjustment for share options	(' 000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share	(' 000)	105,858	106,219	106,125	106,241
Diluted earnings per share	(sen)	(22.57)	7.56	26.63	25.84