



Choo Bee Metal Industries
Berhad
(Company No. 10587-A)
46-48, Lebuhraya Bendahara
31650 Ipoh
Perak
Malaysia

PRESS RELEASE

Enquires: **Liew Siew Leng**
(Research & Planning Manager)
Tel: (605) 2558 111 Ext: 114
Fax: (605) 2545 943
E-mail: ls1@choobee.com.my
Website: www.choobee.com.my

For Immediate Release!

Choo Bee's 2Q Profit Jumps 65.1% to RM17.5 million

August 25, 2004 – IPOH, PERAK – Choo Bee Metal Industries Berhad (Main Board of Bursa Malaysia: ChooBee), a key player in the steel manufacturing and trading industry, announced results for the three and six months ended June 30, 2004. Profit Before Tax (PBT) in the second quarter was RM17.5 million, an increase of 65.1%, compared to RM10.6 million for the corresponding quarter of 2003 despite a slight drop in sales. The Group also achieved better results in the first half of 2004 compared to the first half of 2003. Group's sales grew 17.8% to RM152.8 million from RM129.7 million in the first half of the previous year while PBT rose to RM29.2 million, an increase of 66.9% compared to RM17.5 million in the first half of 2003. The improved numbers were primarily driven by an average increase in sales price and total sales tonnage when compared to the same period of last year.

Mr Simon Soon, the Managing Director of Choo Bee commented, "In general, steel prices are still firm. China has resumed buying to replenish decreasing stocks and prices in North America and Europe are holding firm." On the local front, Soon elaborated that prices are also holding firm and demand was not as adversely affected by high oil prices this year than the effect of SARS and the Iraq war last year.

The Company recently upgraded one of its tube-mills to increase its current product range. "The upgrading was completed this month and will immediately provide an additional 32 different sizes to our current product range. In total, we are now able to produce 228 different sizes (i.e. of various thickness and measurements)," explained Soon. This will bring ChooBee closer to the objective of providing a wider product range to meet customer requirements. Besides upgrading its current product range, the Company is also embarking on its long term plan, the RM40 million investment which includes new machinery and the expansion of its Pengkalan factory. Works on the factory expansion is expected to begin by end of the year and to be completed by the third quarter of next year to accommodate the arrival

of new machinery. Upon completion of the expansion plan, ChooBee will be able to produce pipes up to 16 inch (400mm) in diameter suitable for the oil & gas, water and construction industries.

Company Brief

Choo Bee is principally involved in the manufacturing of flat based steel products (i.e. from steel coil into steel products) and trading of long based steel products (i.e. structural steel and building materials). Products manufactured by the Company include steel pipes, flat bars, sheets and plate, purlins, hollow sections, decorative and string pipes just to name a few. Besides flat based steel products, the Company also manufactures flat based stainless steel products and provides steel servicing for customers that require tailor-made products such as shearing of sheets and slitting of coils.

This press release contains certain forward-looking statements which involved known and unknown risks, uncertainties or other factors not under the Company's control which may cause the actual results, performance or achievement of the Company to materially different from the results, performance or other expectations implied by these forward-looking statements. These factors include, but are not limited to, those disclosed in the Company's periodic announcements with the Bursa Malaysia. .

~ Tables to follow ~

Interim Report on Consolidated Results for the Second Financial Quarter Ended 30 June 2004

Condensed Consolidated Income Statements

| | 2004 Current quarter ended 30 June RM'000 | 2003 Comparative quarter ended 30 June RM'000 | 2004 6 months Cumulative to date RM'000 | 2003 6 months Comparative to date RM'000 |
|-------------------------------|--|--|--|---|
| Revenue | 71,020 | 74,852 | 152,758 | 129,680 |
| Profit from Operations | 17,516 | 10,199 | 29,261 | 16,329 |
| Interest Income | 134 | 279 | 325 | 443 |
| Finance costs | (306) | (109) | (546) | (209) |
| Income from other investments | 137 | 211 | 150 | 931 |
| Profit before tax | 17,481 | 10,580 | 29,190 | 17,494 |
| Taxation | (4,727) | (3,115) | (8,169) | (4,592) |
| Profit after tax | 12,754 | 7,465 | 21,021 | 12,902 |
| Minority interest | (639) | (220) | (1,197) | (499) |
| Net Profit for the year | 12,115 | 7,245 | 19,824 | 12,403 |
| Earnings per share (EPS): | | | | |
| a) Basic | 11.95 | 7.29 | 19.53 | 12.47 |
| b) Diluted | 11.71 | 7.19 | 19.14 | 12.31 |

Condensed Consolidated Balance Sheet

| | As at 30 June 2004 RM'000 | As at 31 Dec 2003 RM'000 |
|--|---------------------------------|--------------------------------|
| Property, plant and equipment | 46,623 | 47,732 |
| Other investments | 6,143 | 6,036 |
| Deferred tax asset | 139 | 214 |
| Current assets | | |
| Inventories | 192,264 | 149,752 |
| Trade receivables | 78,291 | 84,279 |
| Other receivables and prepaid expenses | 19,449 | 11,262 |
| Cash & cash equivalents | 3,066 | 3,186 |
| | 293,070 | 248,479 |
| Current liabilities | | |
| Trade payables | 3,231 | 8,411 |
| Other payables and accrued expenses | 14,284 | 12,790 |
| Short term borrowings | 57,546 | 36,223 |
| Tax liabilities | 6,123 | 2,282 |
| Dividend Payable | 4,357 | - |
| | 85,541 | 59,706 |
| Net current assets | 207,529 | 188,773 |
| Long-term and Deferred Liabilities | | |
| Deferred tax liabilities | (5,034) | (5,286) |
| Others | (352) | (352) |
| Minority interests | (7,597) | (6,400) |
| | 247,451 | 230,717 |
| Represented by: | | |
| Issued capital | 104,649 | 103,612 |
| Reserves | 142,802 | 127,105 |
| Shareholders' Equity | 247,451 | 230,717 |

| | | |
|------------------------------------|------|------|
| Net Tangible Assets Per Share (RM) | 2.43 | 2.29 |
|------------------------------------|------|------|