

# NEWS RELEASE

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Choo Bee Metal Industries  
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## Choo Bee's Earnings Up 67.9%

**February 27, 2004 – IPOH, PERAK** – Choo Bee Metal Industries Berhad (“Choo Bee”), a key player in the steel processing and trading industry in the Northern Region, today announced results for its fourth quarter and full year ended December 31, 2003. Group Profit Before Tax (PBT) for the fourth quarter of 2003 was RM9.1 million, an increase of 5.1% compared to the preceding quarter of RM8.7 million. For the full 2003 year, the Group recorded an impressive PBT improvement of 67.9% to RM35.3 million, a big leap from its previous year performance of RM21 million.

Group turnover for the full 2003 year was RM278.3 million, an increase of 32.1% compared to RM210.6 million in the previous year. Earnings Per Share was 25.54 sen compared to its previous year of 16.81 sen while Net Tangible Asset Per Share rose to RM2.29 compared to RM2.08 in FY2002. Fourth quarter turnover as expected registered a lower turnover due to year end festivals but despite a lower turnover, the Group managed to increase profits for its fourth quarter with higher sales margins.

Mr Simon Soon, the Group Managing Director stated, “We are starting to see some contribution from our investment in steel servicing activities which started in late 2002. We now have more value added products and this would be our continuous strategy for broadening and deepening our earnings base. The steel servicing centre has operated for its first full year now and is bearing out our decision to invest in this area, although we still have a long way to go to fully cater to the range of customers and products that we want to service eventually.”

Soon continued, “With the recent increase in steel product prices, our most important priority is to keep our customers supplied with competitively priced material, so that their operations are not affected. We believe we can do this by providing value-added services and products to our customers at competitive prices. In addition to the steel servicing business, we are also planning to increase our products range to meet the increasing customer demand. Our commitment to our customers is seen in our recent ISO certification as a formal recognition for our belief in the management of quality. As far as our manufacturing business is concerned, we expect the recent growth in steel consumption to continue its present pace and we are prepared to meet the increased demand.”

On a final note, Soon stated, “Choo Bee continues to distinguish itself as a premier, value-added business. We have expansion plans for 2004, for a wider products range as well as geographic expansion. At this point, I am completely confident that the stage is set for us to continue to improve our performance for this year.” At present, Choo Bee is working on plans for further expansion. The Group is already in the midst of setting-up its first trading arm in Sabah which is expected to begin operation by second half of the year. In addition, the Group also plans to invest in further plant and machinery to increase the Group’s range of products.

### **Company Brief**

Choo Bee is principally involved in the processing of steel coil into steel products and trading of structural steel and building materials. Products processed by the Group include steel pipes, flat bars, sheets and plate, channels, hollow sections, decorative and string pipes just to name a few. Besides steel based products, the Group also processes stainless steel products and provides steel servicing for customers that require tailor-made products such as shearing sheets and slitted 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 Malaysia Securities Exchange Berhad.*

~ Tables to follow ~

## Interim Report on Consolidated Results for the Fourth Financial Quarter Ended 31 December 2003

### Condensed Consolidated Income Statements

	2003 Current quarter ended 31 Dec RM'000	2002 Comparative quarter ended 31 Dec RM'000	2003 12 months Cumulative to date RM'000	2002 12 months Cumulative to date RM'000
Revenue	69,221	50,514	278,313	210,645
Profit from Operations	8,722	3,892	33,432	20,154
Interest Income	247	(185)	857	714
Finance costs	(142)	(74)	(434)	(285)
Income from other investments	289	323	1,429	436
Profit before tax	9,116	3,956	35,284	21,019
Taxation	(2,868)	385	(8,759)	(4,002)
Profit after tax	6,248	4,341	26,525	17,017
Minority interest	(258)	171	(1,037)	(295)
Net Profit for the year	5,990	4,512	25,488	16,722
Earnings per share (EPS):				
a) Basic	6.00	4.54	25.54	16.81
b) Diluted	5.88	4.50	25.03	16.69

### Condensed Consolidated Balance Sheet

	As at year ended 31 Dec 2003 RM'000	As at year ended 31 Dec 2002 RM'000
Property, plant and equipment	47,683	48,340
Other investments	6,036	18,058
Deferred tax asset	214	20
<b>Current assets</b>		
Inventories	149,752	90,207
Trade receivables	84,279	61,369
Other receivables and prepaid expenses	11,311	8,898
Tax recoverable	-	904
Cash & cash equivalents	3,186	12,852
	248,528	174,230
<b>Current liabilities</b>		
Trade payables	8,411	4,064
Other payables and accrued expenses	12,782	12,674
Short term borrowings	36,223	4,302
Tax liabilities	2,282	1,575
	59,698	22,615
Net current assets	188,830	151,615
<b>Long-term and Deferred Liabilities</b>		
Deferred tax liabilities	(5,286)	(5,473)
Others	(352)	(76)
Minority interests	(6,400)	(5,363)
	230,725	207,121
Represented by:		
Issued capital	103,612	102,139
Reserves	127,113	104,982

Shareholders' Equity	230,725	207,121
Net Tangible Assets Per Share (RM)	2.29	2.08