



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: [lsl@choobee.com.my](mailto:lsl@choobee.com.my)**  
**Website: [www.choobee.com.my](http://www.choobee.com.my)**

**For Immediate Release!**

## **Choo Bee Delivers Another Record: PROFIT BEFORE TAX UP 80.6% TO RM63.7MILLION**

**February 25, 2005 – IPOH, PERAK –** Choo Bee Metal Industries Berhad (Main Board of Bursa Malaysia: Choo Bee), a key player in the steel manufacturing and trading industry, today announced results for the fourth quarter and twelve months ended December 31, 2004. The Group recorded yet another impressive improvement in its results for the 2004 financial year compared to previous year. Profit Before Tax (PBT) was RM63.7 million, an improvement of 80.6% compared to RM35.3 million reported for the same period in 2003. Group sales revenue also grew 20.9% to RM336.5 million from RM278.3 million

For the fourth quarter, the Group also achieved better results compared to its performance for the corresponding quarter in 2003. PBT for the quarter rose to RM15.9 million, up 75.3% compared to RM9.1 million while sales revenue for the quarter was up by 27.6% to RM88.3 million from RM69.2 million for the same quarter last year. In conjunction with the released of its results, the Group is also announcing a dividend of 9% or 9 sen per share of which 6% is a final ordinary dividend and 3% is a special dividend payable within the year.

In commenting on its full year results, the Managing Director of Choo Bee Group, Mr Simon Soon said: “We have achieved strong performance in both our trading and manufacturing businesses. On trading business, we managed to improve our trading margin to an average of 15% from 10% in 2003 by way of stringent cost control and better selling prices. On manufacturing business, our margin also recorded a better result with an average margin of 25% compared to 17% in previous year. The higher margin was mainly contributed by higher value added products as well as increased market share from end users and stockists. The expansion of our product range and the steel servicing centre continues to contribute to higher profit margins and more end user customers.”

In addition to its RM40 million expansion plan, which was announced on April 2004 and is on track, Choo Bee has recently appointed a software solution company to update its management information systems to provide the group with state-of-the-art information solutions. The new system would cost the Company approximately RM1.5 million and upon completion, is expected to fully integrate all processes onto a single platform to improve efficiency and productivity. Soon added, "This investment is one of the many steps which we will have to take to position the company to take advantage of the increasing competitiveness in the market and to enable us to better serve existing and new customers."

On the steel industry prospects; Soon elaborated, "We expect the rate of growth to be moderate in 2005. The increase in prices in 2004 have sustained through to the present and has flowed through quite well into the market generally because our customers are able also to remain competitive due to good demand. Going forward we expect prices to plateau. We would expect that the strong underlying level of demand and high capacity utilisation will keep prices high in 2005. On the global front, recent news of very strong iron ore and scrap price should lead to further sustained high steel prices particularly in higher quality grades of flat steel. This is already evident in Q2 of 2005 global steel prices. We expect domestic economic activities to gradually improve and exports continuing to be competitive and we look forward to another good year in 2005."

### **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 Fourth Financial Quarter Ended 31 December 2004

### Condensed Consolidated Income Statements

	2004 Current quarter ended 31 Dec RM'000	2003 Comparative quarter ended 31 Dec RM'000	2004 12 months Cumulative to date RM'000	2003 12 months Cumulative to date RM'000
Revenue	88,337	69,221	336,543	278,313
<b>Profit from Operations</b>	16,148	8,714	64,217	33,424
Interest Income	136	247	573	857
Finance costs	(336)	(142)	(1,203)	(434)
Income from other investments	12	289	120	1,429
<b>Profit before tax</b>	15,960	9,108	63,707	35,276
Taxation	(4,288)	(2,868)	(17,312)	(8,759)
<b>Profit after tax</b>	11,672	6,240	46,395	26,517
Minority interest	(345)	(258)	(2,144)	(1,037)
<b>Net Profit for the year</b>	11,327	5,982	44,251	25,480
<b>Earnings per share (EPS):</b>				
a) Basic	11.08	5.95	43.34	25.53
b) Diluted	10.77	5.81	42.08	25.03

### Condensed Consolidated Balance Sheet

	As at 31 Dec 2004 RM'000	As at 31 Dec 2003 RM'000
Property, plant and equipment	48,072	47,732
Other investments	1,669	6,036
Deferred tax asset	241	214
<b>Current assets</b>		
Inventories	192,453	149,752
Trade receivables	92,723	84,279
Other receivables and prepaid expenses	13,848	11,262
Cash & cash equivalents	3,358	3,186
	302,382	248,479
<b>Current liabilities</b>		
Trade payables	9,796	8,411
Other payables and accrued expenses	10,022	12,790
Short term borrowings	41,007	36,223
Tax liabilities	5,548	2,282
Dividend Payable	-	-
	66,373	59,706
<b>Net current assets</b>	236,009	188,773
<b>Long-term and Deferred Liabilities</b>		
Deferred tax liabilities	(4,128)	(5,286)
Others	(383)	(352)
Minority interests	(8,544)	(6,400)
	272,936	230,717
<b>Represented by:</b>		
Issued capital	105,593	103,612
Reserves	167,343	127,105
Shareholders' Equity	272,936	230,717
<b>Net Tangible Assets Per Share (RM)</b>	2.65	2.29