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For Immediate Release

Choo Bee Expands to East Malaysia

Ipoh, 22 October 2003 – Steel products manufacturer, Choo Bee Metal Industries Berhad (Choo Bee) plans to set up its 1st trading arm in Kota Kinabalu, Sabah to cover the increasing steel products demand in East Malaysia.

Choo Bee has recently acquired a piece of land with a factory warehouse covering a total land area of 3 acres in Tuaran Industrial Estate, Kota Kinabalu, Sabah to accommodate its expansion plan. With the new factory warehouse, the Company will be able to provide a full range of steel and stainless steel products to satisfy its customers from this region.

According to the Managing Director, Simon Soon, the market there is largely untapped and the Company sees great potential in developing a base in this region. With its new trading arm, Choo Bee will be able to widen its customer base and network and to be one of the leading players in East Malaysia in the near future. “Although at present, we already have customers from East Malaysia we would be able to improve our service to these customers with a wider range and better delivery time. At present we have to ship everything over whenever we receive orders. We will be able to improve our service to customers there and be in a position to have better market coverage”, said Soon.

At present, East Malaysia contributes approximately 5% to the Group’s sales. With the opening of its new trading arm in Sabah, Choo Bee is confident that the contribution from East Malaysia will increase to 15% within the next three to five years.

To-date, the Company has invested RM1.6 million to acquire the land and plans to invest a further RM1 million by next year to equip the warehouse with proper facilities. The Company expects its trading business in Sabah to begin operation by 2nd quarter of year 2004. This project will be financed entirely from internally generated funds.

The recently announced RM2 billion Government Expenditure in Sabah from the Budget 2004 promises to boost development in East Malaysia especially the property and construction sectors, and this will result in a higher demand in steel from the region. “East Malaysia has a lot of potential for development especially with the recent Budget announcement. We would be able to benefit from the allocation by being there.” added Soon.

The Company has recorded an impressive performance for the 1st half of the year with a profit before tax (PBT) of RM17 million on the back of a turnover of RM130 million. This represented an increase of 64% in Profits before Tax and 28% in turnover compared to the corresponding period in the previous year.

Choo Bee Metal Industries Berhad's Backgrounder

- Company brief: Established in 1971, Choo Bee was listed on the Main Board of the Kuala Lumpur Stock Exchange in 1994. Paid-up capital is 102.13 million shares@RM1 per share and a market capitalisation of about RM180 million
- Principal activities: Involved in the manufacturing, steel servicing and trading of steel and stainless steel products with two (2) subsidiaries namely Choo Bee Hardwares Sdn Bhd and Taik Bee Hardware Sdn Bhd
- Manufacturing operations: The Group's manufacturing facilities are at 3 locations in the vicinity of Ipoh covering a total land area of 36.55 acres. It manufactures flat base steel products using hot rolled coil, cold rolled coil and stainless steel material. Products manufactured include sheets, plates, pipes, silted coils, lip channels and galvanized pipes. While the servicing centre focus on tailor made products to meet the customers' requirement.
- Trading operations: Dealing with long base steel products as well as products manufactured by the Group. Some of the key products traded include beams, reinforcement bars, structural steel, building material as well as cement.

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