

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2004

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	2004	2003	2004	2003
	Current	Comparative	6 months	6 months
	quarter ended	quarter ended	Cumulative	Cumulative
	30 June	30 June	to date	to date
	RM'000	RM'000	RM'000	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 period	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

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2003)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2004

CONDENSED CONSOLIDATED BALANCE SHEET

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

Net Tangible Assets Per Share (RM)

2.43

2.29

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2003)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2004

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2004

	Period ended 30 June 2004 RM ' 000	Period ended 30 June 2003 RM ' 000
Net Profit before tax	29,190	17,494
Adjustments for non-cash flow:-		
Non-cash items	3,491	2,382
Non-operating items	(210)	(108)
Operating Profit Before Changes In Working Capital	32,471	19,768
Changes In Working Capital :		
Net Change in Current Assets	(45,161)	(40,382)
Net Change in Current Liabilities	(3,686)	1,669
Income Tax Paid	(4,489)	(3,759)
Net Cash From / (Used In) Operating Activities	(20,865)	(22,704)
Investing Activities :		
Equity Investments	9	723
Other Investments	(1,855)	9,734
Net Cash From / (Used In) Investing activities	(1,846)	10,457
Financing Activities :		
Bank Borrowings	23,110	9,569
Issue of shares	1,267	34
Others	-	(2,792)
Net Cash From / (Used In) Financing activities	24,377	6,811
Net Change in Cash & Cash Equivalents	1,666	(5,436)
Cash & Cash Equivalents at beginning of year	1,400	12,851
Cash & Cash Equivalents at end of period	3,066	7,415

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2003)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2004

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2003

	-----<		Non-distributable reserves			----->		<---Distributable Reserves---		Total
	Issued	Share	Revaluation	Reserve on	General	Treasury	Unappropriated	Capital	Shareholders'	
	Capital	Premium	Reserve	Consolidation	Reserve	Shares	profit	Reserve	Equity	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
Balance as at 1 January 2003										
<i>As previously stated</i>	102,139	22,461	84	1,494	1,186	(3,965)	84,024	-	207,423	
<i>Prior year adjustments</i>	-	-	(84)	(128)	-	-	(90)	-	(302)	
<i>Restated balance</i>	102,139	22,461	-	1,366	1,186	(3,965)	83,934	-	207,121	
Movements during the period (cumulative)										
<i>Issue of shares</i>	30	4	-	-	-	-	-	-	34	
<i>Shares repurchased</i>	-	-	-	-	-	(26)	-	-	(26)	
<i>Net profit for the period</i>	-	-	-	-	-	-	12,403	-	12,403	
<i>Dividends</i>	-	-	-	-	-	-	(3,579)	-	(3,579)	
Balance as at 30 June 2003	102,169	22,465	-	1,366	1,186	(3,991)	92,758	-	215,953	

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2003)

CHOO BEE METAL INDUSTRIES BERHAD
(10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30
JUNE 2004

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30
JUNE 2004

	←-----		Non-distributable Reserves		----->		<---Distributable Reserves--->		Total Shareholders' Equity RM '000
	Issued Capital RM '000	Share Premium RM '000	Revaluation Reserve RM '000	Reserve on Consolidation RM '000	General Reserve RM '000	Treasury Shares RM '000	Unappropriated profit RM '000	Capital Reserve RM '000	
Balance as at 1 January 2004	103,612	22,743	-	1,366	1,186	(4,018)	105,828	-	230,717
Movements during the period (cumulative)									
<i>Issue of shares</i>	1,037	230	-	-	-	-	-	-	1,267
<i>Shares repurchased</i>	-	-	-	-	-	-	-	-	-
<i>Net profit for the period</i>	-	-	-	-	-	-	19,824	-	19,824
<i>Dividends</i>	-	-	-	-	-	-	(4,357)	-	(4,357)
Balance as at 30 June 2004	104,649	22,973	-	1,366	1,186	(4,018)	121,295	-	247,451

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2003)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2004

EXPLANATORY NOTES : (AS PER MASB 26 - PARAGRAPH 16)

A1 Accounting Policies and methods of computation

The interim financial report has been prepared in accordance with MASB 26, Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Bursa Malaysia. The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2003. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2003.

A2 Declaration of Audit Qualification

The preceding annual financial statements of the Group were reported on without any qualification.

A3 Seasonality or Cyclicity of Operations

Apart from the traditional variation in the level of business activities coinciding with the festivals at the end and beginning of each year, the Group's activities are not subject to any marked seasonal or cyclical fluctuations.

A4 Unusual items

There were no material items of an unusual nature and amount for the current quarter and 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 prior interim periods of the current financial year or 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>
<i>Opening balance at 01-01-2004</i>	2,746,000	1.46	4,018,542	2,746,000
<i>Total as at 30-06-2004</i>	2,746,000	1.46	4,018,542	2,746,000

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 except for 906,000 shares, 84,000 shares and 47,000 shares of RM 1 each issued at RM 1.20, RM 1.05 and RM 1.94 respectively under the Employees Share Option Scheme (ESOS) for the current financial year to date.

A7 Dividend

There was no dividend paid during the current financial year to date.

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2004

EXPLANATORY NOTES : (AS PER MASB 26 - PARAGRAPH 16)

A8 Segmental Reporting

Segmental analysis for the current financial year todate ended 30 June 2004 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
Revenue	94,779	57,979	152,758

Results

Segment results	17,590	11,857	29,447
Unallocated corporate expenses			(186)
Profit from operations			29,261

Segmental analysis for the previous financial year todate ended 30 June 2003 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
Revenue	82,232	47,448	129,680

Results

Segment results	4,699	11,768	16,467
Unallocated corporate expenses			(138)
Profit from operations			16,329

A9 Valuation of Property, Plant and Equipment

The Group did not carry out any revaluations on its property, plant and equipment in the financial year todate. The value of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements.

A10 Material Events

There were no material events subsequent to 30 June 2004 that have not been reflected in the financial statements for the said period, up to the date of this report.

A11 Changes in Composition of the Group

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

A12 Changes in Contingent Liabilities or Contingent Assets

There were no contingent assets at the date of issue of the quarterly report. The update on the contingent liability is disclosed under Note B11, Changes in Material Litigation.

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2004

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 recorded a turnover of RM 152.8 million in the financial year todate, an increase of 17.8% when compared to RM 129.7 million for corresponding period of the previous year. Group profit before tax increased by 66.9% to RM 29.2 million from RM 17.5 million in the corresponding period of the previous year. The improvement in performance is primarily due to higher prices and better demand.

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

The Group recorded a turnover of RM 71.0 million for the current quarter which was 13.1% lower than the immediate preceding quarter of RM 81.7 million. However, Group profit before tax increased by 49.3% from RM 11.7 million in the preceding quarter to RM 17.5 million. The increase was attributable to higher margins from consistently higher selling prices seen in the second quarter.

B3 Prospects for the current financial year

World steel prices are on the uptrend driven by increasing prices of scrap iron while signs of demand picking up are starting to be visible. If this translates into favourable economic growth locally, it should augur well for the Group and performance of the Group for the current financial year should be good.

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

Not applicable

(b) Shortfall in Profit Guarantee

Not applicable

B5	Taxation	Current	Financial
		Quarter	Year to date
		30-06-2004	30-06-2004
		RM' 000	RM' 000
	Estimated tax payable	4,932	8,364
	Deferred taxation	(205)	(177)
		4,727	8,187
	Overprovision in prior year	-	(18)
	Net provision for taxation	4,727	8,169

The effective tax rate for the current quarter and financial year todate is lower than the statutory tax rate due to availability of reinvestment allowances.

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

There were no sale of unquoted investments and/or properties during the quarter and financial year todate.

B7 Purchases or Disposal of Quoted Securities

(a)	Current	Financial
	Quarter	Year to date
	30-06-2004	30-06-2004
	RM' 000	RM' 000
Total purchase consideration	-	-
Total sale proceeds	-	9
Total gain on disposals	-	4
(b)	Investments as at 30 June 2004	RM'000
	At Cost	1,880
	At Book Value	1,880
	At Market Price	1,897

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 30 June 2004 are as follows:-

<i>Short term borrowings</i>		RM' 000	
USD Trade loan	(USD 6,125,726)	23,281	Unsecured
Bankers acceptance		34,265	Unsecured
Bank overdraft		-	Unsecured
		57,546	

The Group has no debt securities as at 30 June 2004.

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

B10

There were no financial instruments with off balance sheet risk at the date of issue of the quarterly report.

Changes in Material Litigation (including status of any pending material litigation)

B11

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 March 7, 2000 against TBH for an amount of RM 10 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 April 24, 2000 against the defamation suit and for the recovery of a debt amounting to RM 118,092.

Since the last annual Balance Sheet, the matter has been set for trial and we are still awaiting for the hearing date to be fixed by the Court.

B12 Dividend

The Directors have not recommended any dividend for the current financial quarter ended 30 June 2004. The dividend accrued as a liability is the proposed final ordinary dividend of 6 sen per share less 28% tax for the year ended 31 December 2003.

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2004

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

B13	Earnings Per Share (EPS)		3 months ended		6 months ended	
			30-06-2004	30-06-2003	30-06-2004	30-06-2003
	Basic earnings per share					
a)	Net profit for the period	(RM '000)	12,115	7,245	19,824	12,403
	Weighted average number of ordinary shares in issue	(' 000)	101,369	99,423	101,499	99,423
	Basic earnings per share	(sen)	11.95	7.29	19.53	12.47
	Diluted earnings per share					
b)	Net profit for the period	(RM '000)	12,115	7,245	19,824	12,403
	Weighted average number of ordinary shares in issue	(' 000)	101,369	99,423	101,499	99,423
	Adjustment for share options	(' 000)	2,081	1,295	2,081	1,295
	Weighted average number of ordinary shares for diluted earnings per share	(' 000)	103,450	100,718	103,580	100,718
	Diluted earnings per share	(sen)	11.71	7.19	19.14	12.31