

CHOO BEE METAL INDUSTRIES BERHAD (10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2004

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	2004	2003	2004	2003
	Current	Comparative	9 months	9 months
	quarter ended	quarter ended	Cumulative	Cumulative
	30 Sept	30 Sept	to date	to date
	RM'000	RM'000	RM'000	RM'000
Revenue	95,448	79,412	248,206	209,092
Profit from Operations	18,808	8,383	48,069	24,710
Interest Income	112	166	437	610
Finance costs	(321)	(83)	(867)	(292)
Income from other investments	(42)	209	108	1,140
Profit before tax	18,557	8,675	47,747	26,168
Taxation	(4,855)	(1,299)	(13,024)	(5,891)
Profit after tax	13,702	7,376	34,723	20,277
Minority Interest	(602)	(281)	(1,799)	(779)
Net Profit for the period	13,100	7,095	32,924	19,498
Earnings per share (EPS) :				
a) Basic	12.83	7.12	32.31	19.59
b) Diluted	12.60	6.98	31.75	19.21

(The Condensed Consolidated Income Statements 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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2004

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 Sept 2004 RM'000	As at 31 Dec 2003 RM'000
Property, plant and equipment	47,193	47,732
Other investments	5,943	6,036
Deferred tax asset	176	214
Current assets		
<i>Inventories</i>	196,209	149,752
<i>Trade receivables</i>	90,058	84,279
<i>Other receivables and prepaid expenses</i>	13,653	11,262
<i>Cash & cash equivalents</i>	1,615	3,186
	<u>301,535</u>	<u>248,479</u>
Current liabilities		
<i>Trade payables</i>	4,431	8,411
<i>Other payables and accrued expenses</i>	8,760	12,790
<i>Short term borrowings</i>	59,323	36,223
<i>Tax liabilities</i>	7,710	2,282
	<u>80,224</u>	<u>59,706</u>
Net current assets	221,311	188,773
Long-term and Deferred Liabilities		
<i>Deferred tax liabilities</i>	(4,674)	(5,286)
<i>Others</i>	(344)	(352)
Minority interest	(8,199)	(6,400)
	<u>261,406</u>	<u>230,717</u>
Represented by :		
Issued capital	105,429	103,612
Reserves	155,977	127,105
Shareholders' Equity	<u>261,406</u>	<u>230,717</u>

Net Tangible Assets Per Share (RM) 2.55 2.29
(The Condensed Consolidated Balance Sheets 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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2004

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2004

	Period ended 30 Sept 2004 RM ' 000	Period ended 30 Sept 2003 RM ' 000
Net Profit before tax	47,747	26,168
Adjustments for non-cash flow:-		
Non-cash items	4,936	3,702
Non-operating items	(228)	(651)
Operating Profit Before Changes In Working Capital	52,455	29,219
Changes In Working Capital :		
Net Change in Current Assets	(56,305)	(52,140)
Net Change in Current Liabilities	(8,010)	2,925
Income Tax Paid	(8,154)	(4,969)
Net Cash From / (Used In) Operating Activities	(20,014)	(24,965)
Investing Activities :		
Equity Investments	149	1,265
Other Investments	(2,573)	10,043
Net Cash From / (Used In) Investing activities	(2,424)	11,308
Financing Activities :		
Bank Borrowings	24,434	26,417
Issue of shares	2,201	619
Others	(4,436)	(6,889)
Net Cash From / (Used In) Financing activities	22,199	20,147
Net Change in Cash & Cash Equivalents	(239)	6,490
Cash & Cash Equivalents at beginning of year	1,400	12,851
Cash & Cash Equivalents at end of period	1,161	19,341

(The Condensed Consolidated Cash Flow Statements 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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2004

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2004

	<----->		Non-distributable Reserves		----->		<---Distributable Reserves--->		Total
	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	Shareholders' Equity 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>	1,817	384	-	-	-	-	-	-	2,201
<i>Shares repurchased</i>	-	-	-	-	-	(2)	-	-	(2)
<i>Net profit for the period</i>	-	-	-	-	-	-	32,924	-	32,924
<i>Dividends</i>	-	-	-	-	-	-	(4,434)	-	(4,434)
Balance as at 30 September 2004	105,429	23,127	-	1,366	1,186	(4,020)	134,318	-	261,406

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2003

	<----->		Non-distributable reserves		----->		<---Distributable Reserves--->		Total
	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	Shareholders' Equity 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>	513	92	-	-	-	-	-	-	605
<i>Shares repurchased</i>	-	-	-	-	-	(27)	-	-	(27)
<i>Net profit for the period</i>	-	-	-	-	-	-	19,498	-	19,498
<i>Dividends</i>	-	-	-	-	-	-	(3,587)	-	(3,587)
Balance as at 30 September 2003	102,652	22,553	-	1,366	1,186	(3,992)	99,845	-	223,610

(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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 Securities Berhad (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
August	1,000	2.30	2,298	1,000
<i>Total as at 30-09-2004</i>	2,747,000	1.46	4,020,840	2,747,000

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 1,670,000 shares, 99,000 shares and 48,000 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

The final dividend of 6% less 28% tax amounting to RM 4,433,919 in respect of the year ended 31 December 2003 was paid on 18 August 2004.

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

A8 Segmental Reporting

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

By Business Segments :	Trading RM' 000	Manufacturing RM' 000	Total RM' 000
Revenue	<u>154,185</u>	<u>94,021</u>	<u>248,206</u>
Results			
Segment results	<u>25,962</u>	<u>22,345</u>	48,307
Unallocated corporate expenses			(238)
Profit from operations			<u>48,069</u>

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

By Business Segments :	Trading RM' 000	Manufacturing RM' 000	Total RM' 000
Revenue	<u>131,075</u>	<u>78,017</u>	<u>209,092</u>
Results			
Segment results	<u>8,852</u>	<u>16,018</u>	24,870
Unallocated corporate expenses			(160)
Profit from operations			<u>24,710</u>

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 September 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.

A13 Capital Commitment

Capital Commitment approved by the Board and contracted for but not provided in the financial statements amounted to RM 34.5 million at 30 September 2004.

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 248.2 million in the financial year todate, an increase of 18.7% compared to RM 209.1 million for the corresponding period of the previous year. Group pretax profit increased by 82.5% to RM 47.7 million from RM 26.2 million in the corresponding period of the previous year. Higher prices and better demand contributed to the improved performance.

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 95.4 million for the current quarter, which was 34.4% higher than the immediate preceding quarter of RM 71.0 million. Group pretax profit increased by 6.15% from RM 17.5 million in the preceding quarter to RM 18.6 million. The increase in Group pretax profit was mainly attributable to higher sales volume.

B3 Prospects for the current financial year

Domestic selling prices are stabilizing at the present levels and business activity is expected to slow as the financial year approaches the festive period in the fourth quarter. Nevertheless, the Board is confident that the performance for the current financial year will show a substantial improvement over the previous year, having todate already surpassed the results of year 2003.

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

Not applicable

(b) Shortfall in Profit Guarantee

Not applicable

B5 Taxation

	Current Quarter 30-09-2004 RM' 000	Financial Year to date 30-09-2004 RM' 000
Estimated tax payable	4,902	13,266
Deferred taxation	(47)	(224)
	<hr/> 4,855	<hr/> 13,042
Overprovision in prior year	-	(18)
Net provision for taxation	<hr/> 4,855	<hr/> 13,024

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

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2004

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

B7 Purchases or Disposal of Quoted Securities

(a)	Current	Financial
	Quarter	Year to date
	30-09-2004	30-09-2004
	RM' 000	RM' 000
Total purchase consideration	10	84
Total sale proceeds	148	157
Total gain on disposals	47	51
(b) Investments as at 30 September 2004		RM'000
At Cost		1,790
At Book Value		1,627
At Market Price		1,627

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 September 2004 are as follows:-

		RM'	
		000	
Short term borrowings			
USD Trade loan	(USD 9,008,427)	34,236	Unsecured
Bankers acceptance		24,633	Unsecured
Bank overdraft		454	Unsecured
		<u>59,323</u>	

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

B10 Summary of Off Balance Sheet Financial Instruments by type and maturity profile

As at 26 November 2004, the Company has entered into non-deliverable forward contracts (NDF) to hedge its payment of machinery in Taiwan dollars (NTD) with details as follows :

Currency	Contract Amount	Settlement
	in NTD (' 000)	Currency (USD'000)
NTD	114,000	3,449

All of these contracts mature within one year.

NDF are forward contracts in which no physical exchange of currencies take place. There will be an agreement of a forward rate and a prespecified fixing date but the actual purchase of currencies will take place in the spot / cash market. When the NDF is marked to market against the fixing rate a net payment is made or received for the difference.

The risk to the Company is that the fixing rate of the NTD may be different from the settlement rate of the NTD to the supplier. The above contracts were executed with creditworthy financial institutions and hence the likelihood of non-performance is remote.

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2004

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

B11 Changes in Material Litigation (including status of any pending material litigation)

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 September 2004 and year to date.

B13 Earnings Per Share (EPS)

		3 months ended		9 months ended	
		30-09-2004	30-09-2003	30-09-2004	30-09-2003
Basic earnings per share					
(a)	Net profit for the period (RM '000)	13,100	7,095	32,924	19,498
	Weighted average number of ordinary shares in issue (' 000)	102,123	99,596	101,885	99,533
	Basic earnings per share (sen)	12.83	7.12	32.31	19.59
Diluted earnings per share					
(b)	Net profit for the period (RM '000)	13,100	7,095	32,924	19,498
	Weighted average number of ordinary shares in issue (' 000)	102,123	99,596	101,885	99,533
	Adjustment for share options (' 000)	1,816	1,982	1,816	1,982
	Weighted average number of ordinary shares for diluted earnings per share (' 000)	103,939	101,578	103,701	101,515
	Diluted earnings per share (sen)	12.60	6.98	31.75	19.21