



*CHOO BEE METAL INDUSTRIES BERHAD (10587-A)*

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	2005 Current quarter ended 30 Sept RM'000	2004 Comparative quarter ended 30 Sept RM'000	2005 9 months Cumulative to date RM'000	2004 9 months Cumulative to date RM'000
Revenue	90,559	95,448	243,210	248,206
Profit from Operations	6,104	18,808	25,210	48,069
Interest Income	166	112	562	437
Finance costs	(578)	(321)	(1,080)	(867)
Income from other investments	98	(42)	288	108
Profit before tax	5,790	18,557	24,980	47,747
Taxation	(1,472)	(4,855)	(6,571)	(13,024)
Profit after tax	4,318	13,702	18,409	34,723
Minority Interest	(158)	(602)	(660)	(1,799)
Net Profit for the period	4,160	13,100	17,749	32,924
Earnings per share (EPS):				
a) Basic (sen)	3.98	12.76	17.12	32.32
b) Diluted (sen)	3.96	12.48	16.97	31.48

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)



*CHOO BEE METAL INDUSTRIES BERHAD (10587-A)*

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 Sept 2005 RM'000	As at 31 Dec 2004 RM'000
Property, plant and equipment	76,370	48,072
Other investments	10,332	1,669
Deferred tax asset	109	230
Current assets		
<i>Inventories</i>	164,087	192,453
<i>Trade receivables</i>	101,230	92,723
<i>Other receivables and prepaid expenses</i>	4,892	13,848
<i>Cash &amp; bank balances</i>	13,951	3,358
	<u>284,160</u>	<u>302,382</u>
Current liabilities		
<i>Trade payables</i>	5,427	9,796
<i>Other payables and accrued expenses</i>	5,642	10,022
<i>Short term borrowings</i>	45,162	41,007
<i>Tax liabilities</i>	(353)	5,480
<i>Dividend payable</i>	-	-
	<u>55,878</u>	<u>66,305</u>
Net current assets	228,282	236,077
Long-term and Deferred Liabilities		
<i>Deferred tax liabilities</i>	(4,559)	(4,185)
<i>Fixed term loan</i>	(15,677)	-
<i>Others</i>	(377)	(383)
Minority interest	(9,204)	(8,544)
	<u>285,276</u>	<u>272,936</u>
Represented by :		
Issued capital	107,478	105,593
Reserves	177,798	167,343
Shareholders' Equity	<u>285,276</u>	<u>272,936</u>
Net Tangible Assets Per Share (RM)	2.74	2.65

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)



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INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	Period ended 30 Sept 2005 RM ' 000	Period ended 30 Sept 2004 RM ' 000
Net Profit before tax	24,980	47,747
Adjustments for non-cash flow:-		
Non-cash items	2,907	4,936
Non-operating items	(144)	(228)
Operating Profit Before Changes In Working Capital	27,743	52,455
Changes In Working Capital :		
Net Change in Current Assets	27,947	(56,305)
Net Change in Current Liabilities	(8,748)	(8,010)
Income Tax Paid	(11,883)	(8,154)
Net Cash From / (Used In) Operating Activities	35,059	(20,014)
Investing Activities :		
Equity Investments	1,034	149
Other Investments	(39,922)	(2,573)
Net Cash From / (Used In) Investing Activities	(38,888)	(2,424)
Financing Activities :		
Bank Borrowings	19,706	24,434
Issue of shares	2,300	2,201
Others	(7,709)	(4,436)
Net Cash From / (Used In) Financing Activities	14,297	22,199
Net Change in Cash & Cash Equivalents	10,468	(239)
Cash & Cash Equivalents at beginning of year	2,345	1,400
Cash & Cash Equivalents at end of period	12,813	1,161

( The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	Issued Capital RM '000	<----- Share Premium RM '000	Non - distributable Reserve on Consolidation RM '000	Reserves General Reserve RM '000	>----- Treasury Shares RM '000	Distributable Reserves Unappropriated profit RM '000	Total Shareholders' Equity RM '000
Balance as at 1 January 2005	105,593	23,166	1,366	1,186	(4,021)	145,646	272,936
Movements during the period (cumulative)							
<i>Issue of shares</i>	1,885	415	-	-	-	-	2,300
<i>Shares repurchased</i>	-	-	-	-	(932)	-	(932)
<i>Net profit for the period</i>						17,749	17,749
<i>Dividends</i>						(6,777)	(6,777)
Balance as at 30 September 2005	107,478	23,581	1,366	1,186	(4,953)	156,618	285,276

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

	Issued Capital RM '000	<----- Share Premium RM '000	Non - distributable Reserve on Consolidation RM '000	Reserves General Reserve RM '000	>----- Treasury Shares RM '000	Distributable Reserves Unappropriated profit RM '000	Total 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 Sept 2004	105,429	23,127	1,366	1,186	(4,020)	134,318	261,406

( The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005**

**EXPLANATORY NOTES : (AS PER FRS 134 - PARAGRAPH 16)**

**A1 Accounting Policies and methods of computation**

The interim financial report has been prepared in accordance with FRS 134, "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 2004. 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 2004.

**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**

The level of business activities usually varies with the festivals at the end and beginning of each year subject to the level of underlying demand and prices prevailing.

**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 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 01-01-2005</i>	2,747,000	1.46	4,020,840	2,747,000
February	5,000	2.81	14,053	5,000
March	35,000	2.74	95,820	35,000
April	31,500	2.59	81,606	31,500
May	63,000	2.47	155,429	63,000
June	10,300	2.26	23,305	10,300
August	89,200	2.13	190,398	89,200
September	212,800	1.75	371,685	212,800
<i>Total as at 30-09-2005</i>	3,193,800	1.55	4,953,136	3,193,800

None of the Treasury Shares has been resold or redistributed as share dividends during the current financial period.

There were no issues of debt or equity securities except for 1,751,000 shares, 69,000 shares and 65,000 shares of RM1 each issued at RM1.20, RM1.05 and RM1.94 per share respectively under the Employees Share Option Scheme (ESOS) for the current financial year to date.

**A7 Dividend**

The final ordinary dividend of 6% less 28% tax and special dividend of 3% less 28% tax amounting to RM6,776,149 in respect of the year ended 31 December 2004 was paid on 18 August 2005.



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005**

**EXPLANATORY NOTES : (AS PER FRS 134 - PARAGRAPH 16)**

**A8 Segmental Reporting**

Segmental analysis for the current financial year to date ended 30 September 2005 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
<b>Revenue</b>	158,736	84,474	243,210
<b>Results</b>			
Segment results	9,337	16,134	25,471
Unallocated corporate expenses			(261)
Profit from operations			25,210

Segmental analysis for the previous financial year to date ended 30 September 2004 are as follows:-

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

**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 to date. 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 subsequent events that have not been reflected in the financial statements for the period at the date of issue of the quarterly report.

**A11 Changes in Composition of the Group**

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

**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 as at 30 September 2005 are as follows:

	RM '000
Capital expenditure :	
Contracted but not provided	13,878

**A14 Impairment of Assets**

During the current quarter, impairment loss of RM96,486 previously recognised by the Group in respect of plant and machinery were reversed upon disposal of the plant and machinery. The reversal has been recognised in the income statement of the Group.



*CHOO BEE METAL INDUSTRIES BERHAD (10587-A)*

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005**

**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**

Turnover recorded for the financial year to date was RM243.21 million, a decrease of 2.01% when compared to RM248.21 million achieved for the corresponding period of the previous year. Profit before tax decreased by 47.68% to RM24.98 million from RM47.75 million previously. The decrease was due to lower margins arising from higher raw material cost and weaker market demand.

**B2**

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

Turnover increased by 19.17% in the third quarter to RM90.56 million from RM75.99 million in the immediate preceding quarter. However, profit before tax dropped by 32.28% to RM5.79 million from RM8.55 million in the immediate preceding quarter. The decrease was attributable to lower selling prices and higher raw material costs.

**B3 Prospects for the current financial year**

Selling prices are anticipated to weaken further due to the quiet domestic market and business activity is expected to slow down as the financial year approaches the festive period in the fourth quarter. Nevertheless the Group expects the current financial year performance to remain satisfactory.

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

Not applicable

**(b) Shortfall in Profit Guarantee**

Not applicable

**B5 Taxation**

	Current Quarter 30-09-2005 RM' 000	Financial Year to date 30-09-2005 RM' 000
Estimated tax payable	1,122	5,949
Deferred taxation	220	492
	<hr/>	<hr/>
	1,342	6,441
Underprovision in prior year	130	130
Net provision for taxation	<hr/>	<hr/>
	1,472	6,571

The effective tax rate for the current quarter and financial year to date 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**

The sale of unit trusts resulted in a gain of RM5,732 and RM7,966 for the current quarter and financial year to date respectively excluding the value of additional units splits which were recognised as income when received. The value of additional units recognised as income amounted to RM30,145 in the third quarter and RM63,796 for the financial year to date. Apart from the above, there are no other disposals of unquoted investments and / or properties during the quarter and financial year to date.



*CHOO BEE METAL INDUSTRIES BERHAD (10587-A)*

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005  
EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA - PART A OF APPENDIX 9B)

**B7 Purchases or Disposal of Quoted Securities**

(a)	Current Quarter 30-09-2005 RM' 000	Financial Year to date 30-09-2005 RM' 000
Total purchase consideration	-	-
Total sale proceeds	-	949
Total loss on disposals	-	(47)
 (b) Investments as at 30 September 2005		
At Cost		RM'000 793
At Book Value		679
At Market Price		679

**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 2005 are as follows:-

(a) <i>Short term borrowings</i>		RM' 000	
USD Trade loan	(USD 11,679,290)	44,024	Unsecured
Bankers acceptance		-	Unsecured
Bank overdraft		1,138	Unsecured
		<u>45,162</u>	
 (b) <i>Long term borrowings</i>			
Fixed Term Loan	(USD 4,159,045)	15,677	Unsecured
<i>Total Borrowings</i>		<u>60,839</u>	

The Group has no debt securities as at 30 September 2005.

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

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

**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 7 March 2000 against TBH for an amount of RM10 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 24 April 2000 against the defamation suit and for the recovery of a debt amounting to RM18,092.

The lawyers advising TBH on the above matter, opined that it is highly unlikely that the litigant will be able to prove libel as TBH has a complete defence in justification.

The trial date has been fixed by the Court to be on 26 April 2006





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INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005

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

**B12 Dividend**

The Directors have not yet recommended any dividend for the current financial quarter ended 30 September 2005 and year to date.

**B13 Earnings Per Share (EPS)**

		3 months ended		9 months ended		
		30-09-2005	30-09-2004	30-09-2005	30-09-2004	
<b>Basic earnings per share</b>						
<b>(a)</b>	Net profit for the period	(RM '000)	4,160	13,100	17,749	32,924
	Weighted average number of ordinary shares in issue	(' 000)	104,450	102,656	103,677	101,884
	Basic earnings per share	(sen)	3.98	12.76	17.12	32.32
<b>Diluted earnings per share</b>						
<b>(b)</b>	Net profit for the period	(RM '000)	4,160	13,100	17,749	32,924
	Weighted average number of ordinary shares in issue	(' 000)	104,450	102,656	103,677	101,884
	Adjustment for share options	(' 000)	666	2,288	918	2,691
	Weighted average number of ordinary shares for diluted earnings per share	(' 000)	105,116	104,944	104,595	104,575
	Diluted earnings per share	(sen)	3.96	12.48	16.97	31.48