

CHOO BEE METAL INDUSTRIES BERHAD (10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2004

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	2004	2003	2004	2003
	Current	Comparative	12 months	12 months
	quarter ended	quarter ended	Cumulative	Cumulative
	31 Dec	31 Dec	to date	to date
	RM'000	RM'000	RM'000	RM'000
Revenue	88,337	69,221	336,543	278,313
Profit from Operations	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
Profit before tax	15,960	9,108	63,707	35,276
Taxation	(4,288)	(2,868)	(17,312)	(8,759)
Profit after tax	11,672	6,240	46,395	26,517
Minority Interest	(345)	(258)	(2,144)	(1,037)
Net Profit for the period	11,327	5,982	44,251	25,480
Earnings per share (EPS) :				
a) Basic	11.08	5.95	43.34	25.53
b) Diluted	10.77	5.81	42.08	25.03

(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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2004

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
Current assets		
<i>Inventories</i>	192,453	149,752
<i>Trade receivables</i>	92,723	84,279
<i>Other receivables and prepaid expenses</i>	13,848	11,262
<i>Cash & cash equivalents</i>	3,358	3,186
	<u>302,382</u>	<u>248,479</u>
Current liabilities		
<i>Trade payables</i>	9,796	8,411
<i>Other payables and accrued expenses</i>	10,022	12,790
<i>Short term borrowings</i>	41,007	36,223
<i>Tax liabilities</i>	5,548	2,282
	<u>66,373</u>	<u>59,706</u>
Net current assets	236,009	188,773
Long-term and Deferred Liabilities		
<i>Deferred tax liabilities</i>	(4,128)	(5,286)
<i>Others</i>	(383)	(352)
Minority interest	(8,544)	(6,400)
	<u>272,936</u>	<u>230,717</u>
Represented by :		
Issued capital	105,593	103,612
Reserves	167,343	127,105
Shareholders' Equity	<u>272,936</u>	<u>230,717</u>
Net Tangible Assets Per Share (RM)	2.65	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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2004

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

	Year ended 31 Dec 2004 RM ' 000	Year ended 31 Dec 2003 RM ' 000
Net Profit before tax	63,707	35,276
Adjustments for non-cash flow:-		
Non-cash items	7,735	3,506
Non-operating items	(303)	(912)
Operating Profit Before Changes In Working Capital	71,139	37,870
Changes In Working Capital :		
Net Change in Current Assets	(54,942)	(84,795)
Net Change in Current Liabilities	(1,384)	7,732
Income Tax Paid	(15,209)	(7,511)
Net Cash From / (Used In) Operating Activities	(396)	(46,704)
Investing Activities :		
Equity Investments	162	1,128
Other Investments	(1,143)	9,576
Net Cash From / (Used In) Investing activities	(981)	10,704
Financing Activities :		
Bank Borrowings	5,559	30,135
Issue of shares	2,404	1,755
Others	(5,640)	(7,341)
Net Cash From / (Used In) Financing activities	2,323	24,549
Net Change in Cash & Cash Equivalents	946	(11,451)
Cash & Cash Equivalents at beginning of year	1,400	12,851
Cash & Cash Equivalents at end of year	2,346	1,400

(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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2004

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2004

	<----->		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 2004	103,612	22,743	-	1,366	1,186	(4,018)	105,828	-	230,717
Movements during the year (cumulative)									
<i>Issue of shares</i>	1,981	423	-	-	-	-	-	-	2,404
<i>Shares repurchased</i>	-	-	-	-	-	(2)	-	-	(2)
<i>Net profit for the year</i>							44,251	-	44,251
<i>Dividends</i>	-	-	-	-	-	-	(4,434)	-	(4,434)
Balance as at 31 December 2004	105,593	23,166	-	1,366	1,186	(4,020)	145,645	-	272,936

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 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	102,139	22,461	84	1,494	1,186	(3,965)	84,024	-	207,423
<i>As previously stated</i>									
<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 year (cumulative)									
<i>Issue of shares</i>	1,473	282	-	-	-	-	-	-	1,755
<i>Shares repurchased</i>	-	-	-	-	-	(53)	-	-	(53)
<i>Net profit for the year</i>	-	-	-	-	-	-	25,480	-	25,480
<i>Dividends</i>	-	-	-	-	-	-	(3,586)	-	(3,586)
Balance as at 31 December 2003	103,612	22,743	-	1,366	1,186	(4,018)	105,828	-	230,717

(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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2004

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 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 except for the recognition of impairment loss amounting to RM 1,327,896 for machinery due to technological changes.

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 31-12-2004</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 1,826,000 shares, 99,000 shares and 56,000 shares of RM 1 each issued at RM 1.20, RM 1.05 and RM 1.94 per share 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 4,433,918 in respect of the year ended 31 December 2003 was paid on 18 August 2004.

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2004

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

A8 Segmental Reporting

Segmental analysis for the current financial year todate ended 31 December 2004 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
Revenue	<u>208,859</u>	<u>127,684</u>	<u>336,543</u>

Results

Segment results	<u>32,004</u>	<u>32,551</u>	64,555
Unallocated corporate expenses			(338)
Profit from operations			<u>64,217</u>

Segmental analysis for the previous financial year todate ended 31 December 2003 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
Revenue	<u>179,418</u>	<u>98,895</u>	<u>278,313</u>

Results

Segment results	<u>17,147</u>	<u>16,469</u>	33,616
Unallocated corporate expenses			(192)
Profit from operations			<u>33,424</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 31 December 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 as at 31 December 2004 are as follows:

	RM '000
Capital expenditure :	
Contracted but not provided	29,937
Approved but not contracted	<u>4,334</u>
	<u>34,271</u>

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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 336.54 million in the financial year to date, an increase of 20.92% compared to RM 278.31 million in the previous year. Group pretax profit increased by 80.59% to RM 63.71 million from RM 35.28 million in the previous year. The record turnover and profits achieved for the year were attributable to strong demand and higher selling prices.

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 88.34 million for the fourth quarter, which was 7.45% lower as anticipated compared to the immediate preceding third quarter of RM 95.45 million due to slower economic activity during the year end festive season. Group pretax profit also decreased by 13.99% from RM 18.56 million in the preceding quarter to RM 15.96 million due to the lower volume as well as some decrease in margins.

B3 Prospects for the current financial year

The steel industry outlook remains positive as prices are expected to be firm due to sustained demand in China as well as globally. With a favourable external environment and Malaysia's strong economic fundamentals, the Board expects the Group to post satisfactory results in 2005.

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

Not applicable

(b) Shortfall in Profit Guarantee

Not applicable

B5 Taxation

	Current Quarter 31-12-2004 RM' 000	Financial Year to date 31-12-2004 RM' 000
Estimated tax payable	4,848	18,114
Deferred taxation	(961)	(1,185)
	<hr/>	<hr/>
	3,887	16,929
Underprovision in prior year	401	383
Net provision for taxation	<hr/>	<hr/>
	4,288	17,312

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

During the quarter to 31 December 2004 the sale of Unit Trusts resulted in a loss of RM 68,823. The loss arose as a result of unit splits which were recognised as income in the period in which the new units were received. The value of the additional units recognised as income in earlier periods amounted to RM 101,510. The net profit after deducting the above loss of RM 68,823 is actually RM 32,687 for the current quarter and RM 42,479 for the financial year to date. Apart from the above, there are no other disposals of unquoted investments and / or properties during the year.

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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
	31-12-2004	31-12-2004
	RM' 000	RM' 000
Total purchase consideration	-	84
Total sale proceeds	-	157
Total gain on disposals	-	51
(b) Investments as at 31 December 2004		RM'000
At Cost		1,790
At Book Value		1,669
At Market Price		1,669

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 31 December 2004 are as follows:-

<i>Short term borrowings</i>		RM' 000	
USD Trade loan	(USD 9,160,472)	34,814	Unsecured
Bankers acceptance		5,180	Unsecured
Bank overdraft		1,013	Unsecured
		41,007	

The Group has no debt securities as at 31 December 2004.

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

As at 25 February 2005, the Company has entered into non-deliverable forward contracts (NDF) to hedge its payment of machinery in Taiwan dollars (TWD) with details as follows :

<u>Currency</u>	<u>Contract Amount</u> in TWD (' 000)	<u>Settlement</u> Currency (USD'000)
TWD	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.

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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.

The date of hearing has been fixed by the Court to be on 20 September 2005.

B12 Dividend

- a) i) A final ordinary dividend and special dividend have been recommended.
- ii) Amount per share for final ordinary dividend is 6 sen less 28% tax and special dividend is 3 sen less 28% tax.
- iii) Previous year ended 31 December 2003 : 6 sen less 28% tax
- iv) Date payable : To be fixed
- v) Entitlement date : To be fixed

Total dividend proposed for the current financial year ended 31 December 2004 of final ordinary dividend 6% less 28% tax and special dividend 3% less 28% tax have not been accrued as a liability in compliance with FRS 110, "Events after Balance Sheet Date".

b)

B13 Earnings Per Share (EPS)

		3 months ended		12 months ended	
		31-12-2004	31-12-2003	31-12-2004	31-12-2003
Basic earnings per share					
(a)	Net profit for the period (RM '000)	11,327	5,982	44,251	25,480
	Weighted average number of ordinary shares in issue (' 000)	102,209	100,457	102,106	99,810
	Basic earnings per share (sen)	11.08	5.95	43.34	25.53
Diluted earnings per share					
(b)	Net profit for the period (RM '000)	11,327	5,982	44,251	25,480
	Weighted average number of ordinary shares in issue (' 000)	102,209	100,457	102,106	99,810
	Adjustment for share options (' 000)	2,951	2,567	3,048	2,006
	Weighted average number of ordinary shares for diluted earnings per share (' 000)	105,160	103,024	105,154	101,816
	Diluted earnings per share (sen)	10.77	5.81	42.08	25.03