



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2005

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	2005 Current quarter ended 31 Dec RM'000	2004 Comparative quarter ended 31 Dec RM'000	2005 12 months Cumulative to date RM'000	2004 12 months Cumulative to date RM'000
Revenue	85,827	88,337	329,037	336,543
Profit from Operations	(822)	16,148	24,388	64,217
Interest Income	274	136	836	573
Finance costs	(542)	(336)	(1,622)	(1,203)
Income from other investments	57	12	345	120
Profit/(loss) before tax	(1,033)	15,960	23,947	63,707
Taxation	(160)	(4,288)	(6,731)	(17,312)
Profit/(loss) after tax	(1,193)	11,672	17,216	46,395
Minority Interest	37	(345)	(623)	(2,144)
Net Profit/(loss) for the period	(1,156)	11,327	16,593	44,251
Earnings per share (EPS):				
a) Basic (sen)	(1.11)	11.08	15.99	43.34
b) Diluted (sen)	(1.10)	10.77	15.78	42.08

(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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2005

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 31 Dec 2005 RM'000	As at 31 Dec 2004 RM'000
Property, plant and equipment	87,250	48,072
Other investments	5,797	1,669
Deferred tax asset	-	230
Goodwill on consolidation	1,382	-
Current assets		
<i>Inventories</i>	123,300	192,453
<i>Trade receivables</i>	106,460	92,723
<i>Other receivables and prepaid expenses</i>	5,418	13,848
<i>Tax recoverable</i>	4,990	-
<i>Cash & bank balances</i>	7,341	3,358
	247,509	302,382
Current liabilities		
<i>Trade payables</i>	7,056	9,796
<i>Other payables and accrued expenses</i>	10,573	10,022
<i>Short term borrowings</i>	17,328	41,007
<i>Tax liabilities</i>	-	5,480
<i>Dividend payable</i>	-	-
	34,957	66,305
Net current assets	212,552	236,077
Long-term and Deferred Liabilities		
<i>Deferred tax liabilities</i>	(7,977)	(4,185)
<i>Bank borrowings - non current portion</i>	(14,995)	-
<i>Others</i>	(375)	(383)
Minority interest	-	(8,544)
	283,634	272,936
Represented by :		
Issued capital	107,499	105,593
Reserves	176,135	167,343
Shareholders' Equity	283,634	272,936
Net Tangible Assets Per Share (RM)	2.72	2.65
Net Assets Per Share (RM)	2.73	2.65

(The Condensed Consolidated Balance Sheets 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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2005

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2005

	Year ended 31 Dec 2005 RM ' 000	Year ended 31 Dec 2004 RM ' 000
Net Profit before tax	23,947	63,707
Adjustments for non-cash flow:-		
Non-cash items	15,135	6,532
Non-operating items	1,075	900
Operating Profit Before Changes In Working Capital	40,157	71,139
Changes In Working Capital :		
Net Change in Current Assets	51,750	(54,942)
Net Change in Current Liabilities	(2,189)	(1,384)
Income Tax Paid	(13,144)	(15,209)
Net Cash From / (Used In) Operating Activities	76,574	(396)
Investing Activities :		
Equity Investments	1,039	162
Other Investments	(57,406)	(1,143)
Net Cash From / (Used In) Investing Activities	(56,367)	(981)
Financing Activities :		
Bank Borrowings	(7,720)	5,559
Issue of shares	2,325	2,404
Others	(9,842)	(5,641)
Net Cash From / (Used In) Financing Activities	(15,237)	2,322
Net Change in Cash & Cash Equivalents	4,970	945
Cash & Cash Equivalents at beginning of year	2,345	1,400
Cash & Cash Equivalents at end of year	7,315	2,345

(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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2005

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2005

	Issued Capital RM '000	Share Premium RM '000	Non - distributable Reserves		Treasury Shares RM '000	Distributable Reserves Unappropriated profit RM '000	Total Shareholders' Equity RM '000
			Reserve on Consolidation RM '000	General Reserve RM '000			
Balance as at 1 January 2005	105,593	23,166	1,366	1,186	(4,020)	145,645	272,936
Movements during the year (cumulative)							
<i>Issue of shares</i>	1,906	419	-	-	-	-	2,325
<i>Shares repurchased</i>	-	-	-	-	(1,444)	-	(1,444)
<i>Net profit for the year</i>						16,593	16,593
<i>Dividends</i>	-	-	-	-	-	(6,776)	(6,776)
Balance as at 31 December 2005	107,499	23,585	1,366	1,186	(5,464)	155,462	283,634

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2004

	Issued Capital RM '000	Share Premium RM '000	Non - distributable Reserves		Treasury Shares RM '000	Distributable Reserves Unappropriated profit RM '000	Total Shareholders' Equity RM '000
			Reserve on Consolidation RM '000	General 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 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 Dec 2004	105,593	23,166	1,366	1,186	(4,020)	145,645	272,936

(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 FOURTH FINANCIAL QUARTER

ENDED 31 DECEMBER 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	14,054	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
October	30,000	1.65	49,464	30,000
November	67,000	1.54	103,572	67,000
December	274,700	1.30	358,352	274,700
<i>Total as at 31-12-2005</i>	3,565,500	1.53	5,464,525	3,565,500

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 1,772,000 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 FOURTH FINANCIAL QUARTER

ENDED 31 DECEMBER 2005

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

A8 Segmental Reporting

Segmental analysis for the current financial year to date ended 31 December 2005 are as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
Revenue	<u>217,169</u>	<u>111,868</u>	<u>329,037</u>
Results			
Segment results	<u>11,057</u>	<u>13,672</u>	24,729
Unallocated corporate expenses			(341)
Profit from operations			<u>24,388</u>

Segmental analysis for the previous financial year to date 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>

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

During the quarter, the Company increased its shareholding in its subsidiary, Taik Bee Hardware Sdn Bhd from 66.29 % to 100 % by the purchase of the remaining 1,752,872 ordinary shares of RM1.00 each not already held by the Company.

A12 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets at the date of issue of the quarterly report.

A13 Capital Commitment

Capital Commitment as at 31 December 2005 are as follows:

	RM '000
Capital expenditure :	
Contracted but not provided for	<u>3,074</u>



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ENDED 31 DECEMBER 2005

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

A14 Impairment of Assets

The impairment loss of RM96,486 which was previously recognised by the Group in respect of plant and machinery were reversed upon disposal of the plant and machinery in the current financial year to date.

A15 Write Down of Inventories to Net Realisable Value

During the year a total write down of RM 13,403,778 was made against inventory cost for which net realisable values had fallen below their respective cost. The write down up to the end of the previous quarter ended 30 September 2005 was RM 4,667,108. A further write down of RM 8,736,669 in the fourth quarter ended 31 December 2005 was made to write down the value of the Group's inventories to either net realisable value or replacement cost as the basis for the best estimate of net realisable value in view of the decline in prices.



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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 todate was RM329.04 million, a decrease of 2.23% when compared to RM336.54 million achieved in the previous year. Profit before tax decreased by 62.41% to RM23.95 million from RM63.71 million previously. The previous year 2004 was an exceptional year of rapidly increasing prices which led to an opportunity to make inventory gains. In 2005, this trend was in reverse and selling prices declined resulting in the lower profit.

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

Turnover decreased by 5.22% in the fourth quarter to RM85.83 million from RM90.56 million in the preceding quarter due to slower economic activities during the year end festivities. The Group reports a loss before tax of RM1.03 million for the quarter as a result of writing down the value of inventories which net realisable values had reduced below purchase cost. The profit before tax of the preceding quarter was RM5.79 million.

B3 Prospects for the current financial year

The Group continues to increase focus on higher value added products and on improvements in operational efficiency to reduce overall costs which will increase profit margins. The reduction of inventory levels and borrowings also positions the company to capitalise on future market potential. The prospect for the current financial year is therefore expected to be reasonably good.

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

Not applicable

(b) Shortfall in Profit Guarantee

Not applicable

B5 Taxation

Estimated tax payable

Deferred taxation

Under/(over) provision in prior year

Net provision for taxation

The effective tax rate for the financial year is slightly lower than the statutory tax rate due mainly to receipt of tax exempt income.

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

The sale of unit trusts resulted in a gain of RM34,273 and RM42,239 for the current quarter and financial year todate 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 RM96,081 in the fourth quarter and RM261,810 for the financial year todate. Apart from the above, there are no other disposals of unquoted investments and / or properties during the quarter and financial year todate.



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

B7 Purchases or Disposal of Quoted Securities

(a)	Current Quarter 31-12-2005 RM' 000	Financial Year to date 31-12-2005 RM' 000
Total purchase consideration	-	-
Total sale proceeds	-	949
Total loss on disposals	-	(47)
(b) Investments as at 31 December 2005		RM'000
At Cost		793
At Book Value		628
At Market Price		628

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 2005 are as follows:-

(a) <i>Short term borrowings</i>	RM' 000	
USD Trade loan (USD 988,411)	3,731	Unsecured
Bankers acceptance	5,000	Unsecured
Bank overdraft	26	Unsecured
Fixed Term Loan		
- Amount due within 12 months (USD 2,268,000)	8,571	Unsecured
	<u>17,328</u>	
(b) <i>Long term borrowings</i>		
Fixed Term Loan		
- Non current portion (USD 3,967,823)	14,995	Unsecured
Total Borrowings	<u>32,323</u>	

The Group has no debt securities as at 31 December 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 RM118,092. 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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EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA - PART A OF APPENDIX 9B)

B12 Dividend

- a) i) A final ordinary dividend have been recommended.
- ii) Amount per share for final ordinary dividend is 6 sen less 28% tax.
- iii) Previous year ended 31 December 2004 : 6 sen less 28% tax and special dividend of 3 sen less 28% tax
- iv) Date payable : 18 August 2006
- v) Entitlement date : 28 July 2006

b)

Total dividend proposed for the current financial year ended 31 December 2005 of final ordinary dividend 6% less 28% tax have not been accrued as a liability in compliance with FRS 110, "Events after Balance Sheet Date".

B13 Earnings Per Share (EPS)

		3 months ended		12 months ended	
		31-12-2005	31-12-2004	31-12-2005	31-12-2004
Basic earnings per share					
(a)	Net profit for the year	(RM '000)	(1,156)	11,327	16,593
	Weighted average number of ordinary shares in issue	(' 000)	104,130	102,209	103,790
	Basic earnings per share	(sen)	(1.11)	11.08	15.99
Diluted earnings per share					
(b)	Net profit for the year	(RM '000)	(1,156)	11,327	16,593
	Weighted average number of ordinary shares in issue	(' 000)	104,130	102,209	103,790
	Adjustment for share options	(' 000)	1,043	2,951	1,351
	Weighted average number of ordinary shares for diluted earnings per share	(' 000)	105,173	105,160	105,141
	Diluted earnings per share	(sen)	(1.10)	10.77	15.78