

CHOO BEE METAL INDUSTRIES BERHAD

(Company No. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2003

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	2003 Current quarter ended 30 June RM'000	2002 Comparative quarter ended 30 June RM'000	2003 6 months Cumulative to date RM'000	2002 6 months Cumulative to date RM'000
Revenue	74,852	52,015	129,680	101,549
Profit from Operations	10,199	7,057	16,329	10,081
Interest Income	279	270	443	499
Finance costs	(109)	(86)	(209)	(145)
Income from other investments	211	65	931	208
Profit before tax	10,580	7,306	17,494	10,643
Taxation	(3,115)	(1,867)	(4,592)	(2,990)
Profit after tax	7,465	5,439	12,902	7,653
Minority Interest	(220)	(187)	(499)	(298)
Net Profit for the period	7,245	5,252	12,403	7,355
Earnings per share (EPS) :				
a) Basic	7.29	5.28	12.47	7.40
b) Diluted	7.19	5.22	12.31	7.31

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002)

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INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2003

CONDENSED CONSOLIDATED BALANCE SHEET

	As at period ended 30 June 2003 RM'000	As at year ended 31 Dec 2002 RM'000
Property, plant and equipment	49,007	48,340
Other investments	6,090	18,058
Current assets		
<i>Inventories</i>	113,956	90,207
<i>Trade receivables</i>	80,042	61,369
<i>Other receivables and prepaid expenses</i>	5,420	8,898
<i>Cash & cash equivalents</i>	7,416	12,852
	206,834	173,326
Current liabilities		
<i>Trade payables</i>	6,783	4,064
<i>Other payables and accrued expenses</i>	8,933	12,750
<i>Short term borrowings</i>	13,870	4,302
<i>Tax liabilities</i>	1,517	671
<i>Proposed dividend</i>	3,579	-
	34,682	21,787
Net current assets	172,152	151,539
Long-term and Deferred Liabilities		
<i>Deferred tax liabilities</i>	(5,472)	(5,491)
Minority interests	(5,855)	(5,356)
	215,922	207,090
Represented by :		
Issued capital	102,169	102,139
Reserves	113,753	104,951
Shareholders' Equity	215,922	207,090
Net Tangible Assets Per Share (RM)	2.17	2.08

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002)

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(Company No. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2003

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2003

	Period ended 30 June 2003 RM ' 000
Net Cash Used In Operating activities	(22,717)
Net Cash From Investing activities	10,457
Net Cash From Financing activities	<u>6,824</u>
Net Change in Cash & Cash Equivalents	(5,436)
Cash & Cash Equivalents at beginning of year	<u>12,852</u>
Cash & Cash Equivalents at end of period	<u><u>7,416</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002)

Note: No comparative figures are available as the first interim financial report prepared in accordance with MASB 26, Interim Financial Reporting only took effect in the third quarter 2002.

CHOO BEE METAL INDUSTRIES BERHAD

(Company No. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2003**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2003**

	----- Non-distributable Reserves ----->					<---Distributable Reserves--->		Total Shareholders' Equity	
	Issued Capital	Share Premium	Revaluation Reserve	Reserve on Consolidation	General Reserve	Treasury Shares	Unappropriated profit		Capital Reserve
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 January, 2003									
As previously stated	102,139	22,461	84	1,494	1,186	(3,965)	84,023	-	207,422
Prior year adjustments	-	-	(84)	-	-	-	(248)	-	(332)
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	-	1,494	1,186	(3,991)	92,599	-	215,922

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002)

Note: No comparative figures are available as the first interim financial report prepared in accordance with MASB 26, Interim Financial Reporting only took effect in the third quarter 2002

CHOO BEE METAL INDUSTRIES BERHAD
(COMPANY NO. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2003

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 Kuala Lumpur Stock Exchange. The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2002. 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 2002 except for the adoption of MASB 25, Income Taxes. The change and effects of adopting MASB 25 which resulted in prior year adjustments are as follows :

a) Change in Accounting policy

MASB 25 : Income Taxes

Under MASB 25, deferred tax liabilities are recognised for all taxable temporary differences. Previously, deferred tax liabilities were provided for on account of timing differences only to the extent that a tax liability was expected to materialise in the foreseeable future.

b) Prior Year Adjustments

The change in accounting policy has been applied retrospectively and comparatives have been restated. The effects of the change on revaluation surplus are as follows :

	As Previously Reported	Effects of change in policy	As restated
	RM '000	RM '000	RM '000
At 31 December 2002			
Retained profits	84,023	(248)	83,775
Deferred tax liabilities	5,108	383	5,491
Minority Interest	5,408	(52)	5,356
Revaluation reserves	84	(84)	-
Net Tangible Assets Per Share (RM)	2.09	(0.01)	2.08

The adoption of MASB 25 does not materially affect the computation of income taxes for the current financial period.

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 Nature and amount of 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.

CHOO BEE METAL INDUSTRIES BERHAD (COMPANY NO. 10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2003
EXPLANATORY NOTES : (AS PER MASB 26 - PARAGRAPH 16)

A6 Changes in Debt and Equity Securities

Details of share buy-back for the current financial year todate.

	<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>
Opening balance at 1-1-2003	2,710,000	1.46	3,965,291	2,710,000
January	5,000	1.20	5,991	5,000
February	1,000	1.19	1,194	1,000
April	7,000	1.21	8,442	7,000
May	2,000	1.34	2,671	2,000
June	5,000	1.42	7,090	5,000.00
Total as at 30-06-2003	2,730,000	1.46	3,990,679	2,730,000

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 13,000 shares and 17,000 shares of RM 1 each issued at RM 1.20 and RM 1.05 respectively under the Employees Share Option Scheme (ESOS) for the current financial year todate.

A7 Dividend

The final dividend of 5% less 28% tax amounting to RM 3,585,672 in respect of the year ended 31 December 2002 was paid on 18 August 2003.

A8 Segmental Reporting

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

By Business Segments :

	Trading RM' 000	Manufacturing RM' 000	Total 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

Segmental analysis for the previous financial year todate ended 30 June 2002 are as follows:-

By Business Segments :

	Trading RM' 000	Manufacturing RM' 000	Total RM' 000
Revenue	68,242	33,307	101,549
Results:			
Segment results	4,834	5,357	10,191
Unallocated corporate expenses			(110)
Profit from operations			10,081

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 2003 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.

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(COMPANY NO. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2003**EXPLANATORY NOTES : (AS PER KLSE LISTING REQUIREMENT - PART A OF APPENDIX 9B)****B1 Review of the Performance of the Company and its Principal Subsidiaries**

The Group profit before tax for the financial year to date increased by 64.4% to RM 17.5 million from RM 10.6 million in the corresponding period in 2002. This was achieved against an increase in turnover of 27.7% to RM 129.7 million from RM 101.5 million recorded for the corresponding period of the preceding year. The increase in profit and turnover was due to the increase in demand and price levels since the first quarter of the year.

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

The Group achieved a turnover of RM 74.9 million in the current quarter which was 36.5% higher than the immediate preceding quarter. Group profit before tax increased by 53.0% to RM 10.6 million from RM 6.9 million in the preceding quarter. The higher profit was mainly attributable to the increase in sales volume and a slight improvement in margin.

B3 Prospects for the current financial year

Global steel prices have started to recover with signs of renewed buying interest from China. However, local prices are not expected to sustain at the levels seen during first half of this year. Nevertheless, with the accommodative monetary policy and fiscal stimulus package implemented by the Government and the steel servicing centre being fully in operation, the Board expects the performance of the Group for the current financial year to be better than the previous year.

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

Not applicable

(b) Shortfall in Profit Guarantee

Not applicable

B5 Taxation

	Current year quarter 30-06-2003 RM' 000	Financial year to date 30-06-2003 RM' 000
Estimated tax payable	2,785	4,611
Deferred taxation	330	(19)
	3,115	4,592
Under/(Overprovision) in prior year	-	-
Net provision for taxation	3,115	4,592

The effective tax rate for the financial year 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

Profit realised on the sale of Bond Fund Unit Trusts in the first quarter and financial year to date amounted to RM 526,000. Apart from the above, there was no other profit or loss on sales of unquoted investments and/or properties during the period.

B7 Purchases or Disposal of Quoted Securities

(a)	Current Quarter RM' 000	Financial Year to Date RM' 000
Total purchase consideration	-	-
Total sale proceeds	49	651
Total loss on disposals	(12)	(48)
(b) Investments as at 30 June 2003		RM'000
At Cost		2,151
At Book Value		2,090
At Market Price		2,090

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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 2003 are as follows:-

Short Term borrowings

		RM' 000	
USD Trade loan	(USD 2,637,000)	10,022	Unsecured
Bankers acceptance		3,848	Unsecured
		<u>13,870</u>	

The Group has no debt securities as at 30 June 2003.

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 March 7, 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 April 24, 2000 against the defamation suit and for the recovery. 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 and year to date.

B13 Earnings Per Share (EPS)

		3 months ended		6 months ended		3 months ended	
		30-06-2003	30-06-2002	30-06-2003	30-06-2002	31-03-2003	31-03-2002
Basic earnings per share							
a) Net profit for the period	(RM '000)	7,245	5,252	12,403	7,355	7,245	5,252
Weighted average number of							
ordinary shares in issue	(' 000)	99,423	99,455	99,423	99,455	99,458	99,515
Basic earnings per share	(sen)	7.29	5.28	12.47	7.40	7.28	13.44
Diluted earnings per share							
b) Net profit for the period	(RM '000)	7,245	5,252	12,403	7,355	7,245	5,252
Weighted average number of							
ordinary shares in issue	(' 000)	99,423	99,455	99,423	99,455	99,458	99,515
Adjustment for share options	(' 000)	1,295	1,159	1,295	1,159	1,295	2,492
Weighted average number of							
ordinary shares for diluted							
earnings per share	(' 000)	100,718	100,614	100,718	100,614	100,753	102,007
Diluted earnings per share	(sen)	7.19	5.22	12.31	7.31	7.19	5.15