

CHOO BEE METAL INDUSTRIES BERHAD

(Company No. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2003

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	2003 Current quarter ended 30 Sept RM'000	2002 Comparative quarter ended 30 Sept RM'000	2003 9 months Cumulative to date RM'000	2002 9 months Cumulative to date RM'000
Revenue	79,412	58,582	209,092	160,131
Profit from Operations	8,383	6,034	24,710	16,262
Interest Income	166	400	610	899
Finance costs	(83)	(65)	(292)	(211)
Income from other investments	209	51	1,140	113
Profit before tax	8,675	6,420	26,168	17,063
Taxation	(1,299)	(1,397)	(5,891)	(4,387)
Profit after tax	7,376	5,023	20,277	12,676
Minority Interest	(281)	(168)	(779)	(466)
Net Profit for the period	7,095	4,855	19,498	12,210
Earnings per share (EPS) :				
a) Basic	7.13	4.88	19.59	12.28
b) Diluted	6.99	4.85	19.21	12.20

(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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(Company No. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2003

CONDENSED CONSOLIDATED BALANCE SHEET

	As at period ended 30 Sept 2003 RM'000	As at year ended 31 Dec 2002 RM'000
Property, plant and equipment	48,349	48,340
Other investments	5,143	18,058
Current assets		
<i>Inventories</i>	114,338	90,207
<i>Trade receivables</i>	89,059	61,369
<i>Other receivables and prepaid expenses</i>	7,749	8,898
<i>Cash & cash equivalents</i>	19,342	12,852
	<hr/> 230,488	<hr/> 173,326
Current liabilities		
<i>Trade payables</i>	7,943	4,064
<i>Other payables and accrued expenses</i>	8,534	12,750
<i>Short term borrowings</i>	30,718	4,302
<i>Tax liabilities</i>	2,180	671
	<hr/> 49,375	<hr/> 21,787
Net current assets	181,113	151,539
Long-term and Deferred Liabilities		
<i>Deferred tax liabilities</i>	(4,891)	(5,491)
Minority interests	(6,135)	(5,356)
	<hr/> 223,579	<hr/> 207,090
Represented by :		
Issued capital	102,652	102,139
Reserves	120,927	104,951
Shareholders' Equity	<hr/> 223,579	<hr/> 207,090
Net Tangible Assets Per Share (RM)	2.24	2.08

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

CHOO BEE METAL INDUSTRIES BERHAD

(Company No. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2003**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2003**

	Period ended 30 Sept 2003 RM ' 000	Period ended 30 Sept 2002 RM ' 000
Net Cash (Used In) / From Operating activities	(24,965)	17,749
Net Cash (Used In) / From Investing activities	11,308	(7,501)
Net Cash (Used In) / From Financing activities	20,147	(2,103)
Net Change in Cash & Cash Equivalents	6,490	8,145
Cash & Cash Equivalents at beginning of year	12,852	8,306
Cash & Cash Equivalents at end of period	19,342	16,451

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

CHOO BEE METAL INDUSTRIES BERHAD

(Company No. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2003

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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)
Restated balance	102,139	22,461	-	1,494	1,186	(3,965)	83,775	-	207,090
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	-	1,494	1,186	(3,992)	99,686	-	223,579

CHOO BEE METAL INDUSTRIES BERHAD

(Company No. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2003**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2002**

	←-----		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, 2002									
As previously stated	101,877	22,409	84	1,494	1,186	(3,235)	67,298	1	191,114
Prior year adjustments	-	-	-	-	-	-	3,588	-	3,588
Restated balance	101,877	22,409	84	1,494	1,186	(3,235)	70,886	1	194,702
Movements during the period (cumulative)									
<i>Issue of shares</i>	262	52	-	-	-	-	-	-	314
<i>Shares repurchased</i>	-	-	-	-	-	(701)	-	-	(701)
<i>Net profit for the period</i>							12,210	-	12,210
<i>Dividends</i>	-	-	-	-	-	-	(3,582)	-	(3,582)
<i>Transfer of capital reserve</i>							1	(1)	
Balance as at 30 September, 2002	102,139	22,461	84	1,494	1,186	(3,936)	79,515	-	202,943

(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)

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

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 RM '000	Effects of change in policy RM '000	As restated 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 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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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
August	1,000	1.69	1,695	1,000
Total as at 30-09-2003	2,731,000	1.46	3,992,374	2,731,000

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 439,000 shares and 74,000 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 September 2003 are as follows:-

By Business Segments :

	Trading RM' 000	Manufacturing RM' 000	Total RM' 000
Revenue	131,075	78,017	209,092

Results:

Segment results	8,852	16,018	24,870
Unallocated corporate expenses			(160)
Profit from operations			24,710

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

By Business Segments :

	Trading RM' 000	Manufacturing RM' 000	Total RM' 000
Revenue	108,202	51,929	160,131

Results:

Segment results	12,884	3,558	16,442
Unallocated corporate expenses			(180)
Profit from operations			16,262

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 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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INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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's turnover increased 30.6% to RM 209.1 million in the financial year to date from RM 160.1 million in the corresponding period in 2002. Group's profit before tax increased 53.4% to RM 26.2 million from RM 17.1 million compared to the corresponding period in 2002. The improved performance of the Group was due to higher prices and increased demand compared to the corresponding period last year.

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 79.4 million for the current quarter which was 6.1% higher than the immediate preceding quarter. However, Group profit before tax decreased 18.0% to RM 8.7 million from RM 10.6 million in the preceding quarter. The decrease was attributable to softening of demand leading to narrower margins in the third quarter compared with the second quarter.

B3 Prospects for the current financial year

Overall world steel prices continues on its recovery trend and this lends support to domestic selling prices. However, prices are expected to consolidate at present levels and volume is not expected to increase as the financial year approaches the festive period. Nevertheless, the Board is confident that the Group's performance for the year will be much better than the previous year as to date it has already surpassed the results of year 2002.

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 30-09-2003 RM' 000	Financial year to date 30-09-2003 RM' 000
Estimated tax payable	2,160	6,771
Deferred taxation	(581)	(600)
	1,579	6,171
Under/(Overprovision) in prior year	(280)	(280)
Net provision for taxation	1,299	5,891

The effective tax rate for the quarter and 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

The profit from sale of Bond Fund Units Trusts for the financial year to date amounted to RM 127,000. During the quarter to 30 September 2003 the sale of Bond Fund Units Trusts resulted in a loss of RM 401,000. The loss arose as a result of units 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 509,800. The net profit resulting from the investment in Bond Funds Units Trusts for which the loss of RM 401,000 is reported is actually RM 108,800. Apart from the above, there are 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	14	665
Total gain/(loss) on disposals	3	(45)
(b) Investments as at 30 September 2003		RM'000
At Cost		2,140
At Book Value		2,140
At Market Price		2,152

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(COMPANY NO. 10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2003**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 2003 are as follows:-

Short Term borrowings		RM' 000	
USD Trade loan	(USD 7,995,693)	30,388	Unsecured
Bankers acceptance		<u>330</u>	Unsecured
		<u>30,718</u>	

The Group has no debt securities as at 30 September 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 of a debt amounting to RM118,092.41.

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		9 months ended		3 months ended	
		30-09-2003	30-09-2002	30-09-2003	30-09-2002	31-03-2003	31-03-2002
Basic earnings per share							
a)	Net profit for the period (RM '000)	7,095	4,855	19,498	12,210	7,095	4,855
	Weighted average number of ordinary shares in issue (' 000)	99,533	99,463	99,533	99,463	99,458	99,515
	Basic earnings per share (sen)	7.13	4.88	19.59	12.28	7.13	13.44
Diluted earnings per share							
b)	Net profit for the period (RM '000)	7,095	4,855	19,498	12,210	7,095	4,855
	Weighted average number of ordinary shares in issue (' 000)	99,533	99,463	99,533	99,463	99,458	99,515
	Adjustment for share options (' 000)	1,982	639	1,982	639	1,982	2,492
	Weighted average number of ordinary shares for diluted earnings per share (' 000)	101,515	100,102	101,515	100,102	101,440	102,007
	Diluted earnings per share (sen)	6.99	4.85	19.21	12.20	6.99	4.76