

**CHOO BEE METAL INDUSTRIES BERHAD**

( Company No. 10587-A)

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2003**

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	2003	2002	2003	2002
	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	69,221	50,514	278,313	210,645
Profit from Operations	8,722	3,892	33,432	20,154
Interest Income	247	(185)	857	714
Finance costs	(142)	(74)	(434)	(285)
Income from other investments	289	323	1,429	436
Profit before tax	9,116	3,956	35,284	21,019
Taxation	(2,868)	385	(8,759)	(4,002)
Profit after tax	6,248	4,341	26,525	17,017
Minority Interest	(258)	171	(1,037)	(295)
Net Profit for the year	5,990	4,512	25,488	16,722
Earnings per share (EPS) :				
a) Basic	6.00	4.54	25.54	16.81
b) Diluted	5.88	4.50	25.03	16.69

(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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2003**

## CONDENSED CONSOLIDATED BALANCE SHEET

	As at year ended 31 Dec 2003 RM'000	As at year ended 31 Dec 2002 RM'000
Property, plant and equipment	47,683	48,340
Other investments	6,036	18,058
Deferred tax asset	214	20
Current assets		
<i>Inventories</i>	149,752	90,207
<i>Trade receivables</i>	84,279	61,369
<i>Other receivables and prepaid expenses</i>	11,311	8,898
<i>Tax recoverable</i>	-	904
<i>Cash &amp; cash equivalents</i>	3,186	12,852
	<hr/> 248,528	<hr/> 174,230
Current liabilities		
<i>Trade payables</i>	8,411	4,064
<i>Other payables and accrued expenses</i>	12,782	12,674
<i>Short term borrowings</i>	36,223	4,302
<i>Tax liabilities</i>	2,282	1,575
	<hr/> 59,698	<hr/> 22,615
Net current assets	188,830	151,615
Long-term and Deferred Liabilities		
<i>Deferred tax liabilities</i>	(5,286)	(5,473)
<i>Others</i>	(352)	(76)
Minority interest	<hr/> (6,400)	<hr/> (5,363)
	<hr/> 230,725	<hr/> 207,121
Represented by :		
Issued capital	103,612	102,139
Reserves	127,113	104,982
Shareholders' Equity	<hr/> 230,725	<hr/> 207,121
Net Tangible Assets Per Share (RM)	2.29	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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2003****CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003**

	Year ended 31 Dec 2003 RM ' 000	Year ended 31 Dec 2002 RM ' 000
Net Cash (Used In) / From Operating activities	(46,751)	28,355
Net Cash From / (Used In) Investing activities	10,750	(20,334)
Net Cash From / (Used In) Financing activities	24,549	(1,853)
Net Change in Cash & Cash Equivalents	(11,452)	6,168
Cash & Cash Equivalents at beginning of year	12,851	6,683
Cash & Cash Equivalents at end of year	1,399	12,851

( The Condensed Consolidated Cash Flow 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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2003**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2003

	←-----		Non-distributable Reserves		-----→		←-Distributable Reserves->		Total Shareholders' Equity RM '000
	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	
Balance as at 1 January, 2003									
As previously stated	102,139	22,461	84	1,494	1,186	(3,965)	84,024	-	207,423
Prior year adjustments	-	-	(84)	(128)	-	-	(90)	-	(302)
Restated balance	102,139	22,461	-	1,366	1,186	(3,965)	83,934	-	207,121
Movements during the year									
<i>Issue of shares</i>	1,473	282	-	-	-	-	-	-	1,755
<i>Shares repurchased</i>	-	-	-	-	-	(53)	-	-	(53)
<i>Net profit for the period</i>	-	-	-	-	-	-	25,488	-	25,488
<i>Dividends</i>	-	-	-	-	-	-	(3,586)	-	(3,586)
Balance as at 31 December, 2003	103,612	22,743	-	1,366	1,186	(4,018)	105,836	-	230,725

**CHOO BEE METAL INDUSTRIES BERHAD**

(Company No. 10587-A)

**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2003**
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2002**

	<----->		Non-distributable Reserves		----->		<-Distributable Reserves->		Total Shareholders' Equity RM '000
	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	
Balance as at 1 January, 2002									
As previously stated	101,877	22,409	84	1,494	1,186	(3,234)	70,886	1	194,703
Prior year adjustments	-	-	(84)	(128)	-	-	(93)	-	(305)
Restated balance	101,877	22,409	-	1,366	1,186	(3,234)	70,793	1	194,398
Movements during the year									
<i>Issue of shares</i>	262	52	-	-	-	-	-	-	314
<i>Shares repurchased</i>	-	-	-	-	-	(731)	-	-	(731)
<i>Net profit for the year</i>									
<i>As previously stated</i>	-	-	-	-	-	-	16,719		16,719
<i>Prior year adjustments</i>	-	-	-	-	-	-	3		3
<i>Restated balance</i>							16,722		16,722
<i>Dividends</i>	-	-	-	-	-	-	(3,582)	-	(3,582)
<i>Transfer of capital reserve</i>							1	(1)	-
Balance as at 31 December, 2002	102,139	22,461	-	1,366	1,186	(3,965)	83,934	-	207,121

( 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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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 Malaysia Securities Exchange Berhad (MSEB). 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

With the adoption of MASB 25, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

## b) Prior Year Adjustments

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

	As Previously Reported RM '000	Effects of change in policy RM '000	As restated RM '000
<b>For the financial year ended</b>			
<b>31 December 2002</b>			
Net profit for the year	16,719	3	16,722
Minority interest	(294)	(1)	(295)
Income tax expense	(4,007)	5	(4,002)
<b>As at 31 December 2002</b>			
Unappropriated profits	84,024	(90)	83,934
Deferred tax liability	5,107	366	5,473
Deferred tax asset	-	20	20
Minority Interest	5,408	(45)	5,363
Revaluation reserve	84	(84)	-
Reserve on consolidation	1,494	(128)	1,366
Net Tangible Assets Per Share (RM)	2.09	(0.01)	2.08
<b>As at 31 December 2001</b>			
Deferred tax liability	4,693	372	5,065
Deferred tax asset	-	22	22
Minority Interest	5,114	(46)	5,068
Revaluation reserve	84	(84)	-
Reserve on consolidation	1,494	(128)	1,366
Unappropriated profits	70,886	(93)	70,793

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

**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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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>
<b>Opening balance at 1-1-2003</b>	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
October	15,000	1.74	26,168	15,000
<b>Total as at 31-12-2003</b>	2,746,000	1.46	4,018,542	2,746,000

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 1389,000 shares and 84,000 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 31 December 2003 are as follows:-

By Business Segments :

	Trading RM' 000	Manufacturing RM' 000	Total RM' 000
<b>Revenue</b>	179,418	98,895	278,313
<b>Results:</b>			
Segment results	17,148	16,476	33,624
Unallocated corporate expenses			(192)
Profit from operations			33,432

Segmental analysis for the previous financial year todate ended 31 December 2002 are as follows:-

By Business Segments :

	Trading RM' 000	Manufacturing RM' 000	Total RM' 000
<b>Revenue</b>	133,262	77,383	210,645
<b>Results:</b>			
Segment results	8,320	12,065	20,385
Unallocated corporate expenses			(231)
Profit from operations			20,154

**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 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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2003**

**EXPLANATORY NOTES : (AS PER M5EB LISTING REQUIREMENT - PART A OF APPENDIX 9B)**

**B1 Review of the Performance of the Company and its Principal Subsidiaries**

Consolidated Group turnover increased by 32.1% to RM 278.3 million in the financial year ended 31 December 2003 from RM 210.6 million recorded in 2002. Consolidated Group profit before tax increased by 67.9% to RM 35.3 million from RM 21.0 million in the previous year. The impressive performance of the Group was mainly attributable to higher margins and better demand.

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

The Group's turnover of RM 69.2 million for the current quarter was 12.8% lower than the immediate preceding quarter. However, Group profit before tax increased by 5.1% to RM 9.1 million from RM 8.7 million in the preceding quarter. The lower turnover was largely due to the slowdown in economic activity during the year end festive season. However, margins continued to improve during the quarter resulting in the increase in profit.

**B3 Prospects for the current financial year**

World steel prices continued to be on the uptrend in line with strong demand from China. Higher selling prices in the domestic market are expected to remain due to the strong growth in demand for steel products. This augurs well for the Group and the Board expects the performance of the Group for the current financial year to be satisfactory.

**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 31-12-2003 RM' 000	Financial year to date 31-12-2003 RM' 000
Estimated tax payable	2,660	9,431
Deferred taxation	219	(381)
	2,879	9,050
Overprovision in prior year	(11)	(291)
Net provision for taxation	2,868	8,759

The effective tax rate for the financial year is lower than the statutory tax rate due to the availability of reinvestment allowances to set-off against a portion of the business income that would otherwise have been subjected to tax.

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

The profit from sale of Bond Fund Units Trusts for the current quarter and financial year to date amounted to RM 2,800 and RM 403,000 respectively.

**B7 Purchases or Disposal of Quoted Securities**

(a)	Current Quarter RM' 000	Financial Year to Date RM' 000
Total purchase consideration	-	-
Total sale proceeds	361	1,026
Total gain/(loss) on disposals	33	(12)
(b) Investments as at 31 December 2003		RM'000
At Cost		1,811
At Book Value		1,811
At Market Price		1,917



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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 31 December 2003 are as follows:-

<b>Short Term borrowings</b>		RM' 000	
USD Trade loan	(USD 7,045,352)	26,776	Unsecured
Bankers acceptance		7,660	Unsecured
Bank overdraft		<u>1,787</u>	
		<u>36,223</u>	

The Group has no debt securities as at 31 December 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**

- (a) i) A final ordinary dividend has been recommended  
ii) Amount per share 6 sen less 28% tax  
iii) Previous year to 31/12/2002 - 5 sen less 28% tax  
iv) Date payable : To be fixed  
v) Entitlement date : To be fixed
- (b) Total dividend proposed for the current financial year of 6 sen per share less 28% tax has not been accrued as a liability in compliance with MASB 19, "Events after Balance Sheet Date".

**B13 Earnings Per Share (EPS)**

		3 months ended		12 months ended		3 months ended	
		31-12-2003	31-12-2002	31-12-2003	31-12-2002	31-03-2003	31-03-2002
<b>Basic earnings per share</b>							
a)	Net profit for the period (RM '000)	5,990	4,512	25,488	16,722	5,990	4,512
	Weighted average number of ordinary shares in issue (' 000)	99,810	99,458	99,810	99,458	99,458	99,515
	Basic earnings per share (sen)	6.00	4.54	25.54	16.81	6.02	13.44
<b>Diluted earnings per share</b>							
b)	Net profit for the period (RM '000)	5,990	4,512	25,488	16,722	5,990	4,512
	Weighted average number of ordinary shares in issue (' 000)	99,810	99,458	99,810	99,458	99,458	99,515
	Adjustment for share options (' 000)	2,004	714	2,004	714	2,004	2,492
	Weighted average number of ordinary shares for diluted earnings per share (' 000)	101,814	100,172	101,814	100,172	101,462	102,007
	Diluted earnings per share (sen)	5.88	4.50	25.03	16.69	5.90	4.42