



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 31 Dec 2009 (Unaudited) RM'000	Preceding corresponding quarter ended 31 Dec 2008 (Unaudited) RM'000	Current financial year ended 31 Dec 2009 (Unaudited) RM'000	Preceding corresponding year ended 31 Dec 2008 (Audited) RM'000
Revenue	101,628	103,717	402,642	580,057
Other (expense)/income	(79)	1,694	665	(1,711)
Operating expenses	(93,689)	(128,506)	(376,150)	(534,785)
Finance costs	(130)	(1,451)	(725)	(5,761)
Profit/(Loss) before taxation	7,730	(24,546)	26,432	37,800
Tax (expense)/income	(526)	658	(6,938)	(9,540)
Profit/(Loss) for the quarter/year	7,204	(23,888)	19,494	28,260
Attributable to:				
Equity holders of the parent	7,204	(23,888)	19,494	28,260
Earnings/(Loss) per share:				
a) Basic (sen)	6.86	(22.57)	18.49	26.63
b) Diluted (sen)	6.86	(22.57)	18.49	26.63

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008)



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 31 Dec 2009 (Unaudited) RM'000	As at 31 Dec 2008 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	112,670	112,948
Investment properties	2,280	2,000
Prepaid interests in leased land	4,950	5,053
Other investments	2,000	-
Goodwill on consolidation	87	87
Deferred tax assets	-	160
	121,987	120,248
<b>Current Assets</b>		
<i>Inventories</i>	179,831	213,848
<i>Trade and other receivables</i>	120,676	126,538
<i>Current tax assets</i>	2,255	3,127
<i>Cash and bank balances</i>	7,257	5,552
	310,019	349,065
<b>TOTAL ASSETS</b>	432,006	469,313
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	109,903	109,903
Reserves attributable to capital	18,153	19,113
Retained earnings	245,547	230,797
	373,603	359,813
<b>Non-current Liabilities</b>		
<i>Deferred tax liabilities</i>	11,797	9,377
<i>Long-term provisions</i>	568	559
	12,365	9,936
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	22,087	11,001
<i>Borrowings</i>	23,580	88,563
<i>Current tax liabilities</i>	371	-
	46,038	99,564
<b>TOTAL LIABILITIES</b>	58,403	109,500
<b>TOTAL EQUITY AND LIABILITIES</b>	432,006	469,313
Net Tangible Assets Per Share (RM)	3.55	3.40
Net Assets Per Share (RM)	3.55	3.40

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008)



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	Year ended 31 Dec 2009 (Unaudited) RM'000	Year ended 31 Dec 2008 (Audited) RM'000
Profit before taxation	26,432	37,800
Adjustments for non-cash flow:-		
Non-cash items	8,284	57,083
Non-operating items	725	5,761
Interest income from operating activities	(323)	(1,062)
Operating Profit Before Changes In Working Capital	35,118	99,582
Changes In Working Capital :		
Net Change in Current Assets	37,508	(2,383)
Net Change in Current Liabilities	8,877	(9,983)
Income tax paid	(3,117)	(16,553)
Retirement benefits paid	(52)	(32)
Interest income	323	1,062
Net Cash Generated From Operating Activities	78,657	71,693
Investing Activities :		
Other investments	(5,539)	(6,040)
Net Cash Used In Investing Activities	(5,539)	(6,040)
Financing Activities :		
Repayment of bank borrowings	(64,409)	(53,567)
Finance cost paid	(725)	(5,761)
Dividends paid on share capital	(4,744)	(4,716)
Repurchase of own shares	(960)	(511)
Net Cash Used In Financing Activities	(70,838)	(64,555)
Net Change in Cash & Cash Equivalents	2,280	1,098
Cash & Cash Equivalents at beginning of year	4,977	3,879
Cash & Cash Equivalents at end of year	7,257	4,977

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008)



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

<----->      **Attributable to Equity Holders of the Company**      ----->  
**Non-distributable Reserves**

	Share Capital RM '000	Treasury Shares RM '000	Share Premium RM '000	General Reserve RM '000	Retained Earnings RM '000	Total Equity RM '000
<b>Balance as at 1 January 2009</b>	109,903	(6,188)	24,115	1,186	230,797	359,813
<b>Changes in equity for the year ended 31 December 2009</b>						
Profit for the year	-	-	-	-	19,494	19,494
Total recognised income and expense for the year	-	-	-	-	19,494	19,494
Dividend distributed to equity holders	-	-	-	-	(4,744)	(4,744)
Buy-back of ordinary shares	-	(960)	-	-	-	(960)
<b>Balance as at 31 December 2009</b>	<b>109,903</b>	<b>(7,148)</b>	<b>24,115</b>	<b>1,186</b>	<b>245,547</b>	<b>373,603</b>



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

**AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

<-----> **Attributable to Equity Holders of the Company** ----->  
**Non-distributable Reserves**

	Share Capital RM '000	Treasury Shares RM '000	Share Premium RM '000	General Reserve RM '000	Retained Earnings RM '000	Total Equity RM '000
<b>Balance as at 1 January 2008</b>	109,903	(5,677)	24,115	1,186	207,253	336,780
<b>Changes in equity for the year ended 31 December 2008</b>	-	-	-	-	28,260	28,260
Profit for the year	-	-	-	-	28,260	28,260
Total recognised income and expense for the year	-	-	-	-	28,260	28,260
Dividend distributed to equity holders	-	-	-	-	(4,716)	(4,716)
Buy-back of ordinary shares	-	(511)	-	-	-	(511)
<b>Balance as at 31 December 2008</b>	109,903	(6,188)	24,115	1,186	230,797	359,813



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

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

**A1 Accounting Policies and Methods of Computation**

This 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). This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2008. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2008.

**A2 Report of Auditors**

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 financial year to date.

**A5 Material Changes in estimates of amounts reported**

The Group has revised the estimated useful lives of certain plant and machineries and motor vehicles in accordance with FRS 116, which has resulted in a decrease of RM752,000 in depreciation for the current year.

**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 01-01-2009</i>	4,055,000	1.53	6,187,950	4,055,000
January	10,000	1.18	11,793	10,000
February	24,000	1.18	28,365	24,000
March	162,600	1.12	182,450	162,600
April	79,500	1.30	103,333	79,500
May	52,100	1.43	74,544	52,100
June	98,600	1.48	145,889	98,600
August	900	1.64	1,474	900
September	222,700	1.50	332,999	222,700
October	43,000	1.46	62,806	43,000
November	11,000	1.51	16,621	11,000
<b>Total as at 31-12-2009</b>	<b>4,759,400</b>	<b>1.50</b>	<b>7,148,224</b>	<b>4,759,400</b>

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 for the current financial year to date.



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

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

**A7 Dividends Paid**

The final ordinary dividend of 6% per share less 25% tax amounting to RM4,743,954 in respect of year ended 31 December 2008 was paid on 20 August 2009.

**A8 Segmental Reporting**

Segmental analysis for the current financial year ended 31 December 2009 is as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
<b>Revenue</b>	254,672	147,970	402,642
	63%	37%	
<b>Results</b>			
Segment results	8,158	19,417	27,575
Unallocated corporate expenses			(418)
Finance cost			(725)
Profit before tax			26,432

Segmental analysis for the previous financial year ended 31 December 2008 was as follows:-

By Business Segments :	Trading	Manufacturing	Total
	RM' 000	RM' 000	RM' 000
<b>Revenue</b>	369,999	210,058	580,057
	64%	36%	
<b>Results</b>			
Segment results	43,201	743	43,944
Unallocated corporate expenses			(383)
Finance cost			(5,761)
Profit before tax			37,800

**A9 Valuation of Property, Plant and Equipment**

The Group revalued upwards one of its properties by RM173,000 that was reclassified as investment property during the quarter.

**A10 Material Events**

There were no material subsequent events that have not been reflected in the financial statements for the year at the date of issue of the quarterly report.

**A11 Changes in Composition of the Group**

There were no changes in composition of the Group for the current financial year to date.

**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.



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER  
ENDED 31 DECEMBER 2009**

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

**A13 Capital Commitments**

Capital commitments as at 31 December 2009 are as follows:

	RM '000
Capital expenditure :	
Contracted but not provided for	7,684
Approved but not contracted for	844
	<u>8,528</u>

**A14 Write down of Inventories to Net Realisable Values**

Total net inventories write down for twelve months ended 31 December 2009 was RM4,096,000. The inventories were written down to either net realisable value or replacement cost as the basis for the best estimate of net realisable value.





**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

**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's revenue for the year ended 31 December 2009 decreased by RM177.5 million to RM402.6 million (YTD 4Q 2008:RM580.1 million).

Profit before tax for the year ended 31 December 2009 correspondingly decreased by RM11.4 million to RM26.4 million (2008:RM37.8 million).

During the quarter, revenue reduced by RM2.1 million to RM101.6 million as compared with RM103.7 million in 4Q 2008. However, profit before tax for the fourth quarter had increased by RM32.2 million from a loss of RM24.5 million for the corresponding quarter in 2008. The increase of profit before tax is mainly due to lower write down of inventories and better profit margin for this year.

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

While revenue remained constant at RM101.6 million (3Q 2009:RM102.1 million), the profit before tax had decreased by RM9.2 million to RM7.7 million 4Q 2009 (3Q 2009:RM16.9 million) primarily due to the higher material cost.

**B3 Prospects for the current financial year**

Steel markets will remain steady with slow recovery of global steel products prices primarily from expected price increases in iron ore. Meaningful increasing demands have yet to appear with fears over real economic recovery and sovereign defaults.

The Group's main focus remains in consolidating and improving business competitiveness through higher productivity and operational efficiency supported by business development in new and existing markets.

With improving operational conditions, and barring any unforeseen circumstances, the Group expects satisfactory performance results in 2010.

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

Not applicable.

**(b) Shortfall in Profit Guarantee**

Not applicable.

**B5 Taxation**

	Current Quarter 31-12-2009 RM' 000	Financial Year To Date 31-12-2009 RM' 000
Income tax		
- current year	57	3,849
- (over)/underprovision in prior years	(755)	728
	(698)	4,577
Deferred taxation		
- current year	1,224	2,361
Net provision for taxation	526	6,938

The effective tax rate for the current quarter under review was lower than the statutory tax rate mainly due to overprovision of tax payable in prior years and overprovision of certain expenses which were not tax deductible in previous years. For the year to date, the effective tax rate is slightly higher mainly because of the underprovision of tax for prior years.

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

There was no disposal of unquoted investment and property during the quarter.



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

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

**B7 (a) Purchases or Disposals of Quoted Securities**

	Current Quarter 31-12-2009 RM' 000	Financial Year To Date 31-12-2009 RM' 000
Total purchase consideration	-	-
Total sale proceeds	-	-
Total gain on disposals	-	-

**(b) Investments as at 31 December 2009**

	RM'000	RM'000
At Cost	2,000	2,000
At Book Value	2,000	2,000
At Market Price	2,005	2,005

**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 2009 are as follows:-

**Short term borrowings**

	RM' 000	
Bankers' acceptances	23,580	Unsecured
	23,580	

The Group has no debt securities as at 31 December 2009.

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

As at 17 February 2010, being a date not earlier than 7 days from the issue of this quarterly report, the foreign exchange currency contracts which have been entered into by the Group to hedge its foreign currency purchases are as follows:

Currency	Nature of transactions	Contract Amount in foreign currency	Date of Contracts	Maturity period of Contracts	Equivalent Amount in RM
US Dollar (USD)	Purchases	USD891,679	07.01.2010 - 12.02.2010	25.02.2010 - 12.03.2010	RM3,018,841



**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

**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 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.

As neither the Plaintiff nor their counsel were present in Court on the hearing date, 16 April 2009, the judge struck out KEW's claim against TBH for defamation and allowed TBH's counterclaim of RM118,092 together with interest. As the company is no longer in operation, we will not actively pursue this matter.

**B12 Dividend**

- a) i) A final ordinary dividend has been recommended.
  - ii) Amount per share for final ordinary dividend is 6% less 25% tax.
  - iii) Previous year ended 31 December 2008: 6% less 25% tax.
  - iv) Date payable: To be decided.
  - v) Entitlement date: To be decided.
- b) Total dividend proposed for the current financial year ended 31 December 2009 of final ordinary dividend of 6% less 25% tax has 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	
		31-12-2009	31-12-2008	31-12-2009	31-12-2008
<b>Basic earnings per share</b>					
(a) Net profit for the period	(RM '000)	7,204	(23,888)	19,494	28,260
Weighted average number of ordinary shares in issue	(' 000)	105,047	105,858	105,441	106,125
Basic earnings per share	(sen)	6.86	(22.57)	18.49	26.63
<b>Diluted earnings per share</b>					
(b) Net profit for the period	(RM '000)	7,204	(23,888)	19,494	28,260
Weighted average number of ordinary shares in issue	(' 000)	105,047	105,858	105,441	106,125
Adjustment for share options	(' 000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share	(' 000)	105,047	105,858	105,441	106,125
Diluted earnings per share	(sen)	6.86	(22.57)	18.49	26.63