



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Note	Individual quarter		Cumulative quarter	
		Current year quarter	Preceding year corresponding quarter	Current year todate	Preceding year todate
		30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)
		RM'000	RM'000	RM'000	RM'000
Revenue		107,219	124,246	361,137	361,270
Cost of sales:					
Factory and production cost		(100,456)	(110,544)	(333,308)	(325,782)
Factory depreciation		(1,405)	(1,422)	(4,212)	(4,199)
Gross profit		<u>5,358</u>	<u>12,280</u>	<u>23,617</u>	<u>31,289</u>
Other gains / (losses)	B12	1,669	(114)	1,264	988
Depreciation and amortisation		(362)	(268)	(1,046)	(808)
Administrative expenses		(2,176)	(2,518)	(7,140)	(7,516)
Selling and distribution expenses		(3,685)	(3,401)	(11,286)	(9,761)
Finance costs		(35)	(379)	(615)	(668)
Profit before taxation		<u>769</u>	<u>5,600</u>	<u>4,794</u>	<u>13,524</u>
Tax (expense) / income	B6	(3,326)	(2,064)	376	(4,166)
(Loss) / Profit for the period		<u>(2,557)</u>	<u>3,536</u>	<u>5,170</u>	<u>9,358</u>
Other comprehensive (loss) / income, net of tax		-	-	-	-
Total comprehensive (loss) / income		<u>(2,557)</u>	<u>3,536</u>	<u>5,170</u>	<u>9,358</u>
(Loss) / profit attributable to:					
Owners of the parent		<u>(2,557)</u>	<u>3,536</u>	<u>5,170</u>	<u>9,358</u>
Total comprehensive (loss) / income attributable to:					
Owners of the parent		<u>(2,557)</u>	<u>3,536</u>	<u>5,170</u>	<u>9,358</u>
Earnings per share attributable to equity holders of the Company (sen):					
a) Basic	B11(a)	(2.35)	3.25	4.75	8.59
b) Diluted	B11(b)	N/A	N/A	N/A	N/A

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements).



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

	Note	30.09.2015 (Unaudited) RM'000	31.12.2014 (Audited) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		137,961	139,400
Investment properties		1,870	1,870
Prepaid lease payments for land		2,857	2,959
		<u>142,688</u>	<u>144,229</u>
Current Assets			
Inventories		157,107	184,635
Trade and other receivables		147,450	161,452
Current tax assets		1,249	317
Cash and cash equivalents		14,536	10,425
		<u>320,342</u>	<u>356,829</u>
TOTAL ASSETS		<u>463,030</u>	<u>501,058</u>
EQUITY AND LIABILITIES			
Equity attributable to the owners of the parent			
Share capital		109,903	109,903
Treasury shares		(1,459)	(1,455)
Reserves		322,268	323,635
TOTAL EQUITY		<u>430,712</u>	<u>432,083</u>
LIABILITIES			
Non-current Liabilities			
Deferred tax liabilities		13,897	10,409
Current Liabilities			
Trade and other payables		11,155	11,516
Derivative liabilities		1,046	386
Borrowings	B8	6,220	46,664
		<u>18,421</u>	<u>58,566</u>
TOTAL LIABILITIES		<u>32,318</u>	<u>68,975</u>
TOTAL EQUITY AND LIABILITIES		<u>463,030</u>	<u>501,058</u>
Net Tangible Assets Per Share (RM)		3.95	3.97
Net Assets Per Share (RM)		3.95	3.97

(The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements).



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD
ENDED 30 SEPTEMBER 2015 (UNAUDITED)

	30.09.2015 (Unaudited) RM'000	30.09.2014 (Unaudited) RM'000
Cash Flows From Operating Activities		
Cash received from customers	412,264	378,245
Cash payments for inventory/to suppliers	(334,212)	(349,241)
Cash paid for operating expenses and to employees	(25,836)	(27,915)
Cash flows from operations	52,216	1,089
Interest received	364	364
Tax refunded	6,175	1,218
Tax paid	(3,243)	(3,115)
Net cash flows from / (used in) operating activities	55,512	(444)
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	1,240	157
Proceeds from disposal of investment properties	-	2,250
Interest received	127	93
Purchase of property, plant and equipment	(4,799)	(17,509)
Increase in fixed deposits pledged to the banks	(3)	(3)
Net cash flows used in investing activities	(3,435)	(15,012)
Cash Flows From Financing Activities		
Repayments of short-term borrowings	(150,395)	(159,380)
Drawdowns of short-term borrowings	110,161	182,499
Interest paid	(615)	(668)
Dividend paid	(6,537)	(6,537)
Repurchase of own shares	(4)	(3)
Net cash flows (used in) / from financing activities	(47,390)	15,911
Net increase in cash and cash equivalents	4,687	455
Effect of exchange rate changes on cash and cash equivalents	(579)	(106)
Cash and cash equivalents at beginning of period	10,247	8,903
Cash and cash equivalents at end of period	14,355	9,252
Cash and cash equivalents comprise:		
Cash and bank balances	14,355	9,252
Fixed deposits pledged to the bank	181	176
Cash and cash equivalents at end of period	14,536	9,428



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD
ENDED 30 SEPTEMBER 2015 (UNAUDITED) (CONT'D)

	30.09.2015 (Unaudited) RM'000	30.09.2014 (Unaudited) RM'000
Note : Reconciliation of operating profit to cash flows from operations :		
Profit before taxation	4,794	13,524
Adjustments for non-cash flow items :-		
Impairment losses on trade and other receivables	24	92
Impairment losses on trade receivables no longer required	(242)	(665)
Amortisation of prepaid lease payments for land	102	102
Depreciation of property, plant and equipment	5,156	4,905
Interest expenses	615	668
Fair value adjustments on derivative financial instruments	660	(510)
Interest income on overdue accounts	(364)	(364)
Interest income	(127)	(93)
Inventories written down	1,222	351
(Gain) / Loss on disposal of property, plant and equipment	(160)	242
Property, plant and equipment written off	2	88
Unrealised (gain) / loss on foreign exchange transactions	(467)	34
Operating profit before changes in working capital	<u>11,215</u>	<u>18,374</u>
Changes in working capital		
Inventories	26,306	8,851
Trade and other receivables	14,419	(23,761)
Trade and other payables	276	(2,375)
Cash flows from operations	<u>52,216</u>	<u>1,089</u>
Interest received	364	364
Tax refunded	6,175	1,218
Tax paid	(3,243)	(3,115)
Net cash flows from / (used in) operating activities	<u><u>55,512</u></u>	<u><u>(444)</u></u>

(The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements).



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to Owners of the Company				Retained Earnings RM '000	Total Equity RM '000
	Share Capital RM '000	Treasury Shares RM '000	Non-distributable Share Premium RM '000	General Reserve RM '000		
Balance as at 1 January 2015	109,903	(1,455)	17,765	1,186	304,684	432,083
Profit for the financial year	-	-	-	-	5,170	5,170
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	5,170	5,170
Transactions with owners						
Dividends	-	-	-	-	(6,537)	(6,537)
Purchase of treasury shares	-	(4)	-	-	-	(4)
Total transactions with owners	-	(4)	-	-	(6,537)	(6,541)
Balance as at 30 September 2015	109,903	(1,459)	17,765	1,186	303,317	430,712
Balance as at 1 January 2014	109,903	(1,452)	17,765	1,186	299,095	426,497
Profit for the financial year	-	-	-	-	9,358	9,358
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	9,358	9,358
Transactions with owners						
Dividends	-	-	-	-	(6,537)	(6,537)
Purchase of treasury shares	-	(3)	-	-	-	(3)
Total transactions with owners	-	(3)	-	-	(6,537)	(6,540)
Balance as at 30 September 2014	109,903	(1,455)	17,765	1,186	301,916	429,315

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim statements).



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements, other than for financial instruments and investment properties, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to MFRS 139 Financial Instruments: Recognition and Measurement, while investment properties are stated at fair value as per MFRS 140 : Investment Property.

The interim financial statements also has been prepared in accordance with MFRS 134 : Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia).

This interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 of the Group and the accompanying notes attached to the interim financial report. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2014, except for the adoption of the Amendments and Annual improvements to Standards effective as of 1 January 2015.

(i) MFRS, IC Interpretation and Amendments to MFRSs adopted by the Group during the current quarter:

The following MFRS, IC Interpretation and Amendments to MFRSs have been adopted by the Group during the current financial period:

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
Amendments to MFRS 119 : Defined Benefit Plans: Employee Contributions	1 January 2015
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 January 2015
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 January 2015

The adoption of the above pronouncements did not have any financial impact to the Group.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A1 Basis of preparation (Cont'd)

(ii) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been adopted by the Group:

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
--	---

Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
MFRS 14 : Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10 : Sale or Contribution of Assets and MFRS 128 : between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 : Investment Entities : Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101 : Disclosure Initiative	1 January 2016
Amendments to MFRS 116 : Clarification of Acceptable Methods and MFRS 138 : of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 : Agriculture : Bearer Plants and MFRS 141	1 January 2016
Amendments to MFRS 127 : Equity Method in Separate Financial Statements	1 January 2016
MFRS 15 : Revenue from Contracts with Customers	1 January 2018
MFRS 9 : Financial Instruments (IFRS 9 as issued by International Accounting Standards Board (“IASB”) in July 2014)	1 January 2018

Annual Improvements to MFRSs 2012 – 2014 Cycle consist of the following amendments:

(a) MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

- if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

Any change in method of disposal or distribution does not, in itself, extend the period in which a sale has to be completed.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A1 Basis of preparation (Cont'd)

(ii) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective (Cont'd)

(b) MFRS 7 Financial Instruments : Disclosures

The amendment clarifies when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognised in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset – e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred financial asset to the transferee is not, in itself, sufficient to be considered ‘continuing involvement.’

It is also amended to clarify that the additional disclosures required by Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of MFRS 134 Interim Financial Reporting require their inclusion.

(c) MFRS 119 Employee Benefits

The amendment clarifies that high-quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid. Consequently, the depth of the market for high-quality corporate bonds should be assessed at the currency level and not at the country level.

(d) MFRS 134 Interim Financial Reporting

The amendment clarifies that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed “elsewhere in the interim financial report” – i.e. incorporated by cross-reference from the interim financial statements to another part of the interim financial report (e.g. management commentary or risk report). The interim financial report is incomplete if the interim financial statements and any disclosure incorporated by cross-reference are not made available to users of the interim financial statements on the same terms and at the same time.

The adoption of the Annual Improvements to MFRSs 2012 - 2014 Cycle is not expected to have any financial impact to the Group.

Amendments to MFRS 10, MFRS 12 and MFRS 128

The amendments addresses issues that have arisen in the application of the consolidation exception for investment entities and provide relief in certain circumstances. The amendments clarify the exemption from preparing consolidated financial statements for an intermediate parent entity, a subsidiary providing services that support parent's investment activities, application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity, and the disclosures required. The adoption of these amendments is not expected to have any impact on the financial statements of the Group.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A1 Basis of preparation (Cont'd)

(ii) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective (Cont'd)

Amendments to MFRS 101

The amendments aim to improve the presentation and disclosure in the financial statements and are designed to encourage companies to apply professional judgement in determining what information to disclose and how to structure it in their financial statements. Since the amendments only affect disclosures, the adoption of these amendments are not expected to have any financial impact on the Group.

Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that the use of revenue-based methods are prohibited to calculate charges for the depreciation or amortisation of items of property, plant and equipment or intangible assets. The adoption of these amendments will not have any impact on the Group as the Group does not use revenue-based methods to calculate depreciation and amortisation of its property, plant and equipment or intangible assets.

Amendments to MFRS 127 Equity Method in Separate Financial Statements

The amendments eliminate a GAAP difference for countries where regulations require entities to use the equity method to account for investments in subsidiaries, associates and joint ventures in an entity's separate financial statements. The adoption of this amendments is not expected to have any impact on the Group.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The core principle of MFRS 15 is that an entity recognises revenue in a manner which reflects the consideration an entity expects to be entitled in exchange for goods or services. The adoption of MFRS 15 is not expected to have any material impact on the financial statements of the Group.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments, replacing MFRS 139, where a retrospective application is required, but comparative information is not compulsory. This standard made changes to the requirements for classification and measurement of financial assets and financial liabilities, impairment, and hedge accounting. It also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, it aligns hedge accounting more closely with risk management, establish a more principle-based approach base to hedge accounting and address inconsistencies and weaknesses in the previous model.

The adoption of this standard is expected to have an effect on the classification and measurement of the Group's financial assets. The Group is currently assessing the financial impact of the adoption of this standard in relation to the new requirements for classification, measurements and impairment. The requirements for hedge accounting is not relevant to the Group and is not expected to have any impact.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A1 Basis of preparation (Cont'd)

(ii) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective (Cont'd)

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

MFRS 11 Accounting for Acquisitions of Interests in Joint Operations

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 116 and MFRS 141 Agriculture : Bearer Plants

The adoption of amendments to MFRSs 10, 11 and 128 will not have any financial impact to the Group as the Group does not have any interest in joint operations. The adoption of MFRS 14 and amendments to MFRS 116 and MFRS 141 will also not have any impact to the Group as they are not relevant to the business of the Group.

A2 Auditor's report on preceding annual financial statements

The preceding year's audit report for the year ended 31 December 2014 was not qualified.

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 prevailing prices.

A4 Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the third (3rd) quarter and nine (9) months ended 30 September 2015.

A5 Material changes in estimates of amounts reported

There were no material changes in estimates of amounts reported in the previous financial year which have a material effect in the third (3rd) quarter and nine (9) months ended 30 September 2015.

A6 Capital management, issuances, repurchases, and repayments of debts and equity instruments

For the current quarter, the Company had repurchased a total of 1,000 ordinary shares of RM1.00 each of its issued share capital from the open market at an average cost of RM1.6449 per share. As at 30 September 2015, a total of 959,925 treasury shares were held by the Company. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

There were no issues of debt or equity securities for the current financial year to date.

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and long-term liabilities to be the key components in the Group's capital structure. The Group monitors capital on the basis of gearing ratio, which is net debt divided by total capital plus net debts.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A6 Capital management, issuances, repurchases, and repayments of debts and equity instruments (Cont'd)

The Group includes within net debt, loan and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the equity holders of the Group less the fair value adjustment reserve. The Group's strategy is to maintain a low gearing ratio.

The gearing ratios as at 30 September 2015 and 30 September 2014, which are within the Group's objectives for capital management, are as follows:

	<u>30.09.2015</u>	<u>30.09.2014</u>
	RM'000	RM'000
Borrowings	6,220	55,817
Trade and other payables	11,155	10,819
Less : Cash and bank balances	<u>(14,536)</u>	<u>(9,428)</u>
Net debts	<u>2,839</u>	<u>57,208</u>
Equity attributable to the owners of the parent	430,712	429,315
Capital and net debts	433,551	486,523
Gearing ratio (%)	1%	12%

A7 Dividends paid

A final single tier dividend 6% per share amounting RM6,536,644.50 in respect of financial year 31 December 2014 was paid on 18 August 2015.

A8 Operating segment information

Segment information is presented in respect of the Group's operating segments.

The Group comprises the following main operating segments:

- (i) Manufacturing Processing of steel coils into steel products and fabrication of steel products
- (ii) Trading Dealing in hardware and construction materials



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A8 Operating segment information (Cont'd)

Segment information for the quarter ended 30 September 2015 is as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Revenue			
Total revenue	68,876	51,435	120,311
Inter-segment revenue	(4,770)	(8,322)	(13,092)
Revenue from external customers	<u>64,106</u>	<u>43,113</u>	<u>107,219</u>
Profit or loss for the quarter			
Total profit	899	122	1,021
Unallocated expenses			(217)
Finance costs			<u>(35)</u>
Profit before tax			769
Tax expense			<u>(3,326)</u>
Loss after tax for the quarter			<u><u>(2,557)</u></u>

Segment information for the quarter ended 30 September 2014 is as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Revenue			
Total revenue	77,967	55,753	133,720
Inter-segment revenue	(2,227)	(7,247)	(9,474)
Revenue from external customers	<u>75,740</u>	<u>48,506</u>	<u>124,246</u>
Profit for the quarter			
Total profit	3,654	2,434	6,088
Unallocated expenses			(109)
Finance costs			<u>(379)</u>
Profit before tax			5,600
Tax expense			<u>(2,064)</u>
Profit after tax for the quarter			<u><u>3,536</u></u>



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A8 Operating segment information (Cont'd)

Segment information for the current financial period ended 30 September 2015 is as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Revenue			
Total revenue	231,554	163,982	395,536
Inter-segment revenue	(11,480)	(22,919)	(34,399)
Revenue from external customers	<u>220,074</u>	<u>141,063</u>	<u>361,137</u>
Profit or loss for the quarter			
Total profit	6,077	(203)	5,874
Unallocated expenses			(465)
Finance costs			<u>(615)</u>
Profit before tax			4,794
Tax expense			<u>376</u>
Profit after tax for the quarter			<u><u>5,170</u></u>

Segment information for the previous financial period ended 30 September 2014 is as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Revenue			
Total revenue	246,216	152,084	398,300
Inter-segment revenue	(12,681)	(24,349)	(37,030)
Revenue from external customers	<u>233,535</u>	<u>127,735</u>	<u>361,270</u>
Profit for the quarter			
Total profit	10,085	4,419	14,504
Unallocated expenses			(312)
Finance costs			<u>(668)</u>
Profit before tax			13,524
Tax expense			<u>(4,166)</u>
Profit after tax for the quarter			<u><u>9,358</u></u>



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A8 Operating segment information (Cont'd)

Segment assets and liabilities as at 30 September 2015 is as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Assets			
Total assets	158,572	286,803	445,375
Investment properties			1,870
Current tax assets			1,249
Cash and cash equivalents			14,536
			<u>463,030</u>
Liabilities			
Total liabilities	7,738	9,637	17,375
Derivative liabilities			1046
Deferred tax liabilities			13,897
			<u>32,318</u>

Segment assets and liabilities as at 30 September 2014 is as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Assets			
Total assets	182,349	312,864	495,213
Investment properties			1,629
Deferred tax assets			36
Derivative assets			237
Current tax assets			327
Cash and cash equivalents			9,428
			<u>506,870</u>
Liabilities			
Total liabilities	28,131	38,505	66,636
Deferred tax liabilities			10,919
			<u>77,555</u>



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A9 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the interim financial statements.

A10 Effects of changes in composition of the group

There were no changes in the composition of the Group during the third (3rd) quarter and nine (9) months ended 30 September 2015.

A11 Contingent assets and contingent liabilities

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

A12 Capital commitments

Authorised capital commitments not recognized in the interim financial statements as at 30 September 2015 are as follows:

	RM'000
Capital expenditure :	
Approved and contracted for	634
Approved but not contracted for	1,264
	<u>1,898</u>

A13 Related party transactions

Related party transactions for the quarter and year to date under review in which certain directors have direct/indirect interest are as follows:

	Group	
	Current year quarter	Current year todate
	RM'000	RM'000
Rental expense	<u>(220)</u>	<u>(648)</u>
	<u>(220)</u>	<u>(648)</u>

These transactions have been entered into in the normal course of business and at arms length basis and on terms no more favourable to the related party than those generally available to the public.

A14 Write back of inventories to net realizable values

Total net inventories written down to either net realizable value or replacement cost for the financial period ended 30 September 2015 was RM1,222,325.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A15 Financial instruments
(a) Financial instruments

Group	As at 30 September 2015		
	Loans and receivables	Fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Financial assets			
Trade and other receivables, net of prepayment	146,909	-	146,909
Cash and cash equivalents	14,536	-	14,536
	<u>161,445</u>	<u>-</u>	<u>161,445</u>
Financial liabilities			
Trade and other payables	11,155	-	11,155
Derivative liabilities	-	1,046	1,046
Borrowings	6,220	-	6,220
	<u>17,375</u>	<u>1,046</u>	<u>18,421</u>

Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- i. Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

- ii. Derivatives

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of the reporting period applied to a contract of similar amount and maturity profile.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A15 Financial instruments (contd.)
(a) Financial instruments (contd.)

iii. Financial guarantee

The Group and the Company provide corporate guarantees to financial institutions for banking facilities and corporate guarantee given to a third party in respect of sales of good to a subsidiary and letter of credit. The fair value of such financial corporate guarantees is negligible as the probability of the Group defaulting on the financial facilities and repayment to the supplier is not probable.

(b) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables set-out the financial instruments carried at fair value is disclosed, together with their fair values and carrying amounts showed in the statement of financial position.

	Level 1	Level 2	Level 3	Total	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
Liabilities measured at fair value					
Financial liabilities at fair value through profit or loss					
- Forward currency contracts	-	-	1,046	1,046	1,046

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial period ended 30 September 2015.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

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

B1 Review of the performance of the company and its principal subsidiaries

a) Current quarter vs. Previous year corresponding quarter

The Group recorded revenue of RM107.2 million for the quarter ended 30.09.2015 (“3Q 2015”), which contracted RM17.0 million (-13.7%) compared to revenue of RM124.2 million for the quarter ended 30.09.2014 (“3Q 2014”). The weaker performance for 3Q 2015 was contributed by both the trading and manufacturing operations.

In tandem with the downward revenue trend, the Group’s profit before taxation decrease significantly to RM0.8 million for 3Q 2015 as compared to RM5.6 million for 3Q 2014. Apart from weaker market demand and declining average selling prices compressing margins, the lower profit before taxation was further impacted by higher operating expenses. As a result of reversing deferred tax assets (previously recognised on unabsorbed reinvestment allowances) amounting to RM3.6 million for offsetting tax payable of prior year tax assessments, the Group posted a loss after taxation of RM2.6 million.

The performance of the respective operating business segments of the Group for 3Q 2015 as compared to 3Q 2014 is analysed as follows:

Manufacturing

The manufacturing operations contributed revenue of RM43.1 million in 3Q 2015, which slumped by RM5.4 million (-11.1%) compared to RM48.5 million in 3Q 2014. The softer performance was mainly attributed to weak customer demand and poor average selling prices.

Trading

The trading operations contributed revenue of RM64.1 million in 3Q 2015, a decline of RM11.6 million (-15.3%) compared to RM75.7 million recorded in 3Q 2014. The weaker performance was due to softer market demand and declining average selling prices.

b) Current year-to date vs. Previous year-to date

For the nine (9) months ended 30.09.2015 (“YTD 3Q 2015”), the Group’s revenue of RM361.1 million remained relatively flattish as compared to revenue of RM361.3 million recorded in the nine (9) months ended 30.09.2014 (“YTD 3Q 2014”). The stronger performance for 1Q 2015 prior to GST implementation was negated by the poorer 2Q 2015 and 3Q 2015 performances.

The Group's profit before taxation for YTD 3Q 2015 fell sharply by RM8.7 million to RM4.8 million as compared to RM13.5 million for YTD 3Q 2014. This was mainly due to weak market demand post GST implementation coupled with declining average selling prices pressuring the Group’s margin and higher selling costs. Similarly, the Group’s profit after taxation for YTD 3Q 2015 followed the downward trend and declined to RM5.2 million as compared to RM9.4 million in YTD 3Q 2015.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

b) Current year-to date vs. Previous year-to date (Cont'd)

The performance of the respective operating business segments of the Group for YTD 3Q 2015 as compared to YTD 3Q 2014 is analysed as follows:

Manufacturing

The manufacturing operations recorded revenue of RM141.0 million for YTD 3Q 2015, an increase of 10.4% compared to RM127.7 million in YTD 3Q 2014. The increase was mostly supported by a strong 1Q 2015 performance buoyed by demand from dealers which stocked up prior to GST implementation.

Trading

The trading operations recorded revenue of RM220.1 million for YTD 3Q 2015, which eased by 5.8% as compared to RM233.6 million in YTD 3Q 2014. The softer performance was due to weak market demand post GST implementation and lower average selling prices offsetting the strong 1Q 2015 contributions.

B2 Comparison with preceding quarter's results

The Group's revenue for 3Q 2015 shrank by RM1.8 million to RM107.2 million as compared to RM109.0 million achieved in 2Q 2015, despite a pickup in metric tonne sales which was offset by declining average selling prices.

Profit before taxation of RM0.8 million was recorded for 3Q 2015 as compared to a loss before taxation of RM1.3 million recorded in 2Q 2015. The improved profit before taxation for 3Q 2015 was mainly attributed to forex exchange gains and reversal of impairment losses on trade receivables previously recognised. However, the profit before tax position for 3Q 2015 turned to a loss after taxation of RM2.6 million due to the reversal of deferred tax assets (previously recognised on unabsorbed reinvestment allowances) amounting to RM3.6 million utilised to offset tax payable of prior year tax assessments as agreed by the Inland Revenue Board.

B3 Current year prospects and progress on previously announced revenue or profit forecast

a) Prospects for 2015

The global steel industry continues to face headwinds from various fronts. In particular, the major growth cycle has somewhat reached the end which was based on the rapid economic development of China. In conjunction with China's slowdown and excess production capacity, the global steel industry is also faced with low investment, financial market turbulence and geopolitical conflicts in many developing regions. As such, the global steel industry is now experiencing weakening growth and depressed selling prices.

Domestically, the steel industry's outlook for the remaining of the year will be challenging. This is due to weaker economic and consumer sentiments, suppressed selling prices from intense competition and cheaper imports flooding the local market. The steady implementation of the 11th Malaysia Plan (11 MP) focusing on high impact infrastructure projects and governmental intervention to implement protectionist trade measures against cheap imports remains crucial in supporting demand for steel products while stabilising selling prices



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B3 Current year prospects and progress on previously announced revenue or profit forecast (Cont'd)

a) Prospects for 2015 (Cont'd)

To weather the tough and uncertain operating environment, the Group will continue to focus on improving raw materials purchase pricing, strengthen productivity and cost efficiency. The Group endeavours to achieve a reasonable performance for the remaining of the financial year.

b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Group.

B4 Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Group.

B5 Variance of actual profit from forecast profit or profit guarantee

There were no profit forecast or profit guarantee issued by the Group.

B6 Taxation

Tax charges comprise:

	Current year quarter RM'000	Current year todate RM'000
Income tax		
- current quarter / year	(149)	(1,720)
- over provision in prior quarter / year	215	5,584
Deferred tax		
- current quarter / year	(3,392)	(3,488)
Tax income	<u>(3,326)</u>	<u>376</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period. The effective tax rate for the current quarter was higher than the statutory tax rate mainly due to the reversal of deferred tax assets (previously recognised on unabsorbed reinvestment allowances) utilised to offset tax payable of prior year revised tax assessments as agreed by IRB.

The Malaysian statutory tax rate will be reduced to 24% from the current year's rate of 25%, effective from year of assessment 2016.

B7 (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 utilization of proceeds raised from any corporate proposal

Not applicable.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B8 Group borrowings and debt securities

Details of Group's borrowings as at 30 September 2015 are as follows:-

Short-term borrowings

	RM'000	
Bankers' acceptances	5,000	Unsecured
Trust receipts	1,220	Unsecured
	6,220	

Borrowings are denominated in the following currencies:

	RM'000	
- Ringgit Malaysia	6,220	Unsecured
	6,220	

The Group has no debt securities as at 30 September 2015.

B9 Changes in material litigation (including status of any pending material litigation)

There was no material litigation against the Group as at the date of this report.

B10 Dividends proposed

There was no dividend proposed in the current quarter.

B11 Earnings per share (EPS)

(a) Basic earnings per share

		3 months ended		9 months ended	
		30.09.2015	30.09.2014	30.09.2015	30.09.2014
(Loss) / profit attributable to the owners of the Company	(RM'000)	(2,557)	3,536	5,170	9,358
Weighted average number of ordinary shares in issue	('000)	108,942	108,944	108,944	108,946
Basic earnings per share	(sen)	(2.35)	3.25	4.75	8.59

(b) Diluted earnings per share

Not applicable.



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B12 Other Gains / (Losses)

	3 months ended		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Interest on :				
Customer overdue account	197	200	364	364
Short term deposits	61	26	127	93
Impairment losses on trade and other receivables	(1)	18	(24)	(92)
Impairment losses on trade receivables no longer required	189	-	242	665
Bad debts recovered	10	-	16	-
Fair value adjustments on derivative financial instruments	(160)	10	(660)	510
(Loss) / gain on disposal of property, plant and equipment	-	(29)	160	(242)
Trade compensation	41	31	42	94
Rental income	22	9	50	53
Realised gain / (loss) on foreign exchange transactions	831	(662)	480	(427)
Unrealised gain on foreign exchange transactions	479	281	467	(34)
Others	-	2	-	4
	<u>1,669</u>	<u>(114)</u>	<u>1,264</u>	<u>988</u>



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B13 Realised and unrealised profit or losses disclosure

The breakdown of the retained profits of the Group as at the end of the reporting date, into realised and unrealised profit or losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 are as follows:-

	As at 30.09.2015 <u>RM'000</u>	As at 30.09.2014 <u>RM'000</u>
- Realised	317,174	308,760
- Unrealised	7,852	13,918
	<u>325,026</u>	<u>322,678</u>
Less : Consolidation adjustments	<u>(21,709)</u>	<u>(20,762)</u>
Total group retained earnings	<u><u>303,317</u></u>	<u><u>301,916</u></u>

B14 Authorisation for issue

The interim financial statements were authorised on 26 November 2015 for issue by the Board of Directors.