



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME (UNAUDITED)**

	Note	Individual quarter		Cumulative quarter	
		Current year quarter ended 31.12.2020 (Unaudited) RM'000	Preceding year corresponding quarter ended 31.12.2019 (Unaudited) RM'000	Current year ended 31.12.2020 (Unaudited) RM'000	Preceding year ended 31.12.2019 (Audited) RM'000
Revenue		113,421	102,807	344,820	443,139
Cost of sales:					
Factory and production cost		(89,517)	(100,681)	(292,804)	(417,777)
Factory depreciation		(1,370)	(1,326)	(5,400)	(5,318)
Gross profit		<u>22,534</u>	<u>800</u>	<u>46,616</u>	<u>20,044</u>
Other income	B12	1,435	4,835	3,552	7,944
Depreciation and amortisation		(656)	(431)	(2,618)	(2,668)
Administrative expenses		(4,509)	(2,410)	(11,656)	(11,281)
Selling and distribution expenses		(4,179)	(4,321)	(12,823)	(14,744)
Finance costs		(2)	(16)	(10)	(244)
Profit/(Loss) before taxation		<u>14,623</u>	<u>(1,543)</u>	<u>23,061</u>	<u>(949)</u>
Taxation	B6	(3,104)	396	(3,578)	(168)
Profit/(Loss) after taxation		<u>11,519</u>	<u>(1,147)</u>	<u>19,483</u>	<u>(1,117)</u>
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss)		<u><u>11,519</u></u>	<u><u>(1,147)</u></u>	<u><u>19,483</u></u>	<u><u>(1,117)</u></u>
Profit/(Loss) attributable to:					
Owners of the parent		<u><u>11,519</u></u>	<u><u>(1,147)</u></u>	<u><u>19,483</u></u>	<u><u>(1,117)</u></u>
Total comprehensive income/(loss) attributable to:					
Owners of the parent		<u><u>11,519</u></u>	<u><u>(1,147)</u></u>	<u><u>19,483</u></u>	<u><u>(1,117)</u></u>
Earnings/(Loss) per share attributable to the equity holders of the Company (sen):					
a) Basic	B11(a)	8.81	(0.88)	14.90	(0.85)
b) Diluted	B11(b)	N/A	N/A	N/A	N/A

(The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**

	Note	As at 31.12.2020 (Unaudited) RM'000	As at 31.12.2019 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		140,390	142,687
Investment properties		1,698	1,849
Right-of-use assets		21,159	19,356
Deferred tax assets		71	27
		<u>163,318</u>	<u>163,919</u>
<b>Current Assets</b>			
Inventories		164,229	166,693
Trade and other receivables		118,552	101,646
Derivative assets		60	31
Other investments		40,796	23,270
Current tax assets		1,606	4,548
Cash and bank balances		62,544	62,509
		<u>387,787</u>	<u>358,697</u>
<b>TOTAL ASSETS</b>		<u><u>551,105</u></u>	<u><u>522,616</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the owners of the parent</b>			
Share capital		131,691	131,691
Treasury shares		(1,462)	(1,462)
Reserves		389,898	370,415
<b>TOTAL EQUITY</b>		<u>520,127</u>	<u>500,644</u>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Lease liabilities		2,533	491
Deferred tax liabilities		9,858	10,320
		<u>12,391</u>	<u>10,811</u>
<b>Current Liabilities</b>			
Trade and other payables		12,304	10,034
Borrowings	B8	5,000	-
Lease liabilities		955	875
Derivative liabilities		-	252
Current tax liabilities		328	-
		<u>18,587</u>	<u>11,161</u>
<b>TOTAL LIABILITIES</b>		<u>30,978</u>	<u>21,972</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>551,105</u></u>	<u><u>522,616</u></u>
		RM	RM
<b>Net Assets per Share Attributable to Owners of the Company</b>	A16	<u>3.98</u>	<u>3.83</u>

(The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED**  
**31 DECEMBER 2020 (UNAUDITED)**

	31.12.2020 (Unaudited) RM'000	31.12.2019 (Audited) RM'000
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before taxation	23,061	(949)
Adjustments for :-		
Bad debts written off	295	438
Bad debts recovered	(55)	(4)
Depreciation of property, plant and equipment	6,804	6,728
Depreciation of right-of-use assets	1,214	1,258
Dividend income received from short term funds	(588)	(273)
Fair value adjustments on investment properties	151	21
Fair value adjustments on derivative financial instruments	(281)	108
Fair value adjustments on other investment	(28)	-
Loss on disposal of other investment	44	-
Loss on disposal of property, plant and equipment	61	70
Gain on disposal of right-of-use asset	-	(4,808)
Impairment losses on trade and other receivables	239	627
Interest expense	10	244
Interest on lease liabilities	107	73
Interest income on overdue accounts	(184)	(307)
Interest income	(1,033)	(609)
Inventories written (back)/down	(3,294)	2,526
Property, plant and equipment written off	2	9
Reversal of impairment losses on trade receivables	(277)	(764)
Unrealised loss on foreign exchange transactions	31	123
Operating profit before changes in working capital	26,279	4,511
Changes in working capital		
Inventories	5,758	80,185
Trade and other receivables	(17,099)	18,859
Trade and other payables	2,295	(3,020)
Cash flows generated from operations	17,233	100,535
Interest received	184	307
Tax refunded	-	1,442
Tax paid	(814)	(6,044)
Net cash flows generated from operating activities	16,603	96,240
<b>Cash Flows From Investing Activities</b>		
Dividend received from other investment	588	273
Increase in deposits pledged to licensed banks	(5)	(7)
Interest received	1,033	609
Purchase of property, plant and equipment	(4,619)	(29,160)
Purchase of right-of-use assets	(20)	-
Purchase of other investments	(35,553)	(23,277)
Proceeds from disposal of property, plant and equipment	49	143
Proceeds from disposal of right-of-use assets	-	5,437
Proceeds from disposal of other investment	18,011	-
Net cash flows used in investing activities	(20,516)	(45,982)



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED**  
**31 DECEMBER 2020 (UNAUDITED) (CONT'D)**

	31.12.2020 (Unaudited) RM'000	31.12.2019 (Audited) RM'000
<b>Cash Flows From Financing Activities</b>		
Dividends paid	-	(6,536)
Interest paid	(10)	(244)
Short term borrowings		
- Repayments	(11,100)	(72,100)
- Drawdowns	16,100	56,100
Repayment of lease interest	(107)	(73)
Repayment of lease liability	(875)	(910)
Net cash flows generated from/(used in) financing activities	<u>4,008</u>	<u>(23,763)</u>
Net increase in cash and cash equivalents	95	26,495
Effect of exchange rate changes on cash and cash equivalents	(65)	(62)
Cash and cash equivalents at beginning of year	<u>62,299</u>	<u>35,866</u>
Cash and cash equivalents at end of year	<u><u>62,329</u></u>	<u><u>62,299</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	29,440	42,596
Repo	-	1,200
Deposits with licensed banks	32,889	18,503
Deposits pledged to licensed banks	215	210
As per balance sheet	<u>62,544</u>	<u>62,509</u>
Less : Deposits pledged to licensed banks	<u>(215)</u>	<u>(210)</u>
Cash and cash equivalents at end of year	<u><u>62,329</u></u>	<u><u>62,299</u></u>

(The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

	< ----- Non-distributable ----- >			<u>Distributable</u>	
	Share Capital	Treasury Shares	General Reserve	Retained Earnings	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Balance as at 1 January 2020</b>	131,691	(1,462)	1,186	369,229	500,644
Profit for the year	-	-	-	19,483	19,483
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	19,483	19,483
<b>Transactions with owners</b>					
Dividends paid (Note A7)	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
<b>Balance as at 31 December 2020</b>	131,691	(1,462)	1,186	388,712	520,127
<b>Balance as at 1 January 2019</b>	131,691	(1,462)	1,186	376,882	508,297
Loss for the year	-	-	-	(1,117)	(1,117)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss	-	-	-	(1,117)	(1,117)
<b>Transactions with owners</b>					
Dividends paid	-	-	-	(6,536)	(6,536)
Total transactions with owners	-	-	-	(6,536)	(6,536)
<b>Balance as at 31 December 2019</b>	131,691	(1,462)	1,186	369,229	500,644

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim statements).



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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

**A1 Basis of preparation**

The interim condensed consolidated financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), the International Financial Reporting Standards (“IFRSs”) and the provisions of the Companies Act 2016 in Malaysia. Other than for financial instruments and investment properties, the interim condensed consolidated financial statements have been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance to MFRS 9 *Financial Instruments*, while investment properties are stated at fair value as per MFRS 140 *Investment Properties*.

The interim condensed consolidated financial statements have also 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 condensed consolidated financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 of the Group and the accompanying notes attached to this report. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2019, except for the adoption of the MFRSs, Amendments and Annual Improvements to Standards effective as of 1 January 2020.

(i) *MFRSs, Amendments and Annual Improvements to MFRSs and IC Interpretations adopted by the Group during the current financial year:*

<b>MFRSs, Amendments and Annual Improvements to MFRSs and IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 3 : Business Combinations - Definition of a Business	1 January 2020
Amendments to MFRS 4 : Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9 Financial Instruments	17 August 2020
Amendments to MFRS 7 : Financial Instruments - Disclosures	1 January 2020
Amendments to MFRS 9 and MFRS 139 : Recognition and Measurement – Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 : Presentation of Financial Statements – Definition of Material	1 January 2020
Amendments to MFRS 101 : Presentation of Financial Statements – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2020
Amendments to MFRS 108 : Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material	1 January 2020

The adoption of the above Amendments to MFRSs does not have any material impact on the financial statements of the Group.



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**A1 Basis of preparation (Cont'd)**

(ii) *MFRSs, Amendments and Annual Improvements to MFRSs and IC Interpretations issued but not yet effective*

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

**MFRSs, Amendments and Annual Improvements to MFRSs and IC Interpretations** **Effective for annual periods beginning on or after**

Amendments to MFRS 16	: Leases – Covid 19 Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	: Interest Rate Benchmark Reform-Phase 2	1 January 2021
Amendments to MFRS 3	: Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	: Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 Cycle	: Amendment to MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards : Amendment to MFRS 9 – Financial Instrument : Amendment to MFRS 141 - Agriculture	1 January 2022
MFRS 17	: Insurance Contracts	1 January 2023
Amendments to MFRS 17	: Insurance Contracts	1 January 2023
Amendments to MFRS 101	: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

***Amendments to MFRS 16 Leases – Covid 19 Related Rent Concessions***

Due to the impact of the COVID-19 pandemic on business conditions, many lessees are seeking rent concessions from lessors. Rent concessions may take the form of a one-off reduction in rent, a deferral of rent or a change in the nature of rent – e.g. fixed payments becoming variable.

In view of this, the amendments were made to introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**A1 Basis of preparation (Cont'd)**

(ii) *MFRSs, Amendments and Annual Improvements to MFRSs and IC Interpretations issued but not yet effective (Cont'd)*

***Amendments to MFRS 16 Leases – Covid 19 Related Rent Concessions (Cont'd)***

The adoption of Amendments to MFRS 16 is not expected to have any material impact on the financial statements of the Group unless the Group as a lessee receives rent concession in the future.

***Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16***

The amendments provides a practical expedient whereby a company would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

***Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework***

The amendments made is to update paragraph 11 of MFRS 3 Business Combinations in alignment with the 2018 Conceptual Framework.

The adoption of Amendments to MFRS 3 will not have any material impact on the financial statements of the Group.

***Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use***

The amendments prohibit a company from deducting from the cost of property, plant and equipment the proceeds received from selling items produced while the asset is being prepared for its intended use. Instead, a company will need to recognise such sales proceeds and related cost in profit or loss.

The adoption of Amendments to MFRS 116 is not expected to have any material impact on the financial statements of the Group.

***Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of fulfilling a Contract***

The amendments clarify that costs to fulfil a contract are costs that relate directly to the contract, which include both of the following:

- a) the incremental costs of fulfilling the contract (for example, direct labour and materials); and
- b) an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of Property, Plant and Equipment used in fulfilling that contract).

The amendments also clarify that an entity first recognises any impairment loss on assets used in fulfilling the contract before a separate provision for onerous is considered. The previous requirement was to assess impairment losses only on assets dedicated to the contract. With the amendment, all assets whose cost would be considered in assessing whether the contract is onerous are assessed for impairment losses first.





## **CHOO BEE METAL INDUSTRIES BERHAD (10587-A)** **INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH** **FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

### **A1 Basis of preparation (Cont'd)**

(ii) *MFRSs, Amendments and Annual Improvements to MFRSs and IC Interpretations issued but not yet effective (Cont'd)*

#### ***Annual Improvements to MFRS Standards 2018 – 2020 Cycle***

##### ***a. Amendment to MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards***

The proposed amendment would require a subsidiary that applies paragraph D16(a) of MFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition of MFRSs.

##### ***b. Amendment to MFRS 9 – Financial Instruments***

The proposed amendment clarifies which fees an entity includes when it applies the “10 per cent” test in assessing whether to derecognise a financial liability. Applying the proposed amendment, an entity would include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

##### ***c. Amendment to MFRS 141 - Agriculture***

The proposed amendment would remove the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. The proposed amendment would ensure consistency with the requirements in MFRS 13.

The adoption of Annual Improvements to MFRS Standards 2018 – 2020 Cycle is not expected to have any material impact on the financial statements of the Group.

#### ***MFRS 17 Insurance Contracts***

MFRS 17 introduces consistent accounting for all insurance contracts based on a current measurement model. Under MFRS 17, the general model requires entities to recognise and measure a group of insurance contracts at:

- i) a risk-adjusted present value of future cash flows that incorporates information that is consistent with observable information; plus
- ii) an amount representing the unearned profit in the group of contracts.

The adoption of MFRS 17 will not have any material impact on the financial statements of the Group as the Group is not in the business of providing insurance services.

#### ***Amendments to MFRS 17 Insurance Contracts***

The targeted amendments provide clarifications to ease implementation, transition and simplify some requirements for insurance providers. The adoption of these amendments will not have any material impact on the financial statements of the Group as the Group is not in the business of providing insurance services.

#### ***Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current***

These amendments clarify the criteria for determining whether to classify a liability as current or non-current, including situations that are considered settlement of a liability. In order to determine if there is a right to defer a settlement of a liability, the conditions which exist at the end of the reporting period will be used.

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

The adoption of amendments to MFRSs 10 and 128 will not have any financial impact to the Group as the Group does not have any interest in joint operations.



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**A2 Auditor's report on preceding annual financial statements**

The preceding year's audit report for the year ended 31 December 2019 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 fourth (4<sup>th</sup>) quarter and financial year ended 31 December 2020.

**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 fourth (4<sup>th</sup>) quarter and financial year ended 31 December 2020.

**A6 Capital management, issuances, repurchases, and repayments of debts and equity securities**

For the current quarter and financial year ended 31 December 2020, the Company did not repurchase any ordinary shares from the open market.

As at 31 December 2020, a total of 961,925 treasury shares were held by the Company. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016.

There were no issues of debt or equity securities for the current financial year ended 31 December 2020.

The Group's objectives of managing capital is to ensure that entities of the Group would be able to continue as going concerns in order to maximise returns to shareholders and to maintain the optimal capital structure, the Group may, in response to changes in economic conditions, adjust the dividend payment 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.

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. The Group's strategy is to maintain a low gearing ratio.



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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

The gearing ratios as at 31 December 2020 and 31 December 2019, which are within the Group's objectives for capital management, are as follows:

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Borrowings	5,000	-
Trade and other payables	12,304	10,034
Less : Cash and bank balances	(62,544)	(62,509)
Net cash	(45,240)	(52,475)
Total capital	520,127	500,644
Net cash	(45,240)	(52,475)
	474,887	448,169

**A7 Dividends paid**

There were no dividends paid in the current financial quarter or financial year ended 31 December 2020.

**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                                  |

Segment performance for the fourth (4<sup>th</sup>) quarter ended 31 December 2020 are as follows:-

	Trading RM'000	Manufacturing RM'000	Total RM'000
<b>Revenue</b>			
Total revenue	73,392	65,356	138,748
Inter-segment revenue	(3,588)	(21,739)	(25,327)
Revenue from external customers	69,804	43,617	113,421
<b>Profit for the quarter</b>			
Total profit	3,260	11,462	14,722
Unallocated expenses			(97)
Finance costs			(2)
Profit before tax			14,623
Taxation			(3,104)
Profit after tax for the quarter			11,519



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**A8 Operating segment information (Cont'd)**

Segment performance for the fourth (4<sup>th</sup>) quarter ended 31 December 2019 are as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<b>Revenue</b>			
Total revenue	72,430	52,658	125,088
Inter-segment revenue	(1,584)	(20,697)	(22,281)
Revenue from external customers	<u>70,846</u>	<u>31,961</u>	<u>102,807</u>
<b>Loss for the quarter</b>			
Total (loss)/profit	(2,092)	640	(1,452)
Unallocated expenses			(75)
Finance costs			(16)
Loss before tax			<u>(1,543)</u>
Taxation			396
Loss after tax for the quarter			<u>(1,147)</u>

Segment performance for the financial year ended 31 December 2020 are as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<b>Revenue</b>			
Total revenue	222,926	197,672	420,598
Inter-segment revenue	(8,250)	(67,528)	(75,778)
Revenue from external customers	<u>214,676</u>	<u>130,144</u>	<u>344,820</u>
<b>Profit for the year</b>			
Total profit	3,774	19,743	23,517
Unallocated expenses			(446)
Finance costs			(10)
Profit before tax			<u>23,061</u>
Taxation			(3,578)
Profit after tax for the year			<u>19,483</u>

Segment performance for the financial year ended 31 December 2019 are as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<b>Revenue</b>			
Total revenue	320,150	223,878	544,028
Inter-segment revenue	(9,730)	(91,159)	(100,889)
Revenue from external customers	<u>310,420</u>	<u>132,719</u>	<u>443,139</u>
<b>Loss for the year</b>			
Total profit/(loss)	349	(366)	(17)
Unallocated expenses			(688)
Finance costs			(244)
Loss before tax			<u>(949)</u>
Taxation			(168)
Loss after tax for the year			<u>(1,117)</u>



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**A8 Operating segment information (Cont'd)**

Segment assets and liabilities as at 31 December 2020 are as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<b>Assets</b>			
Segment assets	196,271	292,159	488,430
<u>Unallocated assets:</u>			
Deferred tax assets			71
Derivative assets			60
Cash and bank balances			62,544
Total assets			<u><u>551,105</u></u>
<b>Liabilities</b>			
Segment liabilities	9,138	11,982	21,120
<u>Unallocated liabilities:</u>			
Deferred tax liabilities			9,858
Total liabilities			<u><u>30,978</u></u>

Segment assets and liabilities as at 31 December 2019 are as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<b>Assets</b>			
Segment assets	191,693	268,356	460,049
<u>Unallocated assets:</u>			
Deferred tax assets			27
Derivative assets			31
Cash and bank balances			62,509
Total assets			<u><u>522,616</u></u>
<b>Liabilities</b>			
Segment liabilities	7,098	4,302	11,400
<u>Unallocated liabilities:</u>			
Derivative liabilities			252
Deferred tax liabilities			10,320
Total liabilities			<u><u>21,972</u></u>

**A9 Material events subsequent to the end of the reporting period**

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



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**A10 Effects of changes in composition of the group**

The Company had on 29 June 2020 disposed its entire equity interest of Choo Bee Hardware (Sel) Sdn Bhd ("CBHS") via its subsidiary company, Choo Bee Hardwares Sdn. Berhad to Choo Bee Holdings Sdn. Bhd., a major shareholder of the Company. Hence, CBHS has ceased to be a subsidiary of the Company.

As CBHS was a dormant company, there were no material financial effects on the financial position of the Group arising from the disposal.

**A11 Contingent assets and contingent liabilities**

Apart from the corporate guarantees given to financial institution for banking facilities and corporate guarantee given to a third party in respect to sales of good to a subsidiary, there were no other contingent liabilities or contingent assets at the date of issue of the quarterly report. The fair value of such financial corporate guarantees are negligible as the likelihood of the Group defaulting on the financial facilities and repayment to third party suppliers are not possible.

**A12 Capital commitments**

Authorised capital commitments not recognised in the interim financial statements as at 31 December 2020 are as follows:

	RM'000
Capital expenditure :	
Contracted but not provided for	36,828
Approved but not contracted for	<u>35,502</u>
	<u><u>72,330</u></u>

**A13 Related party transactions**

Related party transactions for the quarter and financial year ended 31 December 2020 under review in which certain directors have direct/indirect interest are as follows:

	<b>Group</b>	
	Current year quarter	Current financial year
	RM'000	RM'000
Sales of steel products	<u>257</u>	<u>257</u>
Rental expense	<u>(246)</u>	<u>(982)</u>

These transactions have been entered into in the normal course of business and at arm's 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 realisable values**

Total net inventories written back to either net realisable value or replacement cost for the financial year ended 31 December 2020 was RM3,293,894.



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**A15 Financial instruments**

<b>Group</b>	<b>As at 31 December 2020</b>		
	<b>Fair value</b>		
	<b>Amortised cost</b>	<b>through profit</b>	<b>Total</b>
	<b>RM'000</b>	<b>or loss</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>			
Trade and other receivables, net of prepayments	116,455	-	116,455
Derivative assets	-	60	60
Other investments	-	40,796	40,796
Cash and bank balances	62,544	-	62,544
	178,999	40,856	219,855
<b>Financial liabilities</b>			
Trade and other payables	12,304	-	12,304
Borrowings	5,000	-	5,000
	17,304	-	17,304

**(a) 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 due to their short-term nature.

- 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.

- iii. Quoted investments

The fair value of quoted investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business on the end of the reporting period.



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**A15 Financial instruments (Cont'd)**

**(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).

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price of the residual maturity of the contract using a risk-free interest rate (based on Government bonds).

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.

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Carrying amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets measured at fair value</b>					
Investment properties	-	-	1,698	1,698	1,698
Derivative assets					
- Forward contracts	-	60	-	60	60
Other investments	40,796	-	-	40,796	40,796
<b>Liabilities measured at fair value</b>					
Derivative liabilities					
- Forward contracts	-	-	-	-	-

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial year ended 31 December 2020.

**(c) Derivative assets**

<b>Group</b>	<b>As at 31 December 2020</b>		
	<b>Contract /</b>		
	<b>Notional</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>amount</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Forward currency contracts (SGD)	13,773	60	-





**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**A15 Financial instruments (Cont'd)**

**(c) Derivative assets (Cont'd)**

- i. The Group use forward currency contracts to manage some of the transaction exposure. These contracts are not designate as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.
- ii. Forward currency contracts are used to hedge the Group's purchases denominated in USD and sales denominated in SGD for which firm commitments existed at the reporting date, extending to September 2021.
- iii. For the financial year ended 31 December 2020, the Group recognised a gain of RM281,000 arising from fair value changes of derivatives. The fair value changes are attributable to changes in foreign exchange spot and forward rates.

**A16 Net assets per share attributable to owners of the Company**

Net assets per share ("NAPS") as at 31 December 2020 stood at RM3.98, an increase of 3.9% compared to RM3.83 as at 31 December 2019 mainly due to higher profit earned for the financial year ended 31 December 2020.



## **CHOO BEE METAL INDUSTRIES BERHAD (10587-A) INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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

### **B1 Operating segments review**

#### **a) Current quarter vs. Previous year corresponding quarter**

The Group recorded revenue of RM113.4 million for the quarter ended 31.12.2020 (“4Q 2020”), which grew by RM10.6 million (10%) compared to revenue of RM102.8 million for the quarter ended 31.12.2019 (“4Q 2019”). The stronger performance was mainly contributed by the manufacturing segment.

The Group recorded a profit before taxation of RM14.6 million for 4Q 2020 as compared to a loss before taxation of RM1.5 million recorded in 4Q 2019, mainly due to sturdy average selling prices coupled with lower materials cost improving margins.

The performance of the respective operating business segments of the Group for 4Q 2020 as compared to 4Q 2019 are analysed as follows:

#### Manufacturing

The manufacturing operations contributed revenue of RM43.6 million in 4Q 2020, which grew by RM11.6 million (36%) compared to RM32.0 million in 4Q 2019. This was attributed to strong demand underpinned by the shortage of steel products in the market as a result of the ongoing Covid-19 pandemic disrupting the steel global supply chain.

#### Trading

The trading operations contributed revenue of RM69.8 million in 4Q 2020, which declined marginally by RM1.0 million (-1%) compared to RM70.8 million recorded in 4Q 2019. The softer performance was mainly due to the slow recovery in construction activities.

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

For the financial year ended 31.12.2020 (“FYE 2020”), the Group recorded revenue of RM344.8 million, which fell by RM98.3 million (-22%) as compared to revenue of RM443.1 million recorded for the financial year ended 31.12.2019 (“FYE 2019”). This was mainly due to the adverse impact of the Covid-19 pandemic and Movement Control Order (“MCO”) measures in 2Q 2020 disrupting economic and business activities.

Despite the MCO impact affecting sales demand, the Group rebound rather quickly and recorded a strong profit before taxation of RM23.1 million for FYE 2020 as compared to a loss before taxation of RM0.9 million for FYE 2019. The 2Q 2020 MCO losses incurred were offset by the strong 3Q 2020 and 4Q 2020 recovery performances, especially from the manufacturing segment. The Group's profit before taxation was further supported by lower operating expenses, interest income of RM1.0 million, dividend income received from other investment of RM0.6 million and gain on realised foreign exchange transactions of RM0.4 million.



## **CHOO BEE METAL INDUSTRIES BERHAD (10587-A) INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

### **B1 Operating segments review (Cont'd)**

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

The performance of the respective operating business segments of the Group for FYE 2020 as compared to FYE 2019 are analysed as follows:

##### Manufacturing

The manufacturing operations recorded revenue of RM130.1 million for FYE 2020, which declined by 2% as compared to RM132.7 million in FYE 2019. The lower performance was primarily due to the MCO impact in 2Q 2020.

##### Trading

The trading operations recorded revenue of RM214.7 million for FYE 2020, which decreased by 31% as compared to RM310.4 million in FYE 2019. The decline in performance was mainly attributed to the MCO impact in 2Q 2020.

### **B2 Comparison with preceding quarter's results**

The Group's revenue for 4Q 2020 climbed to RM113.4 million as compared to RM110.0 million achieved in 3Q 2020. The improvement in performance was mainly driven by the trading segment as a result of the recovery in construction activities supporting steel demand.

In tandem with the upward revenue trend, the Group recorded a profit before taxation of RM14.6 million for 4Q 2020 as compared to RM5.1 million for 3Q 2020, whereby profit margins were boosted by higher average selling prices.

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

#### **a) Prospects for 2021**

International steel prices have been bullish, hovering at rather high levels mainly attributed to the dearth of raw materials supply due to the absence of regular suppliers from the market. Furthermore, higher iron ore prices buoyed steel prices further as mines were unable to operate at full capacity affected by the Covid-19 pandemic and natural disasters. As the increase is not driven by fundamentals beyond the demand and supply equilibrium, prices are bound to soften once supply outstrips demand.

Domestically, the global raw material short supply and rising cost have escalated average selling prices for local steel products. Accordingly, profit margins have followed suit positively. Nevertheless, market demand has not been consistent with only a few sectors such as the glove industry fuelling demand with its aggressive expansion plans. Moreover, the general economic sentiment is still relatively weak, reeling from the recent Movement Control Order ("MCO") 2.0 nationwide which was extended twice to 18 February 2021, and then extended further to 4 March 2021 for Kuala Lumpur, Selangor, Johor & Penang. The revival of the construction sector and governmental infrastructure spending remains crucial to drive demand growth for the local steel industry, while successful economic stimulus measures play a pivotal role in aiding a stable recovery momentum for the nation's economy.

To weather the challenging pandemic environment, the Group will remain focused on adhering to stringent Covid-19 Standard Operating Procedures ("SOPs") to safeguard sustainable operations, optimise efficiency through automation, reduce dependency on foreign labour, employ prudent cost containment measures and procurement policies to remain competitive and resilient.



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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

**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 financial year RM'000
Income tax		
- current quarter/year-to-date	3,399	4,059
- over provision in prior quarter / year	(3)	(3)
Deferred tax		
- current quarter/year-to-date	(327)	(513)
- under provision in prior quarter / year	35	35
Tax expense	3,104	3,578

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated taxable profits for the year. The effective tax rate of the Group for the current quarter and financial year ended 31 December 2020 is lower than the statutory tax rate mainly due to the Investments Tax Allowance claim (Solar System) and reversal of deferred tax liability on Capital Allowances utilised.

**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.

**B8 Group borrowings and debt securities**

Details of Group's borrowings as at 31 December 2020 are as follows:

**Short-term borrowings**

	RM'000	
Bankers' acceptances	5,000	Unsecured
Borrowings are denominated in the following currencies:	RM'000	
- Ringgit Malaysia	5,000	Unsecured
	5,000	

The Group has no debt securities as at 31 December 2020.



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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

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

**B10 Dividends proposed**

There were no dividend proposed in the current quarter.

**B11 Earnings per share**

**(a) Basic earnings per ordinary share**

		3 months ended		12 months ended	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit/(Loss) attributable to the equity holders of the parent	(RM'000)	11,519	(1,147)	19,483	(1,117)
Weighted average number of ordinary shares in issue	('000)	130,729	130,729	130,729	130,729
Basic earnings/(loss) per ordinary share	(sen)	8.81	(0.88)	14.90	(0.85)

**(b) Diluted earnings per ordinary share**

There are no potential dilutive ordinary shares during the quarter and financial year ended 31 December 2020. Accordingly, the diluted earnings per ordinary share is not presented.

-----The remaining of this page is intentionally left blank-----



**CHOO BEE METAL INDUSTRIES BERHAD (10587-A)**  
**INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

**B12 Other income**

	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Bad debts recovered	50	-	55	4
Dividend income received from short term funds	71	165	588	273
Fair value adjustments on investment properties	-	(21)	-	-
Fair value adjustments on derivative financial instruments	15	(316)	281	121
Fair value adjustments on other investments	98	1	28	-
Gain on disposal of property, plant and equipment	-	55	33	23
Gain on disposal of right-of-use asset	-	4,808	-	4,808
Impairment losses on trade and other receivables	-	(599)	-	-
Interest on :				
Customer overdue account	-	74	184	307
Short term deposits	241	248	1,033	609
Trade compensation	127	134	144	187
Rental income	101	158	517	680
Realised gain on foreign exchange transactions	224	27	406	148
Reversal of impairment losses on trade receivables	508	176	277	764
Unrealised loss on foreign exchange transactions	-	(91)	5	-
Others	-	16	1	20
	<u>1,435</u>	<u>4,835</u>	<u>3,552</u>	<u>7,944</u>
Other Losses:				
Bad debts written off	(295)	-	(295)	(438)
Fair value adjustments on investment properties	(151)	-	(151)	(21)
Fair value adjustments on derivative financial instruments	-	-	-	(229)
Loss on disposal of other investment	(44)	-	(44)	-
Loss on disposal of property, plant and equipment	(94)	-	(94)	(93)
Impairment losses on trade and other receivables	(151)	-	(239)	(627)
Interest on :				
Customer overdue account	(75)	-	-	-
Realised loss on foreign exchange transactions	-	-	(29)	(129)
Unrealised loss on foreign exchange transactions	(120)	-	(36)	(123)

**B13 Authorisation for issue**

The interim financial statements were authorised on 26 February 2021 for issue by the Board of Directors.