



CHOO BEE METAL INDUSTRIES BERHAD

Registration No. 197101000234 (10587-A)

INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2024

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

	Note	Quarter Ended		Cumulative quarter	
		Current year quarter ended	Preceding year corresponding quarter ended	Current year-to-date ended	Preceding year-to-date ended
		31.03.2024 (Unaudited)	31.03.2023 (Unaudited)	31.03.2024 (Unaudited)	31.03.2023 (Unaudited)
		RM'000	RM'000	RM'000	RM'000
Revenue		88,622	104,773	88,622	104,773
Cost of sales:					
Factory and production cost		(78,947)	(92,815)	(78,947)	(92,815)
Factory depreciation		(1,342)	(1,430)	(1,342)	(1,430)
Gross profit		8,333	10,528	8,333	10,528
Other income	B12	505	2,089	505	2,089
Depreciation and amortisation		(1,128)	(867)	(1,128)	(867)
Administrative expenses		(2,541)	(4,717)	(2,541)	(4,717)
Selling and distribution expenses		(2,742)	(3,270)	(2,742)	(3,270)
Finance costs		(76)	(14)	(76)	(14)
Net gain on impairment of financial assets		164	225	164	225
Profit before taxation		2,515	3,974	2,515	3,974
Taxation	B6	(660)	(359)	(660)	(359)
Profit after taxation		1,855	3,615	1,855	3,615
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		1,855	3,615	1,855	3,615
Profit attributable to:					
Owners of the parent		1,855	3,615	1,855	3,615
Total comprehensive income attributable to:					
Owners of the parent		1,855	3,615	1,855	3,615
Earnings per share attributable to the equity holders of the Company (sen):					
a) Basic	B11(a)	0.95	1.84	0.95	1.84
b) Diluted	B11(b)	N/A	N/A	N/A	N/A

(The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Note	As at 31.03.2024 (Unaudited) RM'000	As at 31.12.2023 (Audited) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		252,598	251,228
Investment properties		9,750	9,750
Right-of-use assets		21,269	21,758
		<u>283,617</u>	<u>282,736</u>
Current Assets			
Inventories		247,505	216,329
Trade and other receivables		99,007	108,126
Current tax assets		13,571	13,480
Cash and bank balances		20,928	30,660
		<u>381,011</u>	<u>368,595</u>
TOTAL ASSETS		<u>664,628</u>	<u>651,331</u>
EQUITY AND LIABILITIES			
Equity attributable to the owners of the parent			
Share capital		131,691	131,691
Treasury shares		(1,462)	(1,462)
Reserves		492,314	490,459
TOTAL EQUITY		<u>622,543</u>	<u>620,688</u>
LIABILITIES			
Non-current Liabilities			
Lease liabilities		2,639	3,056
Deferred tax liabilities		6,249	5,974
		<u>8,888</u>	<u>9,030</u>
Current Liabilities			
Trade and other payables		7,484	11,747
Borrowings	B8	24,000	8,000
Lease liabilities		1,695	1,708
Derivative liabilities		-	12
Current tax liabilities		18	146
		<u>33,197</u>	<u>21,613</u>
TOTAL LIABILITIES		<u>42,085</u>	<u>30,643</u>
TOTAL EQUITY AND LIABILITIES		<u>664,628</u>	<u>651,331</u>
		RM	RM
Net Assets per Share Attributable to Owners of the Company	A16	<u>3.17</u>	<u>3.17</u>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024 (UNAUDITED)

	Year-to-date ended	
	31.03.2024 (Unaudited)	31.03.2023 (Unaudited)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	2,515	3,974
Adjustments for:		
Bad debts recovered	(5)	-
Depreciation of property, plant and equipment	1,981	1,849
Depreciation of right-of-use assets	489	448
Fair value adjustments on derivative financial instruments	(12)	(1,061)
Loss on disposals of property, plant and equipment	39	2
Interest expense	76	14
Interest on lease liabilities	14	24
Interest income on overdue accounts	(116)	-
Interest income	(138)	(377)
Net inventories written back	(819)	(9,575)
Net unrealised gain on foreign exchange transactions	(75)	(11)
Reversal of impairment losses on trade receivables	(164)	(225)
Waiver of interest income on overdue accounts	-	9
Operating profit/(loss) before changes in working capital	3,785	(4,929)
Changes in working capital		
Inventories	(30,357)	16,110
Trade and other receivables	9,335	(2,782)
Trade and other payables	(4,259)	(1,288)
Cash flows (used in)/from operations	(21,496)	7,111
Interest received/(waived)	116	(9)
Tax paid	(604)	(2,092)
Net cash flows (used in)/from operating activities	(21,984)	5,010
Cash Flows From Investing Activities		
Interest received	138	377
Purchase of property, plant and equipment	(3,705)	(5,019)
Purchase of other investments	-	(5,100)
Proceeds from disposals of property, plant and equipment	315	64
Net cash flows used in investing activities	(3,252)	(9,678)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024 (UNAUDITED) (CONT'D)

	Year-to-date ended	
	31.03.2024 (Unaudited) RM'000	31.03.2023 (Unaudited) RM'000
Cash Flows From Financing Activities		
Interest paid	(76)	(14)
Short term borrowings		
- Repayments	(14,000)	(10,000)
- Drawdowns	30,000	-
Repayment of lease interests	(14)	(24)
Repayment of lease liabilities	(430)	(377)
Net cash flows from/(used in) financing activities	<u>15,480</u>	<u>(10,415)</u>
Net decrease in cash and cash equivalents	(9,756)	(15,083)
Effect of exchange rate changes on cash and cash equivalents	24	56
Cash and cash equivalents at beginning of the period	<u>30,431</u>	<u>69,442</u>
Cash and cash equivalents at end of the period	<u><u>20,699</u></u>	<u><u>54,415</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	17,826	20,222
Repo	2,873	8,844
Deposits with licensed banks	-	25,349
Deposits pledged to licensed banks	229	223
As per Statement of Financial Position	<u>20,928</u>	<u>54,638</u>
Less : Deposits pledged to licensed banks	<u>(229)</u>	<u>(223)</u>
Cash and cash equivalents at end of the period	<u><u>20,699</u></u>	<u><u>54,415</u></u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	< ----- Non-distributable ----- >			----- >	Distributable	Total Equity RM '000
	Share Capital RM '000	Treasury Shares RM '000	General Reserve RM '000	Revaluation Reserve RM '000	Retained Earnings RM '000	
Balance as at 1 January 2024	131,691	(1,462)	1,186	6,707	482,566	620,688
Profit for the period	-	-	-	-	1,855	1,855
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,855	1,855
Transactions with owners						
Dividends payable (Note B10)	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance as at 31 March 2024	131,691	(1,462)	1,186	6,707	484,421	622,543
Balance as at 1 January 2023	131,691	(1,462)	1,186	6,707	486,337	624,459
Profit for the period	-	-	-	-	3,615	3,615
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	3,615	3,615
Transactions with owners						
Dividends paid	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance as at 31 March 2023	131,691	(1,462)	1,186	6,707	489,952	628,074

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim statements).



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**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 2023 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 2023, except for the adoption of the MFRSs, Amendments and Annual Improvements to Standards effective as of 1 January 2024.

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

MFRSs, Amendments and Annual Improvements to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
Amendments to MFRS 7 : Financial Instruments: Disclosures – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16 : Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 : Presentation of Financial Statements – Non-Current Liabilities with Covenants and Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 107 : Statement of Cash Flows – Supplier Finance Arrangements	1 January 2024

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



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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
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Amendments to MFRS 121 : The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A2 Auditor's report on preceding annual financial statements

The preceding year's audit report for the year ended 31 December 2023 was unmodified.

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 first (1st) quarter and year-to-date ended 31 March 2024.

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 first (1st) quarter and year-to-date ended 31 March 2024.

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

For the current quarter and year-to-date ended 31 March 2024, the Company did not repurchase any ordinary shares from the open market.

As at 31 March 2024, a total of 1,442,887 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 year-to-date ended 31 March 2024.

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.

The gearing ratios as at 31 March 2024 and 31 March 2023, which are within the Group's objectives for capital management, are as follows:

	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
Borrowings	24,000	-
Trade and other payables	7,484	13,056
Less : Cash and bank balances	(20,928)	(54,638)
Net debt/(cash)	<u>10,556</u>	<u>(41,582)</u>
Total capital	622,543	628,074
Net debt/(cash)	<u>10,556</u>	<u>(41,582)</u>
	<u>633,099</u>	<u>586,492</u>
Gearing ratio (%)	1.7%	N/A

A7 Dividends paid

There were no dividends paid in the current quarter and year-to-date ended 31 March 2024.



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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 first (1st) quarter ended 31 March 2024 are as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Revenue			
Total revenue	62,178	42,817	104,995
Inter-segment revenue	(2,056)	(14,317)	(16,373)
Revenue from external customers	60,122	28,500	88,622
Profit for the quarter			
Total expenses	(58,363)	(27,668)	(86,031)
Finance costs	(2)	(74)	(76)
Profit before taxation	1,757	758	2,515
Taxation	(461)	(199)	(660)
Profit after taxation for the quarter	1,296	559	1,855
Other comprehensive income for the quarter, net of tax	-	-	-
Total comprehensive income for the quarter	1,296	559	1,855

Segment performance for the first (1st) quarter ended 31 March 2023 are as follows:-

	<u>Trading</u>	<u>Manufacturing</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Revenue			
Total revenue	72,202	59,979	132,181
Inter-segment revenue	(3,345)	(24,063)	(27,408)
Revenue from external customers	68,857	35,916	104,773
(Loss)/Profit for the quarter			
Total expenses	(69,119)	(31,666)	(100,785)
Finance costs	(1)	(13)	(14)
(Loss)/Profit before taxation	(263)	4,237	3,974
Taxation	24	(383)	(359)
(Loss)/Profit after taxation for the quarter	(239)	3,854	3,615
Other comprehensive income for the quarter, net of tax	-	-	-
Total comprehensive (loss)/income for the quarter	(239)	3,854	3,615



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A8 Operating segment information (Cont'd)

Segment assets and liabilities as at 31 March 2024 are as follows:-

	<u>Trading</u> RM'000	<u>Manufacturing</u> RM'000	<u>Total</u> RM'000
Assets			
Segment assets	212,328	431,372	643,700
<u>Unallocated assets:</u>			
Cash and bank balances			20,928
Total assets			<u>664,628</u>
Liabilities			
Segment liabilities	7,097	28,739	35,836
<u>Unallocated liabilities:</u>			
Deferred tax liabilities			6,249
Total liabilities			<u>42,085</u>

Segment assets and liabilities as at 31 March 2023 are as follows:-

	<u>Trading</u> RM'000	<u>Manufacturing</u> RM'000	<u>Total</u> RM'000
Assets			
Segment assets	220,736	375,539	596,275
<u>Unallocated assets:</u>			
Cash and bank balances			54,638
Total assets			<u>650,913</u>
Liabilities			
Segment liabilities	6,950	8,998	15,948
<u>Unallocated liabilities:</u>			
Deferred tax liabilities			6,891
Total liabilities			<u>22,839</u>

A9 Material events subsequent to the end of the reporting period

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

A10 Effects of changes in composition of the group

There were no changes in the composition of the Group during the first (1st) quarter and year-to-date ended 31 March 2024.

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.



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A12 Capital commitments

Authorised capital commitments not recognised in the interim financial statements as at 31 March 2024 are as follows:

	RM'000
Capital expenditure :	
Contracted but not provided for	6,389
Approved but not contracted for	<u>2,544</u>
	<u><u>8,933</u></u>

A13 Related party transactions

Related party transactions for the quarter and year-to-date ended 31 March 2024 under review in which certain directors have direct/indirect interest are as follows:

	Current year quarter <u>RM'000</u>	Current year-to-date <u>RM'000</u>
Sales of steel products	<u>26</u>	<u>26</u>
Rental expense	<u>415</u>	<u>415</u>

These transactions have been entered into in the normal course of business and are 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 year-to-date ended 31 March 2024 was RM819,552.



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A15 Financial instruments

Group	As at 31 March 2024		
	Amortised cost	Fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Financial assets			
Trade and other receivables, net of prepayments	94,593	-	94,593
Cash and bank balances	20,928	-	20,928
	<u>115,521</u>	<u>-</u>	<u>115,521</u>
Financial liabilities			
Trade and other payables	7,484	-	7,484
Borrowings	24,000	-	24,000
Lease liabilities	4,334	-	4,334
	<u>35,818</u>	<u>-</u>	<u>35,818</u>

(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 the fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, cash and bank balances, trade and other payables and borrowings, are reasonable approximation of fair value due to their short-term nature.

The fair values of the fixed rate lease liabilities are estimated by discounting expected future cash flows at market incremental/lending rate for similar types of lending, borrowings or leasing arrangements at the end of each 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.



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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).

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).

Derivatives

The fair value of forward exchange contracts are estimated by using mark-to-market values at the end of the reporting date and changes in the fair value are recognised in profit or loss.

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.

Group	Level 1	Level 2	Level 3	Total	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
Assets measured at fair value					
Investment properties	-	-	9,750	9,750	9,750
Derivative assets					
- Forward contracts	-	-	-	-	-
Liabilities measured at fair value					
Derivative liabilities					
- Forward contracts	-	-	-	-	-

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the year-to-date ended 31 March 2024.

(c) Derivative liabilities

Group	As at 31 March 2024		
	Contract / Notional amount	Assets	Liabilities
	RM'000	RM'000	RM'000
Forward currency contracts (USD)	-	-	-
Forward currency contracts (SGD)	-	-	-



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A15 Financial instruments (Cont'd)

(c) Derivative liabilities (Cont'd)

- i. The Group enter into forward currency contracts to manage exposures to currency risk of its trade receivables and trade payables which are denominated in currencies other than the functional currency of the Group.

- ii. For the year-to-date ended 31 March 2024, there were no 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 March 2024 stood at RM3.17 and remained the same as compared to RM3.17 as at 31 December 2023.



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**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 RM88.6 million for the quarter ended 31.03.2024 (“1Q 2024”), which contracted by RM16.2 million (-15%) as compared with revenue of RM104.8 million recorded in the previous year quarter ended 31.03.2023 (“1Q 2023”). The weaker revenue performance was attributed to lower contribution from both the manufacturing and trading segments.

Correspondingly, the Group recorded a lower profit before taxation of RM2.5 million for 1Q 2024 as compared with a profit before taxation of RM4.0 million recorded in 1Q 2023. This was mainly due to weaker sales volume and average selling prices offsetting the improved profit margins on the back of lower average raw material costs.

The performance of the respective operating business segments of the Group for 1Q 2024 as compared with 1Q 2023 are analysed as follows:

Manufacturing

The manufacturing operations' revenue decreased by 21% to RM28.5 million in 1Q 2024, from RM35.9 million recorded in 1Q 2023. This was attributed to softer sales volume.

Trading

The trading operations' revenue fell by 13% to RM60.1 million in 1Q 2024 as compared with RM68.9 million recorded in 1Q 2023. The weaker performance was mainly due to the drop in sales volume.

B2 Comparison with preceding quarter's results

The Group's revenue for 1Q 2024 slid to RM88.6 million from RM103.6 million achieved in 4Q 2023 due to weaker sales volume.

However, the Group recorded a profit before taxation of RM2.5 million for 1Q 2024 as compared with a loss before taxation of RM1.4 million recorded in 4Q 2023, mainly due to improved profit margins on the back of stronger average selling prices and lower average raw material costs.

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

a) Prospects for 2024

The global steel industry continues to be weighed down by challenges such as weak demand in developed economies, limp construction activity in China and high interest rates, resulting in rising supply compounding the pressure on selling prices.

Conversely, the local steel industry is bearing the brunt of the global steel challenges apart from the country's own economic and steel industry challenges. To address these challenges, the government has implemented a two-year moratorium on steel investments since August 2023. The key drivers for the country's steel industry growth and resilient steel demand remains largely dependent on steel consuming activities such as foreign investment from China to improve the nation's transportation infrastructure, timely rollout of local new/existing infrastructure projects as well as renewed confidence in the construction sector.



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

Prospects for 2024 (Cont'd)

To be resilient amid the challenges, the Group remains focused on prudent procurement strategies, effective inventory management, improving operational efficiency, employing costs optimisation strategies as well as widening its business network nationwide.

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	Current year-to-date
	RM'000	RM'000
Income tax		
- current quarter/year-to-date	404	404
- under provision in prior quarter/year-to-date	(19)	(19)
Deferred tax		
- current quarter/year-to-date	275	275
Taxation	<u>660</u>	<u>660</u>

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 year-to-date ended 31 March 2024 was slightly higher than the statutory tax rate, mainly due to the effect of expenses non-deductible for tax purposes.

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 utilisation of proceeds raised from any corporate proposal

Not applicable.



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B8 Group borrowings and debt securities

Details of the Group's borrowings as at 31 March 2024 are as follows:

Short-term borrowings

	RM'000	
Bankers' acceptances	12,000	Unsecured
Trust receipts	12,000	Unsecured
	<u>24,000</u>	

Borrowings are denominated in the following currencies:

	RM'000	
- Ringgit Malaysia	24,000	Unsecured
	<u>24,000</u>	

The Group has no debt securities as at 31 March 2024.

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 payable

The Board of Director has recommended a final single tier dividend of 0.5 sen per ordinary share (2022: final single tier dividend of 2.5 sen per ordinary share) amounting to RM980,000 in respect of the financial year ended 31 December 2023 for shareholders' approval at the Annual General Meeting to be held on 20 June 2024.

B11 Earnings per share

(a) Basic earnings per ordinary share

		Year-to-date ended	
		<u>31.03.2024</u>	<u>31.03.2024</u>
Profit attributable to the equity holders of the parent	(RM'000)	1,855	3,615
Weighted average number of ordinary shares in issue	('000)	196,093	196,093
Basic earnings per ordinary share	(sen)	0.95	1.84

(b) Diluted earnings per ordinary share

There are no potential dilutive ordinary shares during the quarter and year-to-date ended 31 March 2024. Accordingly, the diluted earnings per ordinary share is not presented.



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B12 Other income

	Year-to-date ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Bad debts recovered	5	-
Fair value adjustments on derivative financial instruments	12	1,061
Interest on:		
Customer overdue accounts	116	-
Short term deposits	138	377
Rental income	129	134
Realised gain on foreign exchange transactions	29	506
Net unrealised gain on foreign exchange transactions	75	11
Others	1	-
	<u>505</u>	<u>2,089</u>
Other Losses:		
Loss on disposals of property, plant and equipment	(39)	(2)
Waiver of interest income on :		
Customer overdue accounts	-	(9)
Realised loss on foreign exchange transactions	(34)	(1,803)

B13 Authorisation for issue

The interim financial statements were authorised on 28 May 2024 for issue by the Board of Directors.