

ANNUAL
REPORT
2024



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CHOO BEE

CHOO BEE METAL INDUSTRIES BERHAD

[Registration No. 197101000234 (10587-A)]
(Incorporated in Malaysia)

**STRENGTHEN
SUSTAIN
SUCCEED**



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Proxy Form

ENCLOSED



STRENGTHEN, SUSTAIN, SUCCEED

Progress is built on a foundation of strength, sustained by responsibility, and driven toward lasting success. At Choo Bee Metal Industries Berhad, we reinforce our business with innovation and resilience, ensuring that growth is both enduring and ethical. Our adoption of solar energy across facilities reflects a deep commitment to reducing emissions and optimising energy efficiency, aligning industrial progress with environmental consciousness. By strengthening our foundations, embracing sustainability, and forging ahead with purpose, we create a future where success is measured not only by growth but by the positive impact we leave behind.

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the 2025 Annual General Meeting ("AGM") of Choo Bee Metal Industries Berhad ("CBMI" or "the Company") will be held at Travelodge Ipoh, Jalan Raja Dihilir, 30350 Ipoh, Perak Darul Ridzuan, Malaysia on Thursday, 19 June 2025 at 11.00 a.m. to transact the following Ordinary Business:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024, together with the Directors' and Auditors' Reports thereon. (Please refer to Note 2)
2. To approve the payment of Directors' Fees of RM246,000 for the Directors in respect of the financial year ended 31 December 2024. (Ordinary Resolution 1)
3. To approve the payment of Directors' Benefits payable to Non-Executive Directors up to an amount of RM60,000 from the 2025 AGM until the next AGM of the Company. (Ordinary Resolution 2)
4. To re-elect the following Directors retiring by rotation in accordance with Article 102 of the Company's Constitution:
 - 4.1 Soon Cheng Boon (Ordinary Resolution 3)
 - 4.2 Ng Poh Tat (Ordinary Resolution 4)
5. To re-appoint Messrs BDO PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. (Ordinary Resolution 5)

AS SPECIAL BUSINESS:

To consider and, if thought fit, pass the following resolutions:

6. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR – PUAN SRI SHAHRIZAN BINTI ABDULLAH** (Ordinary Resolution 6)

"That Puan Sri Shahrizan Binti Abdullah, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be retained, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code of Corporate Governance."
7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY** (Ordinary Resolution 7)

"That, subject to the Companies Act 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:

 - (i) the aggregate number of shares purchased does not exceed 6,000,000 shares inclusive of those shares already purchased and retained in treasury, which as at 31 March 2025 amounted to 1,442,887 shares;
 - (ii) an amount of RM6,500,000 be allocated for the Proposed Share Buy-Back out of the total of the audited retained earnings as at 31 December 2024, so that the total consideration of shares purchased and held as treasury shares or cancelled at any time does not exceed RM6,500,000. The retained earnings of the Company based on the audited financial statements for the year ended 31 December 2024 is RM230,365,000; and

AS SPECIAL BUSINESS: (Cont'd)

To consider and, if thought fit, pass the following resolutions: (Cont'd)

7. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (Cont'd)

(Ordinary Resolution 7)

- (iii) the Directors of the Company may decide in their absolute discretion either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends and/or in such manner as may be permitted pursuant to Section 127 of the Companies Act 2016 and the provisions of the Main LR of Bursa Securities and any other relevant authorities.

And that any authority conferred by this resolution may only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act 2016, the provisions of the Constitution of the Company and the Main LR and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities.

8. PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

(Ordinary Resolution 8)

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"), the Directors be and are hereby empowered to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this Mandate.

AS SPECIAL BUSINESS: (Cont'd)

To consider and, if thought fit, pass the following resolutions: (Cont'd)

8. **PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (Cont'd)** (Ordinary Resolution 8)

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

CHAN MAY YOKE
(SSM PC No. 202008002012)
(MAICSA 7019010)

Chartered Secretary

Perak Darul Ridzuan
30 April 2025

NOTES:

1. PROXY

Only members whose names appear on the Record of Depositors as at 10 June 2025 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead. A proxy must be 18 years and above and may but need not be a member of the Company.

A member, other than an exempt authorised nominee is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.

The instrument appointing a proxy or the power of attorney must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or any adjournment Meeting thereof either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above. Alternatively, the proxy form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal. Please refer to the Administrative Guide on the procedures for electronic lodgement of proxy form.

NOTES: (Cont'd)**2. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

Agenda 1 is meant for discussion only as Section 340(1) of the Companies Act 2016 ("Act") requires the Audited Financial Statements to be laid before the Company at the AGM and they do not require shareholders' approval. Hence, Agenda 1 will not be put forward for polling.

3. DIRECTORS' FEES AND BENEFITS

Section 230(1) of the Act provides amongst others, that "fees" of the Directors and "any benefits" payable to Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for these payments in two (2) separate ordinary resolutions as follows:

Ordinary Resolution 1 : Payment of Directors' Fees in respect of the financial year ended 31 December 2024

Ordinary Resolution 2 : Payment of Directors' Benefits from the 2025 AGM until the next AGM of the Company

The Directors' Fees include fees payable to the Chairman and members of the Board.

Based on the Nomination and Remuneration Committee's recommendation, the Board decided that the Directors' fees per annum (p.a.) shall remain unchanged.

Summary of the Payment of Directors' Fees for YE 2024 and Directors' Benefits to Non-Executive Directors from the 2025 AGM until the next AGM in the year 2026:

Description	Executive Directors	Non-Executive Directors / Members
Directors' Fees	RM20,000.00 per annum per Director	RM62,000.00 per annum per Director
Description	Non-Executive Directors / Members	
Allowance for Chairman of Audit and Risk Management Committee	RM10,000.00 per year	
Allowance for Chairman of Nomination and Remuneration Committee	RM6,000.00 per year	
Meeting Allowance for Directors and Board Committees	RM800.00 per Meeting (Board/Audit and Risk Management Committee)	
	RM500.00 per Meeting (Nomination and Remuneration Committee)	

Note:

The Directors' Benefits payable to the Non-Executive Directors would be calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees and includes all benefits payable to the Directors, such as meeting allowances, committees' fees, etc.

4. RE-ELECTION OF DIRECTORS

Soon Cheng Boon and Ng Poh Tat (the "Retiring Directors") are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election at this 2025 AGM.

The Board has via the Nomination and Remuneration Committee in November 2024 conducted an assessment on the effectiveness and contributions of the said Retiring Directors including their skills, experience, competency, and commitment, and has recommended for them to be re-elected to the Board. The profile of the Retiring Directors is set out in the Profile of Directors of the Annual Report 2024.

NOTES: (Cont'd)

5. RE-APPOINTMENT OF EXTERNAL AUDITORS ("EA")

The Audit and Risk Management Committee ("ARMC") has in March 2025 carried out an assessment of the suitability and independence of the EA, Messrs BDO PLT. The ARMC in its assessment found Messrs BDO PLT to be sufficiently objective and independent and was satisfied with the suitability based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

The Board therefore approved the ARMC's recommendation that the re-appointment of Messrs BDO PLT as EA of the Company be put forward for the shareholders' approval at the 2025 AGM.

6. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The proposed Ordinary Resolution 7, if passed, will empower the Directors to purchase the Company's shares through Bursa Malaysia Securities Berhad up to 6,000,000 (representing 3.037%) of the number of issued shares of the Company, inclusive of those shares already purchased and retained in treasury. Details of the Proposed Share Buy-Back are set out in the Share Buy-Back Statement of the Company, which is sent out together with the Company's 2024 Annual Report.

7. PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")

The Company had during its 2024 AGM held on 20 June 2024, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. The Company did not issue any new shares pursuant to this mandate obtained and accordingly no proceeds were raised.

The proposed Ordinary Resolution 8 is a renewal general mandate for issuance of shares by the Company pursuant to Sections 75 and 76 of the Act, the Constitution of the Company and the Main Market Listing Requirements of Bursa Securities. The mandate, if passed, will provide flexibility for the Company and empower the Directors to issue and allot new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for purpose of funding future investments project(s), working capital and/or acquisitions. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

ANNUAL REPORT 2024 AND CORPORATE GOVERNANCE REPORT 2024

The Annual Report 2024 and Corporate Governance Report 2024 can be downloaded at www.choobee.com

BOARD OF DIRECTORS

Soon Cheng Hai

Group Executive Chairman
Chief Executive Officer
Executive Director

Soon Cheng Boon

Executive Director
Deputy Chief Executive Officer

Puan Sri Shahrizan Binti Abdullah

Senior Independent Non-Executive Director

Ng Poh Tat

Non-Independent Non-Executive Director

Ng Leong Teck

Independent Non-Executive Director

EXECUTIVE COMMITTEE

Soon Cheng Hai, *Chairman*

Soon Cheng Boon, *Member*

NOMINATION AND REMUNERATION COMMITTEE

Puan Sri Shahrizan Binti Abdullah, *Chairman*

Ng Poh Tat, *Member*

Ng Leong Teck, *Member*

AUDIT AND RISK MANAGEMENT COMMITTEE

Ng Leong Teck, *Chairman*

Ng Poh Tat, *Member*

Puan Sri Shahrizan Binti Abdullah, *Member*

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel : 603-7890 4700

Fax : 603-7890 4670

E-mail address : bsr.helpdesk@boardroomlimited.com

SECRETARY

Chan May Yoke
(SSM PC No. 202008002012)
(MAICSA 7019010)

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad

AUDITORS

BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Level 8, BDO PLT @ Menara CenTARA
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia

Tel : 603-2616 2888

Fax : 603-2616 2970

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Wisma Soon Teik Aun
Jalan Bendahara
31650 Ipoh
Perak Darul Ridzuan
Malaysia

Tel : 605-255 8111

Fax : 605-254 3073

E-mail address : enquiries@choobee.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE AND E-MAIL ADDRESS

Homepage : www.choobee.com

E-mail address : enquiries@choobee.com.my



Soon Cheng Hai

Group Executive Chairman
Chief Executive Officer
Executive Director

Male,
Aged 62,
Malaysian

Date of Appointment

10 April 1985

Length of Service (as at 30 April 2025)

40 years

Date of Last Re-Election

20 June 2024

Board Meeting Attended

5/5

Board Committees Memberships

- Executive Committee Chairman

Academic/Professional Qualifications

- Diploma in Business Management from Sangyo Noritsu College, Japan

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

He has substantially worked within the Group for more than 30 years in various core processes such as management of the supply chain, marketing, product development and manufacturing management. Based on a successful performance record, he was promoted to the position of Group Deputy Managing Director in 1992 and subsequently promoted to Group Managing Director ("GMD") in 1994. He was re-designated to Chief Executive Officer ("CEO") and appointed as Group Executive Chairman on 21 February 2014.

He is also the Chairman of the Executive Committee.

Family Relationship/Conflict of Interest

Soon Cheng Boon is his brother. He is a director and shareholder in Choo Bee Holdings Sdn. Bhd. and Soon Lian Huat Holdings Sdn. Berhad, major shareholders of the Company. Save for the recurrent related party transactions as disclosed in Note 29 of the Audited Financial Statement, he has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Soon Cheng Boon

*Executive Director
Deputy Chief Executive Officer*

**Male,
Aged 60,
Malaysian**

Date of Appointment

19 September 1985

Length of Service (as at 30 April 2025)

39 years 7 months

Date of Last Re-Election

21 June 2023

Board Meeting Attended

5/5

Board Committees Memberships

- Executive Committee Member

Academic/Professional Qualifications

- Not Applicable

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

He joined Choo Bee Hardwares Sdn. Bhd. in 1982, currently serving as the Group Business Manager and was appointed as Deputy Chief Executive Officer on 21 June 2019. He underwent training overseas as well as locally and has extensive experience in the field of sales and marketing management. He is also responsible for the overall business development and formulation of all marketing plans and policies for the Group.

He is also a member of the Executive Committee.

Family Relationship/Conflict of Interest

Soon Cheng Hai is his brother. He is a director and shareholder in Choo Bee Holdings Sdn. Bhd. and Soon Lian Huat Holdings Sdn. Berhad, major shareholders of the Company. Save for the recurrent related party transactions as disclosed in Note 29 of the Audited Financial Statement, he has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Ng Poh Tat

*Non-Independent
Non-Executive Director*

**Male,
Aged 75,
Malaysian**

Date of Appointment

15 August 2008 as Independent
Non-Executive Director

Length of Service (as at 30 April 2025)

16 years 7 months

1 March 2023 redesignated as Non-Independent
Non-Executive Director

Date of Last Re-Election

10 June 2022

Board Meeting Attended

5/5

Board Committees Memberships

- Nomination and Remuneration Committee ("NRC"), member (relinquished as Chairman of NRC on 1 March 2023)
- Audit and Risk Management Committee, member

Academic/Professional Qualifications

- Certificate in Legal Practice, Malaysia Legal Profession Qualifying Board
- Bachelors of Law, University of London

Other Directorship(s) in Public Companies and Listed Issuers

- Polydamic Group Berhad (Public Listed Company)

Past Directorships and/or Appointments/Working Experience

He was appointed to the Board as an Independent Non-Executive Director and subsequently promoted to Senior Independent Non-Executive Director on 24 June 2011. Subsequently, he relinquished his position as Senior Independent Non-Executive Director on 1 March 2023.

He was admitted by the High Court of Malaya, Ipoh and enrolled as an advocate and solicitor in February 1989. In 1991, he set up his own firm under the partnership of Messrs. Ng Poh Tat & Co in Ipoh.

Family Relationship/Conflict of Interest

He does not have any family relationship with any other Director and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Puan Sri Shahrizan Binti Abdullah

*Senior Independent
Non-Executive Director*

**Female,
Aged 74,
Malaysian**

Date of Appointment

Length of Service (as at 30 April 2025)

12 June 2004 as Non-Independent
Non-Executive Director

12 years 10 months as Non-Independent
Non-Executive Director

23 May 2014 redesignated as Independent
Non-Executive Director

10 years 11 months as Independent
Non-Executive Director

1 March 2023 redesignated as Senior Independent
Non-Executive Director

Date of Last Re-Election

Board Meeting Attended

20 June 2024

5/5

Board Committees Memberships

- Nomination and Remuneration Committee ("NRC"), Chairman (Appointed as Chairman of NRC on 1 March 2023)
- Audit and Risk Management Committee, member

Academic/Professional Qualifications

- Bachelor of Economics Degree from University of Malaya

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

She was appointed to the Board as a Non-Independent Director and was subsequently re-designated to Independent Director status on 23 May 2014 after she ceased to act as a nominee/representative of a deemed substantial shareholder.

She started her career as an Advisory Services Executive with Majlis Amanah Rakyat Malaysia after graduation. In 1975, she joined South East Asia Development Corporation as an Investment Analyst and in 1978, became a Financial Analyst with Amanah Chase Merchant Bank. She then held the position of Senior Corporate Services Manager in Permodalan Nasional Berhad from 1979 to 1984. She was the chairperson of MIDF Amanah Asset Management Berhad until her retirement on 21 February 2017. Subsequent to this, she was appointed as an Independent Non-Executive Director of MIDF Amanah Investment Bank Berhad until her retirement on 16 May 2020. Apart from the above, she also holds a directorship in a private limited company.

Family Relationship/Conflict of Interest

She does not have any family relationship with any other Director and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

She has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Ng Leong Teck

*Independent
Non-Executive Director*

**Male,
Aged 57,
Malaysian**

Date of Appointment

1 March 2023

Length of Service (as at 30 April 2025)

2 years and 2 months

Date of Last Re-Election

21 June 2023

Board Meeting Attended

5/5

Board Committees Memberships

- Audit and Risk Management Committee, Chairman (Appointed as member on 1 March 2023 and as Chairman on 31 May 2023)
- Nomination and Remuneration Committee, member (Appointed on 1 March 2023)

Academic/Professional Qualifications

- Qualified Chartered Accountant - The Association of Chartered Certified Accountants ("ACCA")
- Member of the Malaysian Institute of Accountants ("MIA")

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

Before setting up his own practice in 2003, he was attached to Skelchy Su Lim & Associates followed by PKF respectively. He was also attached to UHY briefly from 2017 to 2019, in which he was the engagement partner as well as engagement quality control reviewer for around 15 listed entities. He has 28 years of professional experience and has been involved in a wide range of audit and business advisory services. He has also led assignments in a wide range of companies, from small local entrepreneurial organisations to large international trading, construction, services and manufacturing companies, as well as companies listed on Bursa Malaysia. His experience includes among others, corporate listing exercises, due diligent audit assignments, investigation on listed company classified under Practice Note 4 of the Listing Requirements as well as acting as Monitoring Accountant (under instructions and appointment by the Securities Commission) to review and monitor the financial movements of listed companies. He ceased as a partner in TNL Partners PLT in November 2024. He is currently a partner in CS Partners Chartered Accountant, an audit firm.

Family Relationship/Conflict of Interest

He does not have any family relationship with any other Director and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Soon Cheng Hai

Group Executive Chairman
Chief Executive Officer
Executive Director

Male, Aged 62, Malaysian

Refer to the Profile of Directors.

Soon Cheng Boon

Executive Director
Deputy Chief Executive Officer

Male, Aged 60, Malaysian

Refer to the Profile of Directors.

Leong Peck Wah

Chief Financial Officer

Female, Aged 39, Malaysian

Loh Chee Chyuen

Group Factory Manager

Male, Aged 68, Malaysian

Date of Appointment

15 April 2025

Date of Appointment

1 July 1992

Academic/Professional Qualifications

- ACCA Advance Diploma in Accounting and Business (Completed Part 1 & 2) from Kompas International College, Perak

Academic/Professional Qualifications

- Certified First Class Marine Engineer from the Ministry of Transport Malaysia
- Member of the Institute of Certified Engineers Malaysia ("ICEM")
- Member of the Institute Kelautan Malaysia
- Diploma in Marine Engineering from Ungku Omar Polytechnic

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Working Experience

She has over 8 years of working experience in the audit division at Deloitte Kassim Chan, where she held the position of Audit Assistant Manager. In 2013, she joined SANCora Paints Industries Sdn. Bhd. ("SPI") as an Account Manager. Her dedication and leadership led to her promotion to General Manager in 2017, she was responsible for overseeing all aspects of a business's daily operations, managing staff, developing strategic plans, monitoring budgets, ensuring efficient performance across departments, driving sales, and achieving overall profitability goals, while also ensuring compliance with company policies, regulations and authorities. In 2022, she was subsequently promoted to Finance and Operation Director of SPI before joining Choo Bee Metal Industries Berhad. Her responsibility was to manage all financial and operational aspects of SPI, including budgeting, financial reporting, accounting, operational efficiency, and ensuring compliance with regulations to achieve organisational goals and drive profitability.

Working Experience

He started his career in 1980 as a cadet engineer with Malaysian International Shipping Corporation ("MISC") and served as a Chief Engineer in 1986 on board the company's sea going vessels. Subsequently, in 1990 he was seconded to be a Marine Superintendent in the head office of MISC. As a Marine Superintendent, he performed technical audit on the company's fleet of vessels and reported on non-compliances and made the necessary recommendations to the Director of Fleet Operations. He resigned from MISC in 1992 and joined the Group as Group Factory Manager.

Family Relationship/Conflict of Interest

She does not have any family relationship with any other Director and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Family Relationship/Conflict of Interest

He does not have any family relationship with any other Director and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

She has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

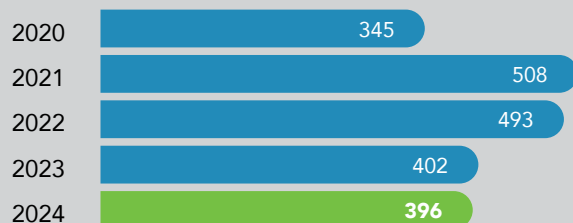
Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

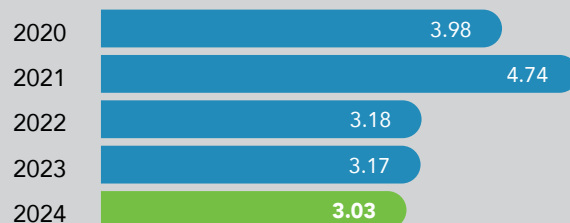
FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

	2020	2021	2022	2023	2024
Revenue (RM'Million)	345	508	493	402	396
NTA Per Share (RM)	3.98	4.74	3.18	3.17	3.03
Profit/(Loss) Before Taxation (RM'Million)	23	137	12	1	(30)
Profit/(Loss) After Taxation (RM'Million)	19	103	8	1	(26)
Earnings/(Loss) Per Share (sen)	14.90	78.95	5.17	0.58	(13.13)
Dividend Cover Ratio (times)	3.73	10.53	1.66	1.15	-
Borrowings (RM'million)	5	6	10	8	3
Shareholders Equity (RM'Million)	520	619	624	621	594

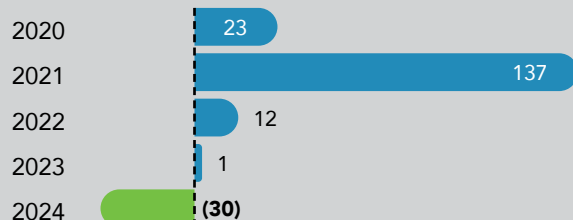
Revenue (RM'Million)



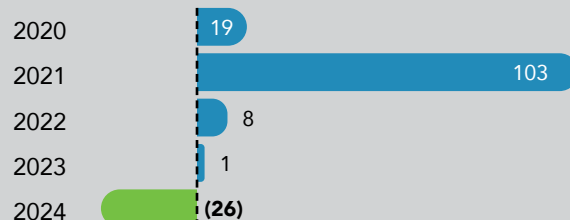
Net Tangible Asset Per Share (RM)



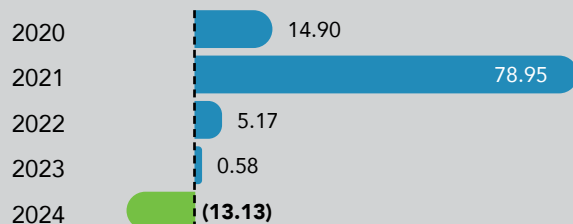
Profit/(Loss) Before Taxation (RM'Million)



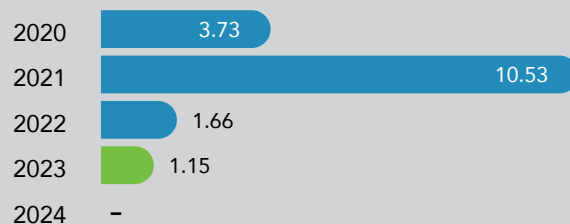
Profit/(Loss) After Taxation (RM'Million)



Earnings/(Loss) Per Share (Sen)



Dividend Cover Ratio (Times)



Borrowings (RM'Million)



Shareholders Equity (RM'Million)





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CHOO BEE



Certificate No.: Q831088



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Business and Operations

The Company is principally engaged in the manufacturing and sales of flat-based steel products from Hot Rolled and Cold Rolled coils, as well as providing processing services such as shearing and slitting of steel products. Its subsidiaries are primarily involved in the:

- a) Trading of hardware and construction materials; and
- b) Manufacturing of stainless-steel pipes as well as trading of hardware.

The Group is an established player in its market, where the Group's products are sold principally through its network of dealers in Peninsular Malaysia, Sabah, Sarawak and Singapore (export market). Currently, the Group's products are mostly sold domestically (88%) where exports contribute 12% to the Group's revenue.

The Group has 7 tube making production lines located in Pengkalan, Ipoh. During the year, the Group successfully commissioned its new factory in its Kapar, Selangor site with 4 tube making production lines in support of its expansion plans as well as to improve cost efficiencies. Both factory plants produce mainly welded steel pipes for water transmission, structural applications and construction industry as well as for general usage purposes. The combined installed capacity per annum is approximately 335,000 metric tonnes.



Objectives and Strategies

The vision of the Group is to be one of the nation's premier manufacturers, suppliers and service centre of steel products. The Group's long-term objective is to remain resilient and sustainable in its core business competency, while delivering sustainable shareholder value to all stakeholders. The strategies employed by the Group to meet its long-term objective include continual cost efficiency improvements, strengthening productivity, enhancing quality and delivery of our products.

Review of Financial Results

For the financial year ("FY") 2024, the Group operated amid a challenging market environment which includes lackluster average selling prices, volatile raw materials prices, a cautious construction sector impacting demand as well as foreign exchange fluctuations.

In view of this, the Group's revenue declined by 1% to RM396.4 million as compared to FY 2023 of RM402.1 million. This was mainly attributed to weaker average selling prices offsetting higher sales volume. On the other hand, Cost of Sales came in higher due to the increase in factory depreciation charges by RM1.9 million as a result of the new Kapar factory, inventories written down to net realisable value of RM2.9 million (FY 2023: inventories written back to net realizable value of RM8.8 million) and unclaimable import duty provisions written off amounting to RM8.6 million. Consequently, this resulted to a gross loss of RM2.9 million as opposed to a gross profit of RM26.5 million recorded in FY 2023.

The Group's administrative and selling/distribution expenses total decreased by 2.5% as compared with the previous year due to disciplined costs management. Other income for the year came in lower at RM1.8 million as compared with RM4.2 million recorded in the previous year, mainly due to the absence of fair valuation adjustments on derivative financial instruments of RM 1 million and realised gains on foreign exchange of RM1.3 million.

In line with the poor gross margins, the Group sank to a loss before taxation of RM30.1 million as compared with a profit before taxation of RM1.34 million recorded in FY 2023.

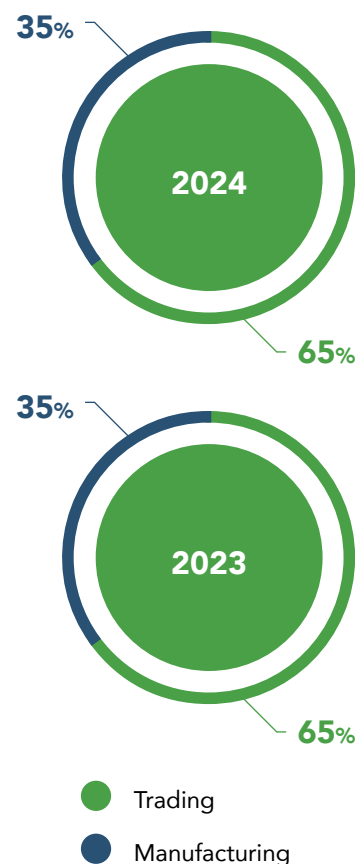
Review of Operating Activities

The revenue of the Group can be further analysed as follows:

	Trading RM'000	Manufacturing RM'000	Total RM'000
2024			
Total revenue	268,700	202,156	470,856
Inter-segment sales	(10,005)	(64,499)	(74,504)
Revenue from external customers	258,695	137,657	396,352
2023			
Total revenue	278,667	218,026	496,693
Inter-segment sales	(18,070)	(76,509)	(94,579)
Revenue from external customers	260,597	141,517	402,114
Decrease	(1,902)	(3,860)	(5,762)
Decrease	-1%	-3%	-1%

For the FY 2024, the trading segment contributed 65% of the Group's revenue, while the manufacturing segment contributed 35%.

The detailed segmental performance is disclosed in Note 4 of the financial statements.



Financial Position

The Group had adopted the best business practice as in past years to ensure that all investments made were within business objectives and limitations. Our financial position as at 31 December 2024 are as follows:

1. Assets:

a. Property, plant and equipment (including Investment properties)

The higher property, plant and equipment of RM255.2 million were mainly attributed to the addition of plant and machinery for the manufacturing segment's new Kapar factory. Investment properties recorded a slightly higher amount of RM9.8 million as a result of upward revaluation adjustments.

b. Inventories

Inventories declined to RM201.0 million from RM216.3 million recorded in the previous financial year. This was mainly attributed to lower trading goods held as at financial year end amid the challenging market environment.

c. Trade and other receivables

Trade and other receivables declined to RM100.3 million from RM108.1 million recorded in the previous financial year, which was in line with the lower revenue trend as well as healthy collections during the year.

d. Cash and bank balances

Cash reserves registered lower at RM28.0 million mainly due to lower deposits with licensed banks.

Financial Position (Cont'd)

2. Liabilities:

Trade and other payables

The Group's trade and other payables rose to RM26.9 million as compared with RM11.7 million recorded in the previous financial year. This was attributed to accrued year end purchases with favourable pricing.

The Group remains prudent in maintaining a sound financial position even in the midst of the challenging and volatile market environment, whereby total yield accumulated during these years are translated in our strong net tangible assets, low gearing ratio, net assets position and healthy cash reserves of the Group, further underlining the strengths reflecting the business' going-concern capabilities which enables the execution of our strategic objectives in creating value over the coming years.

The Group will continue to explore opportunities for continued growth and capital expansion to add value to shareholders.



Economic and Industry Outlook

The Malaysian economy grew by 5.1% in 2024 due to continued expansion in domestic demand and a rebound in exports. On the domestic front, growth was mainly driven by stronger household spending reflecting favourable labour market conditions, policy measures to support households and healthy household balance sheets. In addition, strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy) provided further impetus to investment growth. On the external front, exports recovered amid steady global growth, continued tech upcycle as well as higher tourist arrivals and spending.

For 2025, Malaysia's economy is widely expected to expand with a gross domestic product ("GDP") growth of between 4.5% to 5.5%. Consumer spending is expected to remain as the growth engine, while private investments add to the momentum. Apart from growing employment and income, continued cash assistance from the government, hikes in civil servant salaries and a continued rise in tourist arrivals will support consumption spending. However, downside risks that could weigh down Malaysia's economic growth are further escalation of conflict in the Middle East that may disrupt critical oil and gas supplies, leading to volatile commodity prices and supply chain vulnerabilities, whereas the US President-elect Donald Trump's much-touted aggressive trade policies potentially impacting export.

Global steel demand and selling prices are expected to see a moderate recovery in 2025. The key drivers are the stabilisation of China's real estate sector as well as the successful implementation of its economic stimulus measures, effectiveness of interest rate adjustments in spurring private consumption and business investment, the trajectory of infrastructure spending dedicated to decarbonisation and digital transformation across major global economies.

On the domestic front, major infrastructure projects such as the Penang LRT, MRT3 and Johor-Singapore rapid transit system are anticipated to drive steel demand offering positive prospects for the Group's performance. Steady inflow of investments in new semiconductor foundries and data centres should also bode well for local steel demand further. With the completion of the Group's new Kapar factory in 4Q 2024, it is well positioned to benefit from these key steel demand drivers which is expected to elevate the Group's performance.

The Group takes cognisance of the economic uncertainties and volatility in steel prices and will continue to remain vigilant and focus on prudent procurement strategies, effective inventory management, improving operational efficiency, employing costs optimisation strategies as well as widening its business network nationwide.

Dividend

Given the lackluster loss-making performance for the year, the Board does not recommend any dividend for the financial year ended 31 December 2024.

Overview, Scope and Basis of Scope

This Sustainability Statement ("Statement") covers the sustainability performance and business operations of Choo Bee Metal Industries Bhd and its subsidiaries ("Choo Bee" or the "Group") in Malaysia during the period of 1 January 2024 to 31 December 2024. It encompasses our business segments namely, manufacturing and trading of downstream steel products for a wide range of applications in the building, construction and infra-structural related sectors, water and the general manufacturing industries.

Reporting Frameworks and Standards

This Statement has been developed according to Bursa Malaysia's Main Market Listing Requirements ("MMLR"), with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), United Nations Sustainable Development Goals ("SDG") and Global Reporting Initiative ("GRI") Standards.

Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement and the issues covered to our Sustainability Working Group ("SWG") at finance@choobee.com.my.



Sustainability Policy

Today, stakeholders' expectations go beyond sole reliance on the financial performance of the organisation. In line with these expectations, the Board together with the management takes responsibility for the governance of sustainability for the Group including setting sustainability strategies, priorities and targets. The Group commits to delivering long term sustainable value and growth to our stakeholders.

The Group acknowledges that its operations impact the economy, environment, workplace (which includes shareholders, consumers and employees) and the communities in the areas we operate in. As such, our sustainability strategies are based on these areas whilst using materiality assessment on factors relevant to the Group. Sustainable practices are progressively embedded into the day-to-day operations and decision-making processes, and these practices guide the Group in the conduct of its businesses, and form an integral part of our overall strategy.

Our Sustainability Policy is steered by the Group's four key focus areas as set out in page 23 (under Materiality Assessment) of this Annual Report.

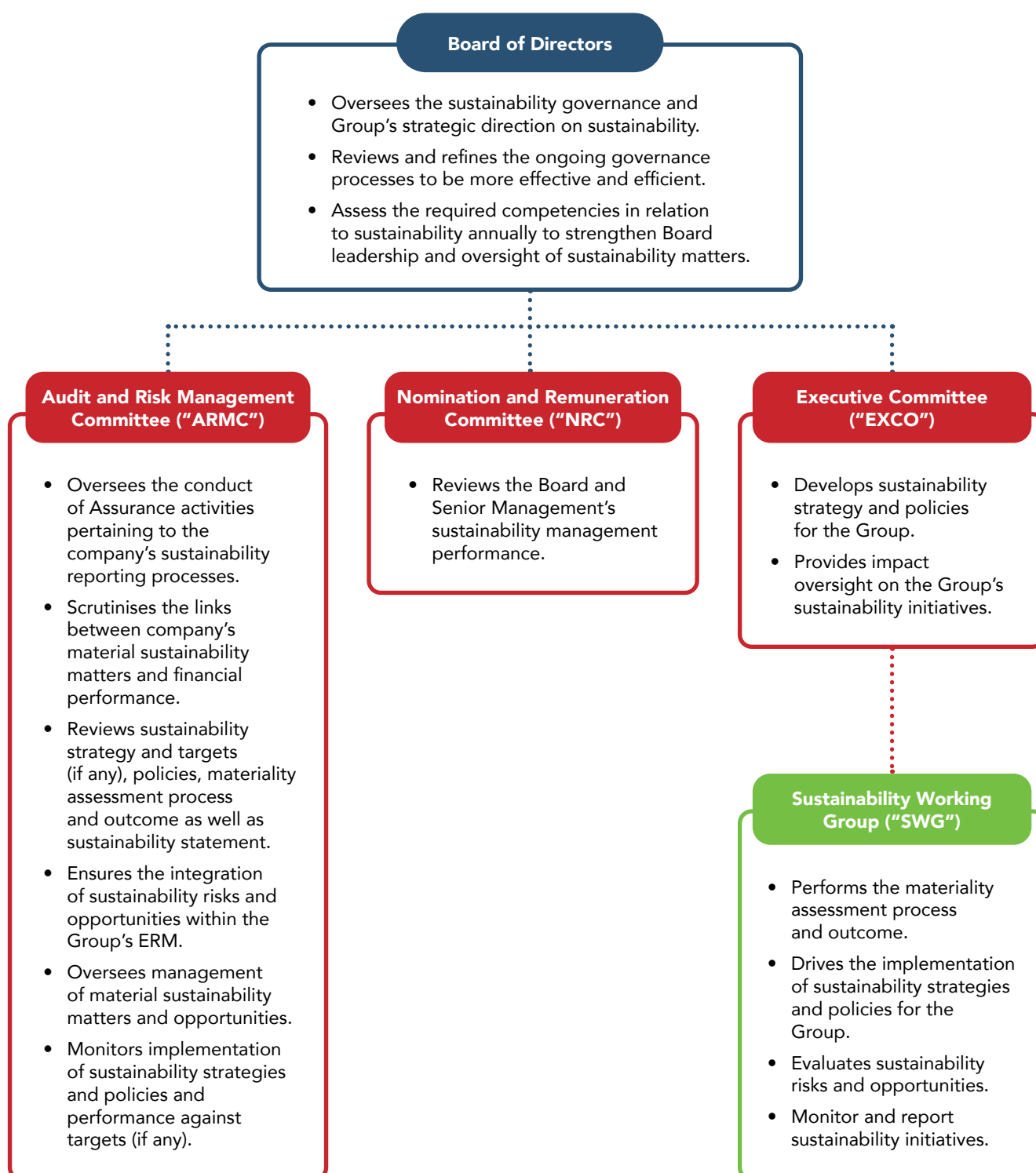
Sustainability Governance

The Group's sustainability governance structure is integrated into our corporate governance framework. As the Group looks to ensure sustainability is embedded across all aspects of our organisation, the responsibilities of our Board and its committees have been broadened to encompass sustainability elements, as reflected in their respective terms of reference. The Board of Directors plays an active role in overseeing the sustainability governance and is ultimately responsible for the Group's strategic direction on sustainability, while being supported by the respective Board committees by virtue of delegation. The Executive Committee ("EXCO") supports the Board and Board committees by setting the overall corporate sustainability strategies and provides impact oversight on the Group's sustainability initiatives. The EXCO is represented by senior management and Heads of Department.

The SWG, backing the EXCO, is led by the Chief Executive Officer and comprises of middle and senior management as well as the respective Heads of Department of the Group. They are responsible for materiality assessment, drive implementation, evaluate sustainability risk and opportunities, monitor and report sustainability initiatives.

Sustainability Governance (Cont'd)

Ongoing governance processes are periodically reviewed and refined to incorporate sustainability best practices for greater effectiveness and efficiency. The Board of Directors strive to continuously be equipped with the necessary knowledge regarding the management of sustainability to drive informed decision making by attending capacity-building programmes. The Board is also cognisant of ensuring that the required competencies in relation to sustainability is assessed annually to strengthen Board leadership and oversight of sustainability matters. The Board and senior management are also evaluated for their sustainability management performance.



Stakeholder Engagement

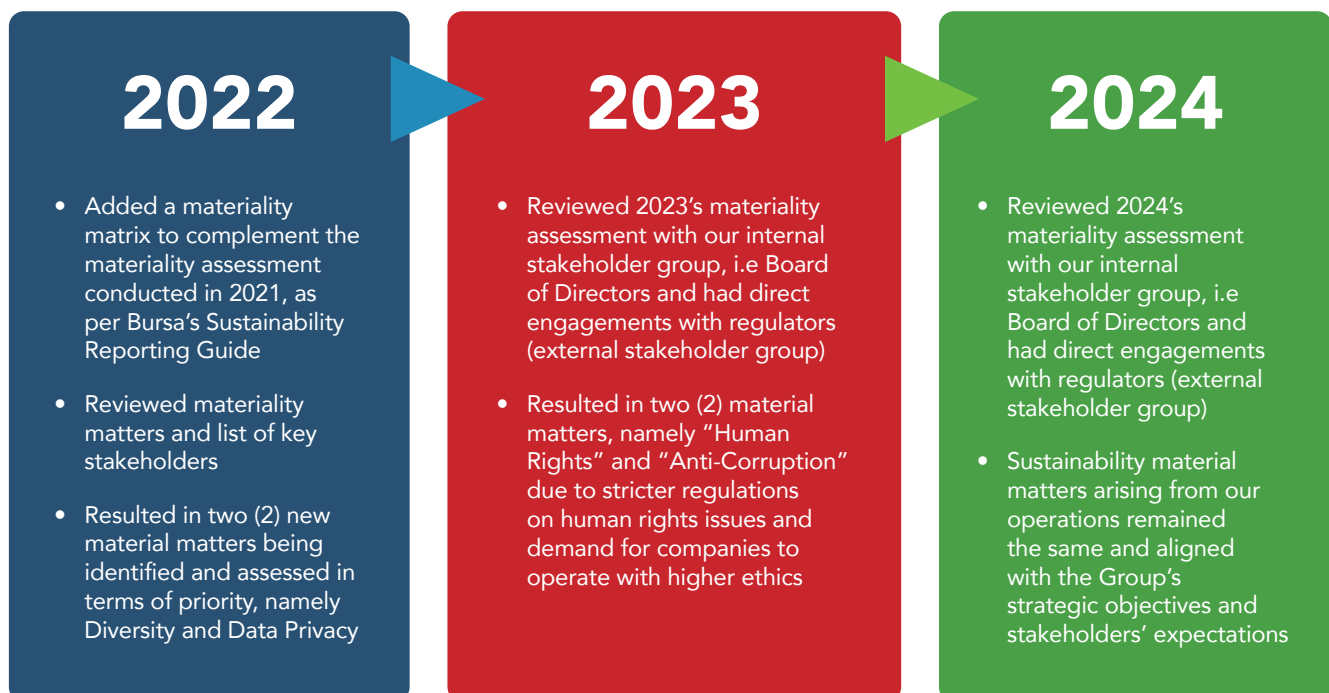
The Group acknowledges the importance of both internal and external stakeholders which have an effect on, or are affected by the Group and our operations. Our stakeholder groups also contribute to the Group's sustainable growth. Hence, we work closely with both our internal and external stakeholders in a timely and open manner via both formal and informal channels to identify and address sustainability issues. Ultimately, this would help the Group in making informed decisions to achieve sustainability objectives. Our key stakeholder groups identified are as below:

Stakeholders	Mode of Engagement	Sustainability Focus Areas	Our response
Shareholders/ Investors	- Annual General Meeting - Annual Report - Analyst Briefings - Corporate Website - Media Interviews and Releases - Quarterly Results Announcements	- Business Strategy and Plans - Group Performance - Corporate Governance - Corporate Activities - Dividend - Risk Management Practices	- Timely updates on the Group's strategy and financial performance via investor briefings and announcements - Uphold good governance practices across the Group - Monitor sustainability performance
Customers	- Customer Satisfaction Survey - Corporate Website - Direct Engagements - Meetings	- Products and Services Updates - Quality of Product and Services - Delivery Time - Product Range Sufficiency - Relationship Management	- Offer quality products and services that are compliant with ISO quality standards and other certification bodies - Adhere to the Personal Data Protection Act 2010 to protect the privacy of our customers data
Suppliers/ Consultants	Direct Engagements	- Quality of Product & Services - Relationship Management - Supply Chain Management	- Emphasis on provision of transparent procurement processes - Source from reliable suppliers
Government/ Regulatory authorities	- On-site inspections - Participation in Programmes/Seminars - Direct Engagements	- Corporate Governance - Regulatory Compliance	- Full compliance with regulatory requirements - Adoption of practices outlined in the Malaysian Code on Corporate Governance 2021
Media/Analyst	- Analyst Briefings - Media Interviews and Releases	Timely Communications	- Respond in a timely manner to media enquiries - Timely updates on the Group's strategy and financial performance via analyst briefings
Employees	- Company Activities (Sports Club, Annual Dinner, etc) - Employee Satisfaction Survey - Performance Appraisal - Seminars and Training	- Career Development/ Advancement - Fair Employment Practices - Safety, Health and Environment - Workplace Conduciveness	- Offer industry-competitive benefits and remuneration packages - Provide relevant training and development opportunities - Ensure compliance with Occupational Safety and Health Act ("OSHA") 1994, including the Land Transport Act 2010 through the Occupational Safety and Health Committee - Provide equal employment opportunities without discrimination - Promote transparent communication with employees
Community	- Education Sponsorships - Financial Donations - Internship	Good Corporate Citizenship	Investment in education and welfare to improve community well-being

Materiality Assessment of Sustainability Matters

The Group is cognisant of the fact that our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. Through stakeholder engagement and carrying out a materiality assessment in 2021 with reference to Bursa's Sustainability Reporting Guide, United Nations SDGs and GRI standards, the Group identified 15 material matters (summarised below). They encompass sustainability dimensions covering economic, workplace, nature (environment) and society (community). The inputs garnered for material assessment of sustainability issues were from both the internal and external environment as disclosed in our stakeholder engagement framework.

An annual review will be performed to assess the relevance of prioritised economic, environment, social and governance impacts arising from our operations. From the FY 2024 annual review carried out, the relevance of our prioritised sustainability material matters arising from our operations remained the same and aligned with the Group's strategic objectives and stakeholders' expectations.



Sustainability Framework

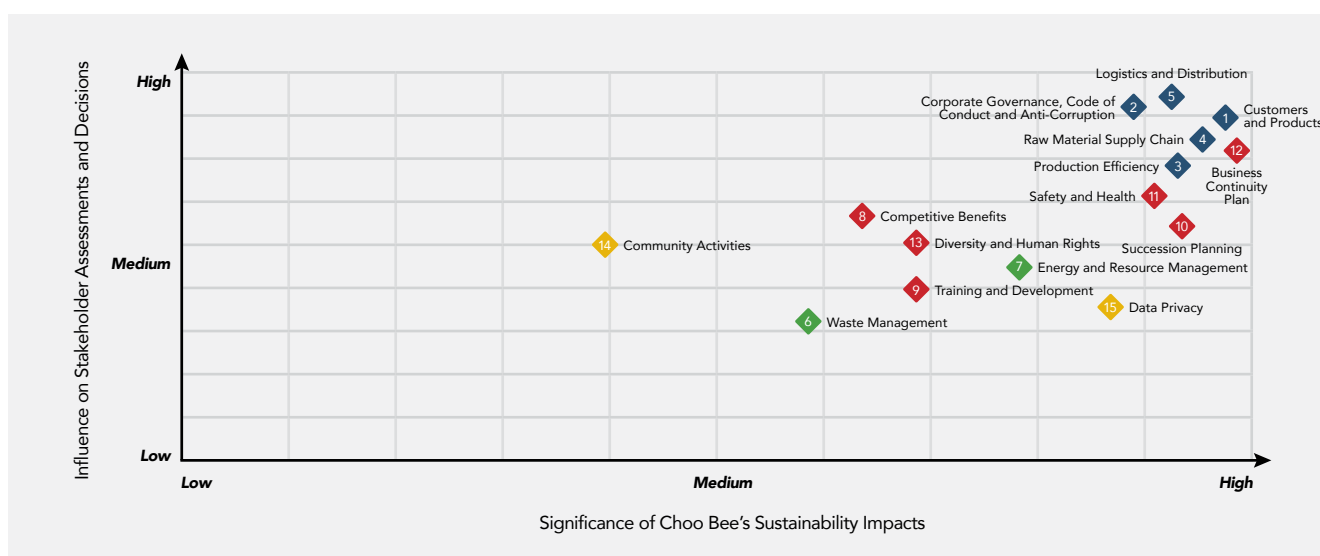
The Group's sustainability framework aspires to create value for its stakeholders, while upholding transparency and accountability, reduce our environmental impact, empower our people as well as contribute positively to the local communities where we operate. In line with this, the key material sustainability matters of the Group's sustainability framework identified are depicted below:



We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. Accordingly, we have set selected key targets to enable us to monitor our sustainability performance. These targets are linked to our performance scorecard to track our progress and make improvements where necessary.

Materiality Matrix

The outcome of the materiality assessment is displayed in the Materiality Matrix below.



Materiality Matrix (Cont'd)

Each key material matter is also mapped against the respective stakeholder group across our business value chain. Concurrently, we also match the impact created against United Nations SDGs and GRI frameworks.

Our Stakeholders	Shareholders / Investors	Customers	Suppliers / Consultant	Government / Regulatory Authorities	Media / Analyst	Employees	Community	Contributions to SDGs	GRI
Economic									
Customers and Products	✓	✓	✓	✓	✓	✓		SDG#9	203: Indirect Economic Impacts
Corporate Governance, Code of Conduct and Anti-Corruption	✓	✓	✓	✓	✓	✓		SDG#16	2-23: Policy Commitments 2-27: Compliance 205: Anti-Corruption
Production Efficiency	✓	✓	✓	✓	✓	✓		SDG#9, #12	203: Indirect Economic Impacts
Raw Materials Supply Chain	✓	✓	✓	✓	✓	✓		SDG#9, #12	203: Indirect Economic Impacts
Logistics and Distribution	✓	✓	✓	✓	✓	✓		SDG#9, #17	203: Indirect Economic Impacts
Nature (Environment)									
Waste Management	✓	✓		✓		✓	✓	SDG#13	302: Energy 303: Water & Effluents 306: Waste
Energy and Resource Management	✓	✓		✓		✓	✓	SDG#7, #12	
Workplace									
Competitive Benefits	✓			✓		✓	✓	SDG#5, #8	401: Employment 403: Occupational Health & Safety 404: Training 405: Diversity & Equal Opportunity 406: Non-discrimination
Training and Development	✓					✓		SDG#4, #8	
Succession Planning	✓					✓		SDG#4, #8	
Safety and Health	✓			✓		✓	✓	SDG#3, #8	
Business Continuity Plan	✓	✓	✓			✓		SDG#8	
Diversity and Human Rights	✓			✓		✓	✓	SDG#5, #8	
Society (Community)									
Community Activities	✓	✓				✓	✓	SDG#4, #10	413: Local Communities
Data Privacy		✓	✓			✓	✓	SDG#16	418: Customer Privacy



Performance Scorecard

Focus Areas	Materiality Matters	Targets	Progress Against Targets
Economic	Customer Satisfaction	Achieve at least 90% for Customer Satisfaction Survey score annually	 Achieved an average score of 93% in FY 2024
Nature (Environment)	1. Waste Management: a. Scheduled Waste	Recycle at least 35% of our total annual scheduled waste from 2019 baseline by 2030 to reduce waste sent to landfill	 On track towards 2030 target
	2. Energy and Resource Management: a. Electricity	40% energy consumption reduction from 2019 baseline by 2030	 On track towards 2030 target
	b. Carbon Emissions - Scope 1	15% CO2 emission reduction from 2019 baseline by 2030	 On track towards 2030 target
	- Scope 2	40% CO2 emission reduction from 2019 baseline by 2030	 On track towards 2030 target
	c. Water	15% reduction from 2019 baseline by 2030	 On track towards 2030 target

Performance Scorecard (Cont'd)

Focus Areas	Materiality Matters	Targets	Progress Against Targets
Workplace	1. Safety and Health	Achieve annual targets as follows: i. Zero fatalities ii. Less than 45 accident cases (revised to 25 cases for Pengkalan factory and added target of 20 cases for new Kapar factory)	 For FY 2024: i. No fatalities reported ii. 26 accident cases reported (Pengkalan and Kapar sites)
	2. Diversity & Human Rights	Zero substantiated complaints concerning human rights violations annually	 No substantiated complaints received in FY 2024

Legend : Progress Tracking

	On track to meeting/met set target
	Falling short on meeting target, review current practice and revise target (if necessary)

Management Approach for Material Matters



The Group recognises that the operating environment for the steel industry has changed, bringing with it new risks and opportunities. We are also mindful of our responsibilities to create decent employment opportunities and promote economic development within the local communities. With this, the Group's long-term business strategy with sustainability embedded in it would remain the driver to help it steer through an ever-changing market, while remaining resilient and sharing the generated wealth with our stakeholders. Analysis of the Group's financial performance can be found in the Management Discussion and Analysis section (pages 16 to 18) of this Annual Report.

Our approach to sustaining and achieving good economic performance is by executing our business strategy, which includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, pursuing technological advancement, mitigating identified risks relevant to our business as well as deepening market penetration once our newly constructed and strategic factory in Kapar, Klang is completed. In addition to the above, our long-term business strategy takes into account the following:

- Customers and Products**

- i. Certification

To be competitive in delivering high quality deliverables to attract new and demanding customers, as well as ensuring customer satisfaction, certification is a crucial requirement. This is supported by having our Quality Management System ISO 9001 : 2015 and BC1 : 2012 certified by Intertek Certification International Sdn. Bhd. and TUV Rheinland Singapore Pte. Ltd. respectively. Our company has implemented the processes according to established quality policies and procedures/practices to ensure that the requirements of the Quality Management System are fully complied with. Apart from this, we have also obtained the necessary product certifications issued by Ikram QA Services Sdn. Bhd. and Anqas Certification Sdn. Bhd. as well as registering all of our certified products with the Construction Industry Development Board ("CIDB") in compliance with Schedule 4 of the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 (Act 520). These certifications provide further assurance on the quality of our products, while meeting stringent requirements especially for the usage of Government projects.

With these certifications, the Group is committed to continuously take steps to comply with product requirements and improve the effectiveness of its Quality Management System while ensuring quality deliverables to customers.

Management Approach for Material Matters (Cont'd)

Economic Sustainability



- **Customers and Products (Cont'd)**

- ii. Customer Satisfaction

This group of stakeholders not only expects quality products and services, but also quick response to complaints and concerns. Our Group emphasises on customers' satisfaction, retention and loyalty via the provision of customer centric services and quality products, knowledge sharing and one-stop solution at a competitive price. With this in mind, we strive to enhance customer satisfaction by considering their feedback and ensuring that high quality standards are met across all our products and services. Therefore, to enhance our customers' experience, an annual survey is sent to all our customers with a target to achieve of at least an overall 90% customer satisfaction. This enables us to gain insights into our customers' needs and expectations and enhance our products and services offerings.

For the FY 2024, the overall customer satisfaction score achieved was 93%, which was higher than the target set of 90%.

	2022	2023	2024
Quality of Products	100%	100%	100%
Quality of Services	97%	97%	94%
Delivery Time	90%	90%	80%
Product Range Sufficiency	100%	100%	99%
Average	97%	97%	93%

The lower score for the year was mainly attributed to customers' expectations on the delivery time of goods purchased. Delay in delivery were due to factors such as order quantity, shortage of lorry drivers or unexpected issues in the delivery process. We have taken the necessary mitigation actions to resolve some of the issues encountered.

Furthermore, we also provide customers the avenue via email or phone to lodge their feedback or complaints. Upon identifying areas for improvement, we discuss potential solutions and task our internal team with addressing the underlying causes of dissatisfaction.

- **Corporate Governance, Code of Conduct and Anti-Corruption**

The Board and senior management remain committed to conducting business with integrity and professionalism, which are integral in running a reputable sustainable business. As such, our employees are inculcated with such values and are guided by our Code of Conduct ("COC") and Anti-Bribery and Corruption Policy ("ABCP") in their day-to-day business dealings. The COC communicates the fundamental principles and guidelines to all employees, including Directors in addressing ethical issues and carrying out their responsibilities. The Group's zero-tolerance stance against corruption is outlined in our ABCP, which is aligned with the Malaysian Anti-Corruption Commission ("MACC") Act 2009. The Group's employees' handbook also incorporates COC and ABCP to ensure that all employees are aware of its principles and to always act in the best interest of the Group and avoid situations that may create a conflict of interest.

All new joiners undergo an induction programme where they are required to familiarise themselves with the Group's COC and ABCP. All employees will also undergo annual briefings on the guidelines and required practices and procedures.

The Group has also established a dedicated whistleblowing channel under the Whistleblowing Policy, which allows employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. The COC, ABCP and Whistleblowing Policy are also made available through our corporate website.

Management Approach for Material Matters (Cont'd)

Economic Sustainability



- Corporate Governance, Code of Conduct and Anti-Corruption (Cont'd)**

We are also committed to the principles of sound corporate governance as set out in the Malaysian Code on Corporate Governance 2021. Our corporate governance policies are reviewed periodically to ensure they reflect the applicable changes in legislative requirements and the business environment.

The corruption risk and identified risk areas to the Group's operations were reviewed as part of the annual risk assessment under the Enterprise Risk Management. There were no cases reported on corruption and whistle blowing for the financial year ended 31 December 2024.

The following table shows the annual corruption risk assessment undertaken, briefings conducted upon employment/email reminders as well as number of recorded incidents of corruption cases:

Employee Category	Briefings/Email reminders completed		
	2022	2023	2024
Executives	100%	100%	100%
Non-executives	100%	100%	100%

	2022	2023	2024
Percentage of operations assessed for corruption risk	100%	100%	100%

	2022	2023	2024
Number of confirmed corruption incidents	0	0	0

- Production Efficiency**

The continuous search for new efficient and modern production equipment, tools and methods has become a norm for the Group. Apart from this, we are always looking at ways to invest in automating our steel plants to remain cost competitive and environmentally friendly. This way the manufacturing operations manage to keep in line with other major steelmaking corporations in the market. The keyword is eco-efficiency: to manufacture steel using minimal amounts of raw materials and energy, as well as reducing as much as possible the generation of waste and pollution, which is the goal of our steel plants. We also have in place a preventive planned maintenance schedule for our main machines, forklifts and overhead cranes to avoid unexpected breakdowns and minimise downtime.

Management Approach for Material Matters (Cont'd)

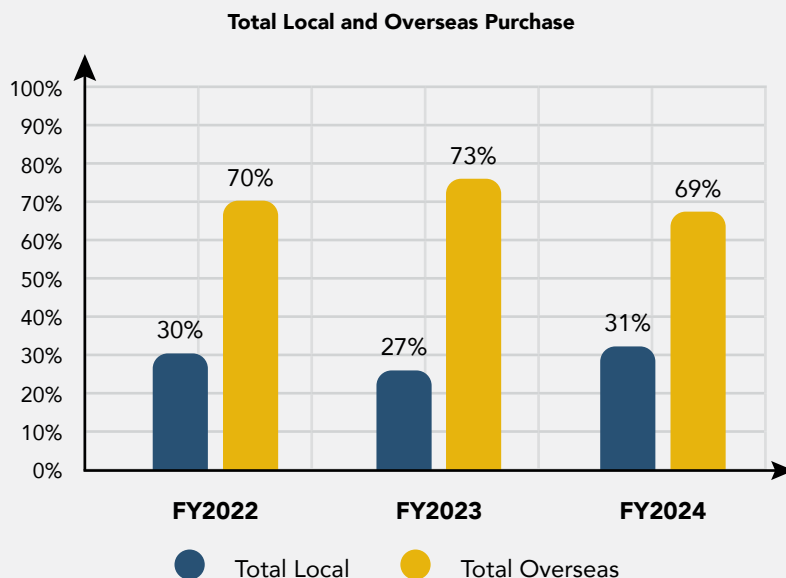
Economic Sustainability



- Raw Material Supply Chain**

Our goal is to achieve responsible sourcing by building strong and resilient partnership with suppliers for protecting our reputation, customers as well as to mitigate risks and issues linked to raw material supply chain. Our raw materials are also sourced from reliable steel mills internationally that ensures quality, prompt delivery, while taking into account sustainable elements, i.e. whether the company carries out ethical business practices such as minimising environmental impacts, safeguarding employees' rights, etc.

Our non-trade purchases are mostly sourced from local suppliers. However, our trade purchases, especially for inventory/raw materials purchases are sourced mainly from overseas suppliers instead. This is due to the limited upstream suppliers and range available in the local market to meet our product requirements. The following graph shows the amount of local as well as overseas trade purchases:



- Logistics and Distribution**

We are constantly striving to improve on our logistics management and distribution chain. Through our concerted efforts, we have managed to minimise many of the distribution issues faced by our operations. We have also adopted several ongoing pro-active measures to enhance our distribution efficiency, which include:

- Emphasising quality towards our products and ensuring they are adequately protected during the handling process by using appropriate bearing strips or wooden planks, correct product positioning or handling methods, nesting or banding in the loading process;
- Adequately stocking up most of the common and popular products in our Kapar warehouse to enhance the product delivery of our products to customers in the Klang Valley and Singapore markets; and
- Close supervision to ensure adherence to the established procedures which led to better warehouse management, greater improvement on traceability and reduction in errors on deliveries.

We will continue to engage closely with all stakeholders to ensure that our logistic and distribution performances are among the industry's leading standards.

Management Approach for Material Matters (Cont'd)

Nature (Environment) Sustainability



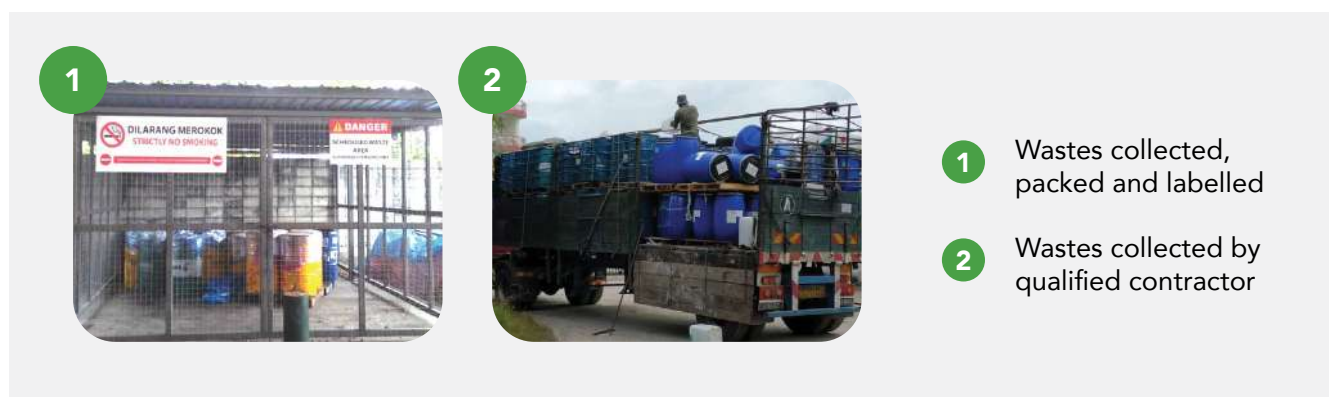
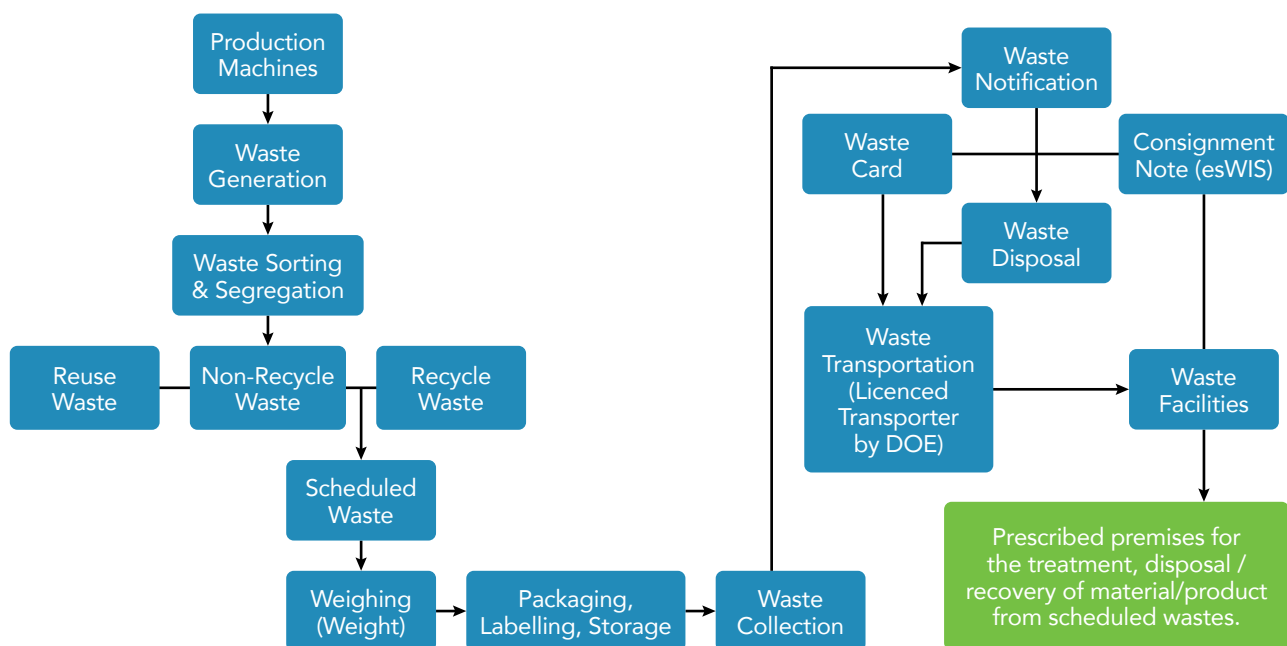
Waste Management

Scheduled Wastes

We are cognisant that our manufacturing operations produces scheduled wastes. Hence, to reduce the environmental impact from our manufacturing operations, we have in place a scheduled waste management system which is carefully documented into a manual for employees to abide by. Our scheduled waste management practice complies with the relevant regulations, in particular, the First Schedule of the Environmental Quality (Scheduled Wastes) Regulations, 2005. Apart from this, the Group has also adopted the Department of Environment's ("DOE") Environmental Mainstreaming Tools ("EMT"), which promotes self-regulation of environmental compliance. Environmental mainstreaming refers to the infusion of environmental agenda at all levels of the Group's organisational structure and operations.

We also ensure that scheduled wastes are managed sustainably following the waste hierarchy of Prevention, Reuse, Recycling and Disposal to reduce waste sent to landfills and in the carbon emissions of land filling. Wastes generated are first considered whether they can be reused or recycled before resorting to disposal as a final option.

Our scheduled wastes management process from waste generation to disposal is depicted in the flowchart below:



Management Approach for Material Matters (Cont'd)

Nature (Environment) Sustainability



Waste Management (Cont'd)

Scheduled Wastes (Cont'd)

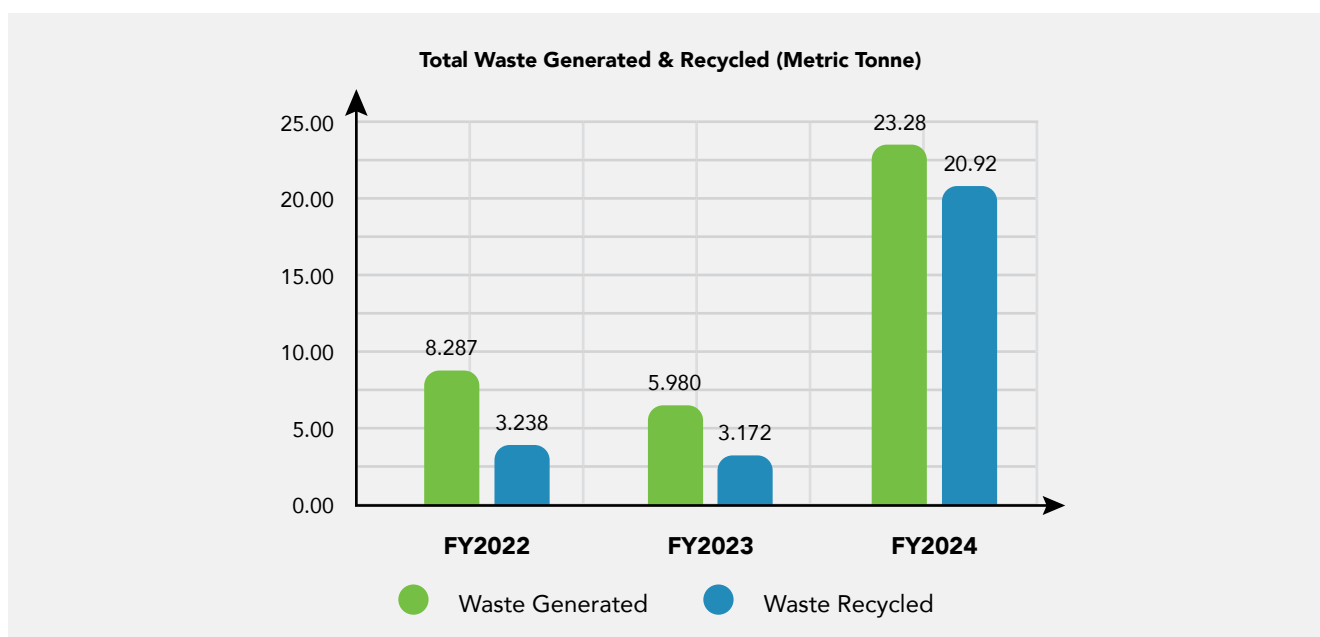
In compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005, we monitor scheduled waste categories and its disposal as per the table below:

Waste Name	Total Waste Generated (Metric Tonne)		
	2022	2023	2024
E-Waste / Electronic waste	0.33	-	-
Spent lubricating oil	1.01	0.55	3.40
* Spent mineral oil-water emulsion	-	-	11.38
*# Metal sludge	5.05	2.82	3.03
Clinical waste	0.007	-	-
Contaminated container	-	1.72	-
Contaminated gloves	0.39	0.27	0.41
# Metal chips	1.50	0.62	5.06
Total	8.287	5.980	23.28

* New waste category required by the Department of Environment to be monitored and reported separately

Metal sludge waste has been reclassified from previous combined category of "Mixture of metal chips and sludge" and shown separately for consistency purposes

We endeavor to recycle 35% of our total scheduled waste generated annually.



Management Approach for Material Matters (Cont'd)

Nature (Environment) Sustainability



Energy and Resource Management

Energy Management

The Group recognises the importance of good environmental management/preservation practices in minimising operational impact to the environment, while improving energy efficiency and costs reduction. To achieve this, our daily operations employs the following practices:

- invest/upgrade to more energy-efficient machinery and technologies;
- effective production shift scheduling which in turn reduces unnecessary energy consumption and pollution;
- implementing an effective production planning, control and monitoring process to reduce energy consumption throughout the operations;
- gradual replacement of existing spotlights and fluorescent light tubes with Light-Emitting Diode ("LED") tubes in our factory production area, offices and warehouses for energy conservation and to create an eco-friendlier environment;
- adoption of "Green" renewable energy via installation of solar panels on the rooftops of our main factory in Pengkalan ("PKL") (1896.1 kW) as well as headquarters' ("HQ") office (70.84 kW), both in Ipoh. Beside this, we are always exploring new technologies that helps in reducing energy consumption;
- inculcate good energy conservation habits within the staff such as switching off lights and air-conditioners when they are out of the office, shutting down of certain machines during break times and non-operational times;
- carry out regular scheduled preventative maintenance servicing of machines to ensure that they operate optimally; and
- implement skylights as natural lighting in our factory and warehouses as part of our energy conservation strategy.

Since installing solar system for both our PKL factory and HQ office, our energy consumption has reduced. We endeavor to maintain this energy consumption reduction pattern annually, where we are working towards our target of 40% reduction.



Management Approach for Material Matters (Cont'd)

Nature (Environment) Sustainability



Energy and Resource Management (Cont'd)

Carbon Emissions (Climate Change)

The Group acknowledges that our energy consumption and Greenhouse Gas ("GHG") emissions contribute to climate change impacts. We recognise that as a corporate citizen, it is our responsibility to reduce our carbon footprint while also embracing opportunities that unfold while making the transition to a low-carbon economy. In view of this, we monitor our carbon emissions based on Scope 1 which covers direct emissions from operations that are owned or controlled and Scope 2, which covers indirect emissions mainly from the generation of purchased electricity consumed by us.

Scope 1 mitigation plans are achieved via controlled usage of diesel, which produces CO₂, as well as the substitution of its usage with alternative cleaner energy sources which are more environmentally friendly.

For Scope 2, we have installed 1,966.94 kWp solar panels. We have renewed our Green Electricity Tariff ("GET") subscription with Tenaga Nasional Berhad for both locations (PKL factory & HQ office). While the Company subscribed to a total of 24,000 kWh via the GET in FY 2024, actual consumption under GET pricing totalled 22,763 kWh. The CO₂ emissions reduction of 15.4 MT is based on the full annual GET subscription, as per the programme block structure.

Water Management

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management and contamination. As water cuts and scarcity are becoming more frequent, the Group is committed to mitigating the risk of water shortages through efficient water management across our operations.

Hence, we have in place a water management practice for both our HQ office and PKL factory site, where water consumption is monitored to improve water efficiency and promote water conservation. Our water management practice includes the following, amongst others:

- Reuse of cooling water thus reducing new water intake for our factory production process.
- Harvesting rain water for general use
- Raise awareness among employees on proper water management

Our target is to reduce water consumption by 15% from FY 2019 baseline by 2030.



Rain Water Harvesting

Management Approach for Material Matters (Cont'd)

Workplace Sustainability

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Employee Management

The Group understands that its employees are its most valuable asset organisation wide. Our hiring practices are based on capability and suitability and there is no discrimination in our hiring policies. We are committed to recruiting, developing and retaining high-performing employees, while providing a work environment that is both conducive and empowering. The Group also adheres to local labour and employment-related laws in all our human resources practices. The wellbeing of our employees remains a priority as their strength and contributions are the Group's results.

To achieve this, we have the following employee management practices in place:

• Competitive Benefits

The Group's benefit packages are structured to reward and retain employees, which focuses on areas such as their health, monetary and career advancement. Benefits provided to our employees include:

- Objective performance assessment that are linked to pre-determined Key Performance Indicators ("KPI") and competencies to quantifiable outcomes and rewards;
- Medical, hospitalisation and personal accident coverage;
- Annual leave;
- Company trips;
- Team building events;
- Sports club events and social gatherings;
- Corporate T-shirts (to help enhance the sense of belonging and company branding); and
- Long service staff awards in recognition for their loyalty and contribution to the Group.

For the FY 2024, there were 28 Long Service Award recipients altogether ranging from 10 years to 50 years. These awards were given to deserving staffs in recognition of their loyalty, dedication and contributions over the years.

Long Service	No. of Employees
50 years	1
40 years	1
35 years	2
30 years	2
25 years	7
20 years	4
15 years	9
10 years	2
Total	28



Management Approach for Material Matters (Cont'd)

Workplace Sustainability

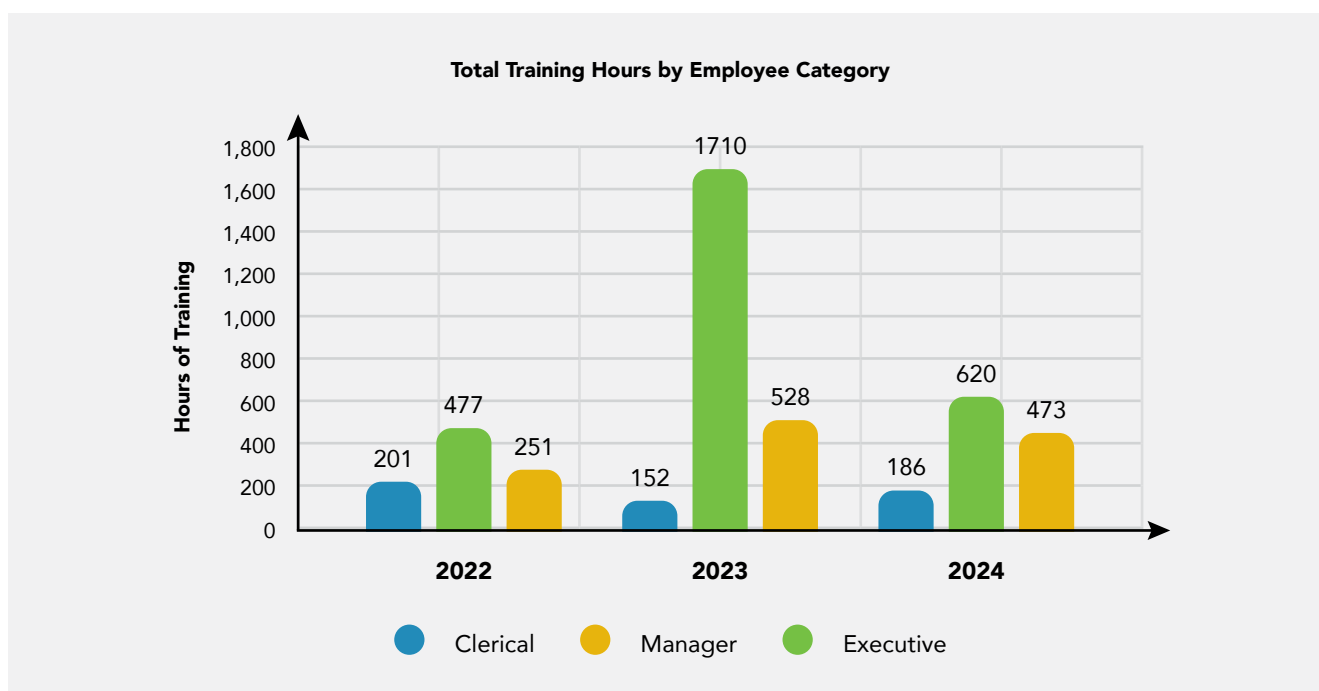
3 GOOD HEALTH
AND WELL-BEING4 QUALITY
EDUCATION5 GENDER
EQUALITY8 DECENT WORK AND
ECONOMIC GROWTH

Employee Management (Cont'd)

- Training and Development**

The Group invests on the continued development of its people. This is done in alignment with business priorities to equip employees with the required skills, knowledge and experience to successfully carry out their tasks as well as advance in the Group horizontally or vertically. Heads of Department together with Human Resource will analyse and determine the training/grooming needs of employees regularly to help narrow competency gaps. Such continuous training provides the business with multi-skilled employees who are committed and dedicated to their job and to the organisation.

Training details are as follows:



In FY 2024, we spent 1,279 hours in internal and external learning and development programmes.

- Succession Planning**

To ensure a continuous stream of qualified and competent employees who are ready to fill up critical positions should the need arise, the organisation has in place a succession planning policy as part of its risk management. We have identified the factors that contribute to this risk to be arising from old age (60 years and above), health of incumbent and job opportunities to incumbents from external sources. We have therefore come up with strategies to mitigate this risk which include:

- (i) short term strategies such as the second person in line to ensure smooth running of day-to-day operations with major decisions/approvals made by Management whenever required, other Heads of Department who have the knowledge, skill and experience to execute additional function, deploy appropriate consultant to carry out the task; and
- (ii) long term strategies such as grooming the second person in line to succeed the incumbent, new recruitment, engage specialist or consultant on a longer-term project basis.

Management Approach for Material Matters (Cont'd)

Workplace Sustainability

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Employee Management (Cont'd)

- Safety and Health**

Our commitment to operate responsibly ensures that we create and maintain a safe and healthy workplace for our employees, contractors, visitors, suppliers, road users and the general public. By ensuring a healthy, safe and conducive workplace, we aim to prevent injuries among those working within our premises, which ultimately leads to increased efficiency and output. This is reflected in the establishment of the Occupational Safety and Health Committee ("OSHC") which comprises representatives from several levels of the organisation and are guided by the Occupational Safety and Health Act 1994, Occupational Safety and Health Manual, Land Public Transport Act 2010 as well as other relevant regulations. This committee, together with the Safety and Health Officer is responsible for understanding, continuously improving and supporting Safety and Health policies ensuring that:

- Safety and Health policies and any relevant regulations and standards are complied with;
- Employees and external parties are provided with guidelines and directive by management so that they perform their work and activities in a responsible manner;
- Safety and Health inspections are carried out to measure and assess progress;
- Safe and healthy work practices are promoted and a safe and healthy workplace is maintained via provision of adequate training and safety awareness programmes and suitable Personal Protective Equipment and safety equipment to the relevant employees;
- Information, directive and supervision to employees on Occupational Safety and Health programmes are provided, including:
 - promoting Safety and Health awareness and preventing accidents, diseases and other work-related health effects in the workplace; and
 - conducting training on accidents prevention, safety operation procedures and production processes which are efficient, safe and practicable.
- Performance and the corrective actions are regularly communicated to management and employees; and
- Accident cases in the factory are thoroughly investigated and effective corrective and preventive actions are being taken to prevent and eliminate repeated accidents.

The table below highlights the Group's (PKL and Kapar factory sites) number of workplace accident cases, work-related fatalities, lost time incident rate and the number of employees trained on health and safety standard for FY 2024 are shown below:

	2022	2023	2024
Workplace accident cases	18	27	26
Work-related fatalities	0	0	0
Lost time incident rate ("LTIR")	16	19	19
Number of employees trained on safety and health standard	288	313	318

Through our efforts, we have managed to progressively reduce the number of accident cases over the years, where the 2024 revised annual target has been set not to exceed 25 cases for our PKL factory site and 20 cases for our new Kapar factory site, both with zero fatalities. For FY 2024, our LTIR of 19 out of every 100 employees was fairly consistent with FY 2023 despite the increase in the number of employees for the year. To improve OSH training quality further, we plan to introduce scenario-based or job-specific training tailored to high-risk areas. We are committed to a sustainable safe workplace with environmental safety embedded in our business culture to achieve continuous improvement by reducing accidents, occupational injuries and work-related illness rates.

We have also ensured that the latest Standard Operating Procedures ("SOPs") as prescribed and stipulated by the Prevention and Control of Infectious Diseases Act 1988, Malaysian National Security Council and Ministry of Health are continuously adhered to. This is to safeguard our employees, customers, suppliers and all other stakeholders whilst ensuring uninterrupted business operations.

- Business Continuity Plan ("BCP")**

We have in place a BCP for certain specific risk areas to provide overall guidance to the management team in respond to any significant incident that threatens to interrupt normal operations. This BCP is to also ensure that the Group is able to resume normal operations in the event of unforeseen circumstances at the shortest time, minimal disruption to business operations and at the lowest cost. The BCP plan is tested from time to time to determine the Group's state of readiness or responsiveness.

Management Approach for Material Matters (Cont'd)

Workplace Sustainability



Employee Management (Cont'd)

Diversity and Human Rights

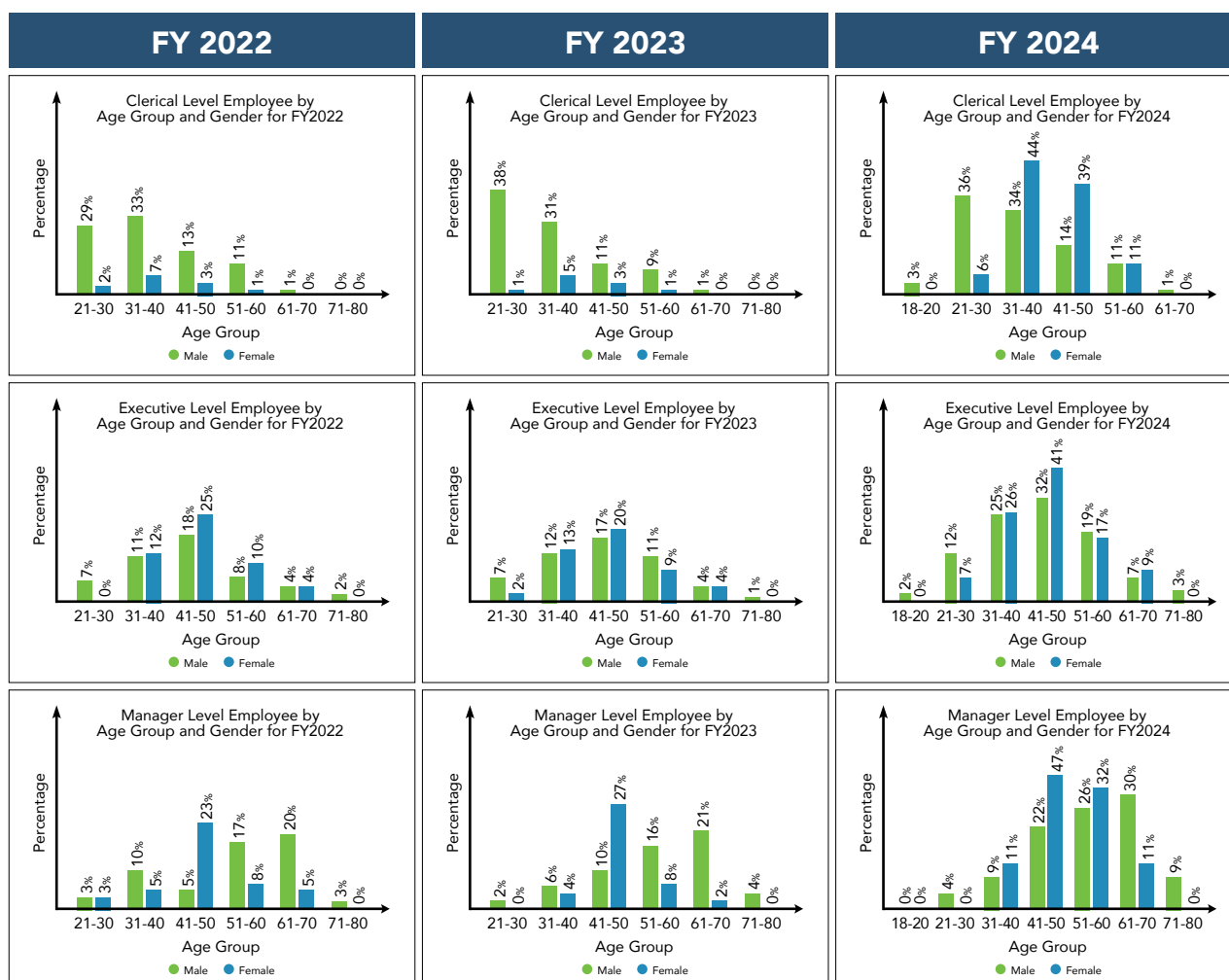
Diversity

Diversity gives the Group a competitive edge through accumulation of, and ability to tap into wide range of knowledge, perspectives and ideas. In line with this, we strive to promote equal and fair employment opportunities by actively encouraging diversity of gender, race, religion, age and nationality. The Group also does not tolerate discrimination towards its employees, nor discriminate against any individual based on their gender, age or ethnicity.

We achieve equity through policies and actions that are underpinned by both fairness and inclusiveness. Guided by our Diversity Policy, we promote a culture that respects and values differences, advocates for equality, and encourages growth and development to help individuals reach their full potential. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

We advocate for equitable gender representation on our Board, and to that end, our Diversity Policy for the Board ensures to have at least one (1) female Director on the Board, while working towards having at least 30% women representation at the Board level.

Our workforce profile by gender and age group for each employee category are as follows:



Management Approach for Material Matters (Cont'd)

Workplace Sustainability

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

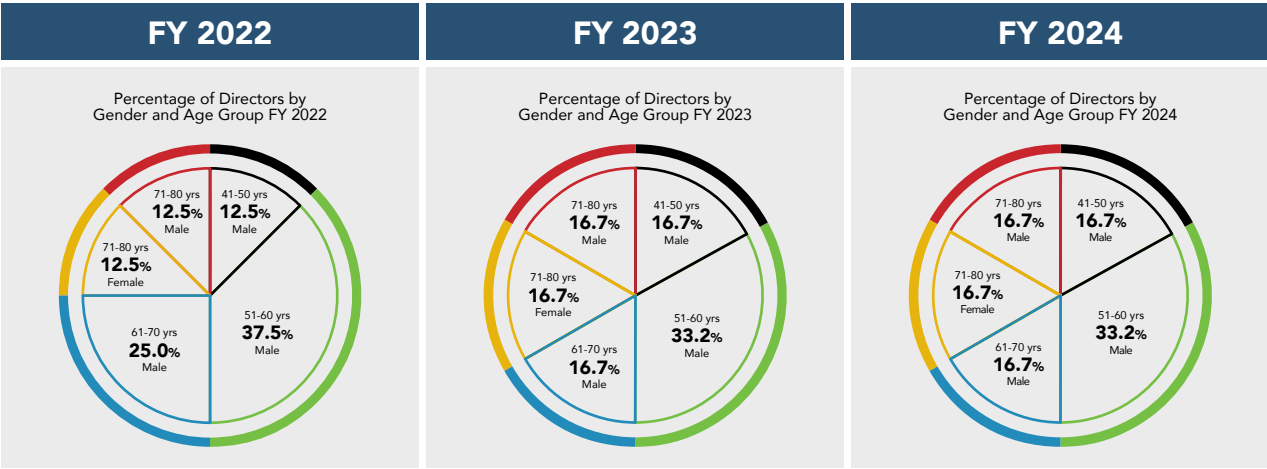
8 DECENT WORK AND ECONOMIC GROWTH

Employee Management (Cont'd)

Diversity and Human Rights (Cont'd)

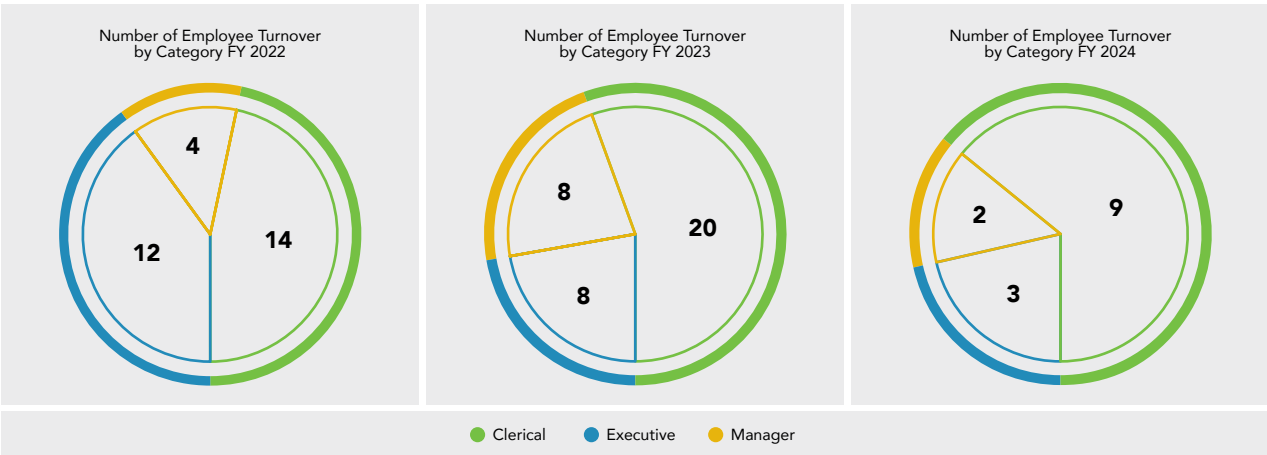
Diversity (Cont'd)

Our workforce profile by gender and age group for each employee category are as follows:



On average, our employees have been working for the group for more than 10 years with an annual turnover rate of 6% for FY 2024.

	2022	2023	2024
Turnover rate (%)	13	16	6



Management Approach for Material Matters (Cont'd)

Workplace Sustainability



Employee Management (Cont'd)

- Diversity and Human Rights (Cont'd)**

Human Rights

The Group is committed to protecting and respecting human rights across its business operations. We believe that strong human rights practices coupled with fair and ethical treatment improves productivity and promotes a healthy working culture. Our human rights practice is reflected in our Human Rights Policy and adheres to applicable laws and regulations, which include but are not limited to Malaysia's Employment Act 2022. This policy (which includes foreign workers) discloses fair labour practices, zero-tolerance for child labour and any form of forced labour, protection against discrimination and harassment, working hours, wages and benefits, women's rights and empowerment, and reporting procedure, among others.

Our Code of Conduct ("COC") also outlines our expectations to all our employees and external stakeholders in approaching human rights matters while conducting business with the Group. This includes principles relating to fair dealings, confidentiality of information, conflict of interest, compliance with laws and regulations and sexual harassment, which is available on our corporate website at www.choobee.com.

As for our annual target for complaints concerning human rights violations, we endeavor to achieve zero substantiated complaints. For the financial year ended 31 December 2024, the Group did not receive any complaints concerning human rights violations.

	2022	2023	2024
Number of substantiated human rights complaints	0	0	0

Management Approach for Material Matters (Cont'd)

Society (Community) Sustainability



Community Activities

Being a caring corporate organisation, we are ever conscious of the importance of our corporate social responsibility ("CSR") role. Hence, the Group's focus is on giving back to the surrounding communities in which it operates, with a focus on education and social welfare financial support. By investing in education, we aim to nurture local talent to provide them with opportunities to reach their full potential, while helping to form a high-quality talent pool for the nation.

In alignment with this core value, we carried out various CSR activities during the year which included amongst other activities:

- extended financial donation to non-profit organisations that provide humanitarian assistance to the poor, hungry, orphan, helpless and homeless regardless of race or religion; and
- on-going community activities that include the provision of internships and providing financial support to schools, clinics, religious associations, individuals, commerce associations and others for their various needs.

The details of the total number of community beneficiaries and amount paid out for FY 2024 are shown in the table below:

Beneficiaries	2022	2023	2024
Total amount invested where the target beneficiaries are external (RM)	27,500	27,345	18,062
Total number of beneficiaries of the investment in communities	21	27	15

Beneficiaries	Total numbers	Amount RM
Non-profit organisations that provide humanitarian assistance to the poor, hungry, orphan, helpless and homeless regardless of race or religion	7	5,360
Schools, clinics, religious associations, individuals, commerce associations and others for their various needs.	8	12,702
Total	15	18,062



Management Approach for Material Matters (Cont'd)

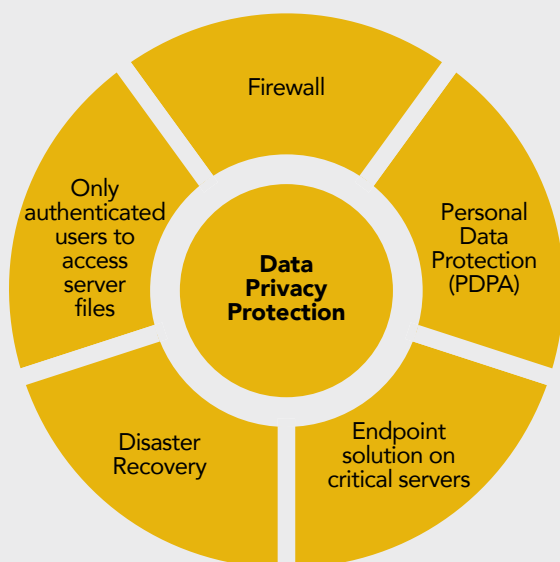
Society (Community) Sustainability



Data Privacy

As the business landscape shifts towards a more digital future, the Group has made strides to protect the privacy of its customers, employees and suppliers/consultants data. To safeguard against cybersecurity hazards, we strictly comply with Malaysia's Personal Data Protection Act 2010 ("PDPA") to ensure the secure storage of all relevant information.

The Group's data protection measures are as follows:



In the event of any data breach, our response procedure is as follows:

1. Containment of data breach and preliminary assessment is done.
- ↓
2. Identify the data information involved, its sensitivity and the risks it poses.
- ↓
3. Identify the cause and extent of the data breach involved.
- ↓
4. If the risk of actual serious harm is indentified from the data breach, the affected individuals will be notified.
- ↓
5. Information security mechanisms and causes of breaches are reviewed and further action will be taken to prevent similar breaches in the future.

For the FY 2024, there were no substantiated complaints concerning breaches of customer data privacy or loss of customer data.

	2022	2023	2024
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

Performance Data Table (From Bursa's ESG Reporting Platform)

The company as a listed issuer is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements, in line with the enhanced Sustainability Reporting Guide, 3rd Edition. The following performance data table, downloaded from the ESG Reporting Platform summarises indicators that are pertinent against our Material Matters. For the FY 2024, our 15 Material Matters are:

- Customers and Products
- Competitive Benefits
- Corporate Governance, Code of Conduct and Anti-Corruption
- Training and Development
- Production Efficiency
- Succession Planning
- Raw Material Supply Chain
- Safety and Health
- Logistics and Distribution
- Business Continuity Plan
- Waste Management
- Diversity and Human Rights
- Energy and Resource Management
- Community Activities
- Data Privacy

We have matched all numerical mandatory and additional indicators to the relevant Material Matters. Some of the indicators are subsumed under the same Material Matter, for example the indicators of energy, carbon emissions and water are matched to the Material Matter "Energy and Resource Management". In addition, some of our Material Matters do not have quantitative data and have been covered in the narrative in previous sections of our Sustainability Report 2024. The figures below have been internally assured, as labelled accordingly for each of the indicators.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Executives	Percentage	100.00
Non-executives	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	31.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,556.43
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	17.665000
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Clerical	Hours	186
Executive	Hours	620
Manager	Hours	473
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Clerical	Number	9
Executive	Number	3
Manager	Number	2
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	19.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	318

Internal assurance External assurance No assurance

(*)Restated

Indicator	Measurement Unit	2024
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Clerical Under 30	Percentage	32.00
Clerical Between 30-50	Percentage	56.00
Clerical Above 50	Percentage	12.00
Executive Under 30	Percentage	9.00
Executive Between 30-50	Percentage	64.00
Executive Above 50	Percentage	27.00
Manager Level Under 30	Percentage	0.00
Manager Level Between 30-50	Percentage	45.00
Manager Level Above 50	Percentage	55.00
Gender Group by Employee Category		
Clerical Male	Percentage	89.00
Clerical Female	Percentage	11.00
Executive Male	Percentage	52.00
Executive Female	Percentage	48.00
Manager Level Male	Percentage	55.00
Manager Level Female	Percentage	45.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.30
Female	Percentage	16.70
Under 30	Percentage	0.00
Between 30-50	Percentage	16.70
Above 50	Percentage	83.30
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	18,062.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	15
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	23.28
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	20.92
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	2.36
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	188.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	979.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

Internal assurance External assurance No assurance

(*)Restated

Task Force on Climate-Related Financial Disclosures ("TCFD") – Aligned Disclosures

The Group is committed to playing a role in contributing towards the transition to a low carbon economy. As such, we have initiated the process of integrating the TCFD Recommendations within our sustainability statement this year, ahead of the regulatory requirements of Bursa Malaysia's Main Market Listing Requirements.

Governance

The Board of Directors has ultimate oversight of the Group's initiatives to identify, assess and integrate climate-related risks and opportunities, as well as the progress against goals or targets related to them throughout the organisation. Supporting the Board of Directors is the Audit and Risk Management Committee ("ARMC") and Executive Committee ("EXCO"), which is primarily responsible for our climate change efforts, including ensuring the integration of climate-related risks and opportunities within the organisation's enterprise risk management.

The Sustainability Working Group ("SWG"), chaired by the Chief Executive Officer, shares the responsibility of managing our climate-related risks and opportunities by identifying, assessing, and ultimately integrating them into our business. The SWG is also responsible for formulating the Group's sustainability strategy to transition the organisation towards a low carbon economy.

Strategy

Discussions with our internal stakeholders across our operations were carried out to identify the localised climate risks relevant to the Group. In addition to that, we conducted our qualitative scenario analysis with reference to the Representative Concentration Pathway ("RCP") adopted by the Intergovernmental Panel on Climate Change ("IPCC") and Network of Central Banks and Supervisors for Greening the Financial System ("NGFS") scenarios.

The Group's climate-related risks and opportunities were modelled based on the following scenarios:

Scenario	Description	Assessed for
IPCC RCP 8.5/4.4°C	The 'business-as-usual' scenario represents a high-emissions future with significant increases in global average temperature, as no concerted efforts are made to reduce emissions	Physical risks
NGFS Net Zero 2050	An ambitious pathway towards achieving net zero emissions by 2050, through stringent climate policies and innovations	Transition risks and Opportunities

Based on the scenarios above, we have identified the potential impact of the risks and opportunities identified to the business and have accordingly formulated adaptation and mitigation plans.

Climate Related Risks

Scenario	Type	Climate Related Risks	Potential Impacts
IPCC RCP 8.5/4°C	Physical risk - Acute impact	Increased extreme weather events such as floods	- Floods can damage buildings, disrupt supply chains and operations, as well as impact the health and safety of employees
NGFS Net Zero 2050	Transition Risk - Regulatory	Introduction of carbon pricing mechanisms	- Increase cost of business operations impacting margins
	Transition Risk - Reputation	Increased concerns or negative feedback from stakeholders	- Damages reputation if stakeholders perceive that the Group is ignoring climate-related risks or failing to take appropriate actions
	Opportunity - Products	Transition to lower emissions solution	- The need to source raw materials from suppliers utilising low carbon technology - Better competitive position in line with shifting consumer preferences for carbon friendly steel products
	Opportunity - Resilience	Participation in and adoption of renewable energy	- Adoption of solar energy system for our factory operations which in turn will result in low carbon steel products

Task Force on Climate-Related Financial Disclosures ("TCFD") – Aligned Disclosures (Cont'd)

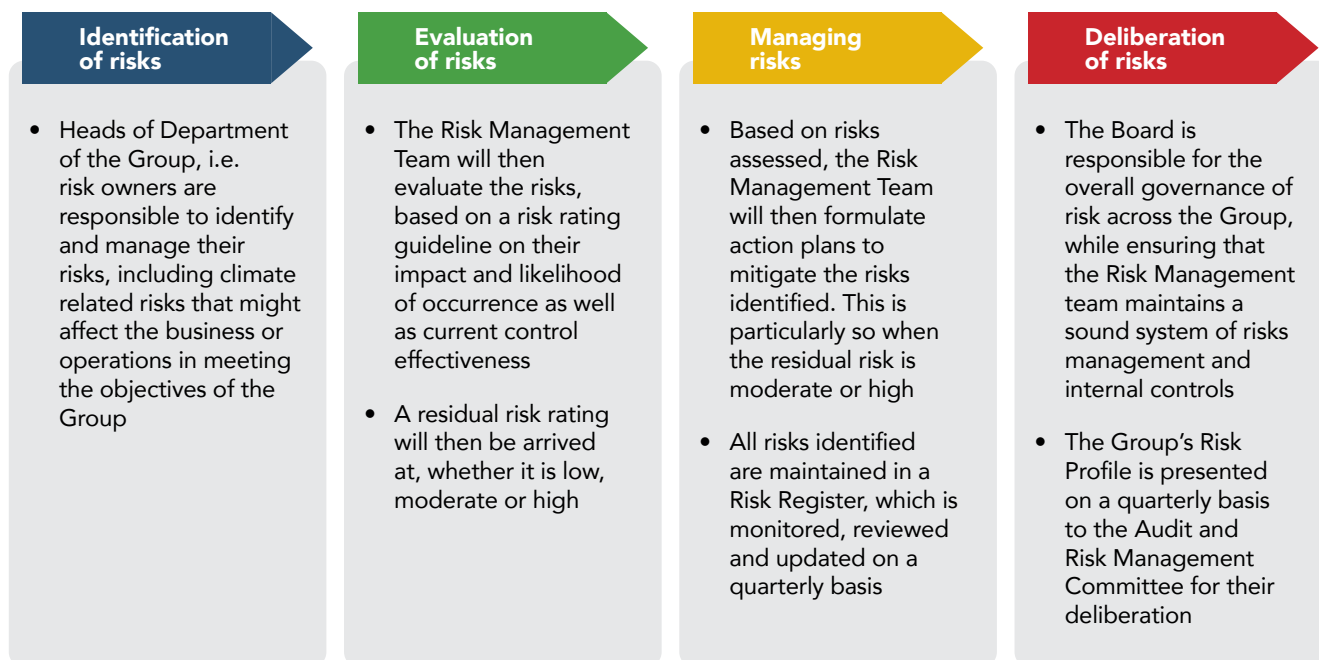
Resilience of the Organisation's Strategy

The resilience of an organisation's strategy depends on its ability to adapt and thrive in the face of changing circumstances and emerging risks. One key factor in achieving this is aligning the company's strategy with climate-related scenarios. The Group conducted qualitative scenario analysis to identify potential risks and opportunities, which directs our business and climate strategies. This includes manufacturing products that can address climate-related challenges.

Risk Management

All our identified risks, including sustainability and climate-related risks are strategically assessed and managed through our risk management process, which is integrated into our Enterprise Risk Management ("ERM") framework. This framework is in based on the Committee of Sponsoring Organisations ("COSO") ERM framework.

The risks are identified, assessed, and managed through the following process:



Note: For further information on our risk management, please refer to our SORMIC in this Annual Report on page 65

Metrics and Targets

Climate related performances are tracked using the following metrics:

- Waste generated (MT)
- Energy consumption (kWh)
- Scope 1 and Scope 2 carbon emissions (MTCO₂e)
- Water used (m³)

We are on track towards the set targets.

Assurance Statement

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement have been subjected to an internal review by the company's internal auditors.

The Scope, Subject Matter(s) covered, and Conclusion are provided below:

Type of Assurance	Material Matters	Subject Matters	Scope	Conclusion
Internal Review	Diversity	i. Percentage of employees by gender and age group for each employee category ii. Percentage of directors by gender and age group	Operations assessed: Malaysia	Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matters as presented in the Group's Sustainability Statement, have not been prepared and presented fairly, in all material respects, in accordance with the Group's relevant policies and procedures as well as applicable standards.
	Safety and Health	i. Number of work-related fatalities ii. Lost time incident rate iii. Number of employees trained on safety and health standards		
	Labour Practices and Standards	i. Total hours of training by employee category ii. Percentage of employees that are contractors or temporary staff iii. Total number of employee turnover by employee category iv. Number of substantiated complaints concerning human rights violations		

The Board of Directors ("the Board") is committed to ensure that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

This Corporate Governance ("CG") Overview Statement in compliance with Main Market Listing Requirements ("MMLRs") of Bursa Malaysia Securities Berhad ("Bursa Securities") is to provide an overview of the CG practices of the Company during the financial year ended 31 December 2024 ("FY 2024") and should be read in conjunction with CG Report 2024 ("CG Report"). Both CG Overview Statement and CG Report are made available on the Company's website, www.choobee.com

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Composition, Board Balance and Independence of Directors

The Group is led by an effective Board with wide and varied technical, financial and commercial experience. For the FY 2024, the Board consists of six (6) members comprising three (3) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, whereby one (1) is a woman director in accordance with its Diversity Policy of at least one (1) female director. This also complies with Paragraph 15.02(1)(a) of the MMLRs of Bursa Malaysia Securities Berhad to have at least one-third (1/3) of the Board consisting of independent directors.

The Chairman of the Board, who is also the Chief Executive Officer ("CEO") of the Group leads the Board during Board meetings and ensures that Board meetings are not combined with Board Committee meetings. The Chairman is not a member of any other Board committees nor was he invited to attend any of the Board Committee Meetings held in FY 2024.

Based on the Board's annual review of its size and composition, it was agreed that the Board is appropriately balanced to reflect the interests of substantial shareholders as well as adequate to effectively govern the organisation. As such, the Board is satisfied that the current Board composition fairly represents and protects the interests of the minority shareholders in the Company.

During the FY 2024, there were no changes to the composition of the Board.

As at FY 2024, the two (2) Independent Non-Executive Directors are of caliber to carry sufficient weight in Board's decisions. The Independent Non-Executive Directors play a key role in providing unbiased and independent views and impartiality to the Board's deliberation and decision-making process. In addition, the Independent Non-Executive Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders in the Group. The assessment on independence of the Directors based on the provisions of the MMLRs covers a series of objective tests and is carried out before the appointment of the Independent Non-Executive Directors.

The Board with assistance from the Nomination and Remuneration Committee ("NRC") will undertake to carry out an annual assessment of the effectiveness of the Independent Non-Executive Directors and consider whether the Independent Non-Executive Directors can continue to bring independent and objective judgement to the Board deliberations. Any Director who considers that he has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship or potential conflict of interest, including interest in any competing business that could reasonably be considered to influence in a material way, the Director's decisions in any matter concerning the Company, is required to immediately disclose to the Board. A brief description of the background of each Director is presented in the Profile of Directors.

The NRC also reviews annually to ensure that Directors are fit and proper in accordance with the Board's Fit and Proper Policy as well as the composition of the Board and Board Committees. In determining candidates for appointment to the Board and Board Committees, various factors are considered, including the time commitment of the Board and Board Committee members in discharging their roles and responsibilities through attendance at their respective meetings, their performance and contribution, possession of the attributes, capabilities and qualifications considered necessary or desirable for service and demonstration of independence, integrity and impartiality in decision-making.

Access to Information and Advice

The Directors are at liberty to seek independent professional advice on matters relating to the fulfillment of their roles and responsibilities. The Directors can also seek advice from Management on issues pertaining to their respective jurisdictions as well as request for information or updates on matters relating to the Company's business operations. The Directors may also interact directly with, or request further explanation, information or updates on any aspect of the Group's operations or business concerns from the Management. The cost of procuring these professional services will be borne by the Company. Board meeting documents and other relevant Group information/policies/procedures/processes are usually compiled in hard copy to Directors five (5) business days in advance prior to board meetings to enable sufficient preparation for deliberation and decision making.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Qualified and Competent Company Secretary**

The Company Secretary plays an advisory role to the Board in relation to the Company's Constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary supports the Board in ensuring relevance and effectiveness in its Corporate Governance practices. The Company Secretary also attended and ensured that all Board meetings are properly convened and minuted, while accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register at the registered office of the Company.

The Directors are regularly updated by the Company Secretary on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors. All Directors have unrestricted access to timely and accurate information and access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed.

Supply of Information

The Board has unrestricted access to timely and accurate information, necessary in the furtherance of their duties. All Directors review a quarterly Board report which is circulated at least five (5) days prior to the Board meeting to allow sufficient time for the Directors to review the Board papers for effective deliberation at the meeting. The Board report includes, among others, the following details:

- Quarterly financial results
- Annual audited financial statements
- Operational and sustainability reports
- Corporate plans, major issues and opportunities for the Group
- Changes to management and control structure of the Group
- Policies and procedures
- Reports to Shareholders and public announcements
- Updates to regulatory requirements
- Minutes of the previous Board meetings

Diversity Policy for Board and Senior Management

The Board's Diversity Policy for Board and Senior Management requires having at least one (1) female Director. As at 31 December 2024, we have a female member namely Puan Sri Shahrizan Binti Abdullah sitting on the Board. The Board will actively work towards having at least 30% women Directors in compliance with Practice 5.10 of the MCCG 2021. The Board's Diversity Policy for Board and Senior Management is available on our corporate website at www.choobee.com

Recruitment or Appointment of Directors

The Board adheres to its Fit & Proper Policy for the appointment and re-election of Directors as required by the MMLRs, with the aim of strengthening board independence, quality and diversity.

In the process of recruitment or appointment of new Directors, the NRC has its own review criteria as well as the Board's Fit and Proper requirements that needs to be met before making recommendations to the Board. These include the review of skills, experience and strength in the qualities necessary for the discharge of responsibilities in an effective and competent manner. Other factors considered by the Committee include the candidates' ability to satisfy the test of independence taking into account the candidates' character, integrity, professionalism, time and commitment. Diversity of the Board's composition is also important to facilitate optimal decision-making by harnessing different insights and perspectives.

With regards to identifying candidates for appointment as Directors, the NRC/Board does not solely rely on recommendations from existing Board members, Management or major shareholders but also relies on other sources to identify suitably qualified candidates.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Re-appointment and Re-election of Directors

In accordance with the Constitution of the Company, all Directors who are appointed by the Board are subject to election at the first opportunity after their appointment and at least one-third (1/3) of the remaining Directors are subject to re-election by rotation at each Annual General Meeting ("AGM"). The Constitution also provides that all Directors shall retire at least once in three (3) years. The NRC reviews the composition of the Board annually and makes recommendations to the Board when considered necessary to ensure the Board comprises an appropriate mix of skills and experience.

Based on the NRC's assessment of the retiring Directors, the NRC and the Board have affirmed that the retiring Directors listed below have satisfied the fit and proper criteria and be proposed and recommended by the NRC to the Board for approval prior to the shareholders' approval at the forthcoming AGM:

- Soon Cheng Boon (by rotation)
- Ng Poh Tat (by rotation)

All assessments and evaluations carried out by the NRC in discharging its functions have been properly documented.

Foster Committee

Each Director does not hold more than five (5) directorships in public listed companies to ensure that they have sufficient time to focus and discharge their duties and responsibilities. The NRC would also consider the number of directorships held in other Public Listed Companies ("PLC") when determining candidates for recommendation to the Board. The Board is satisfied with the level of time commitment given by the Non-Executive Directors towards fulfilling their roles and responsibilities as Directors of Company during the financial year 2024.

Roles and Responsibilities of the Board

The Board is responsible for oversight and overall management of the Group. To ensure the effective discharge of its functions and responsibilities, the Board delegates the day-to-day management of the Group's business to the Management. This is further supported by the Group's Summary of Authority Limits ("SAL"), which clearly sets out relevant matters reserved for the Board's approval as well as those which the Board may delegate to the Board Committees, the CEO and Management.

Key matters which are reserved for the Board's approval are as follows:

- Approval of strategic plans for the Company

The Board plays a role in the development of the Company's strategy. At the beginning of the year (annual basis), the Management presents to the Board its recommended strategy and proposed business plans for the year. At this session, the Board reviews and deliberates upon both Management's and its own perspectives, challenges Management's views and assumptions as well as discusses the necessary resources required for the year to deliver the best outcomes. In furtherance of this, the Board then reviews and approves the annual targets for the year which is then used as a key performance indicator when reviewing the Management's performance.

The strategy planning process for 2024 was held during the Board meeting on 21 March 2024, where the Management presented the proposed 2024 business plan and targets for the Board's review and discussion. The 2024 business plan was approved by the Board at this meeting.

- Overseeing the conduct of the Company's business

The CEO is responsible for the day-to-day management of the business and operations of the Group. He is supported by the Executive Committee, heads of operating units as well as other operating committees established such as the Credit Committee, Safety and Health Committee, Quality Management System Committee and Corporate Disclosure Committee. The Board also delegates and confers some of its authorities and discretion to the Executive Directors as well as relevant Board Committees. The Board Committees are entrusted by the Board with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference ("TOR"). Any key issues and decisions arising from the Board Committees will be reported and tabled to the Board for approval, if required.

The Management's performance under the leadership of the CEO is assessed on a quarterly basis by the Board and includes a comprehensive summary of the Group's operating drivers and financial performance. The Board is also kept informed of key strategic initiatives, significant operational issues and the Group's performance based on the approved targets set. The relevant members of the Executive Committee and Chief Financial Officer ("CFO") were in attendance at Board meetings to support the CEO in presenting updates on the progress of business targets and achievements to date, and to provide clarification on the challenges and issues raised by the Board.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Roles and Responsibilities of the Board (Cont'd)

- Risk management

Identifying principal risks and ensuring the implementation of appropriate internal controls to manage them. By reviewing the adequacy and integrity of the management information and internal control system of the Group through the Risk Management team, the Board oversees the risk management framework of the Group. The Risk Management team advises the Audit and Risk Management Committee ("ARMC") and the Board on areas of high risk and the adequacy of compliance and control procedures throughout the Group.

Details of the Risk Management team, the Group's risk management framework and Internal Control system are set out in the Statement on Internal Control and Risk Management of this Annual Report.

- Sustainability risk and opportunities governance

Addresses and takes into account sustainability considerations, including among others the development and implementation of company strategies, business plans, major plans and risk management. The Board oversees sustainability governance through the Sustainability Working Group ("SWG"). The SWG, led by the CEO are responsible for:

- i. materiality assessment, drive implementation, monitor, report sustainability initiatives; and
- ii. advises the Board on Sustainability risks, adequacy of implementation and performance indicators.

- Succession planning

The Board, through the NRC is responsible for ensuring that there is a proper succession planning in place for the Directors, CEO and key Group Management.

The NRC is responsible for reviewing candidates for directorship as well as key management positions, which includes determining the remuneration for these appointments. In this respect, the NRC considers new appointments of Directors and key management positions to ensure all candidates appointed to these positions are of sufficient calibre. For this purpose, the factors considered by the NRC include the suitability of the shortlisted candidates based on their profiles, professional achievements and personality assessments. The NRC also conducts interviews with shortlisted candidates to validate the assessment of the individuals.

- Overseeing the development and implementation of shareholders communication policy

The Group believes in building investor confidence through good Corporate Governance practices. As such, Investor Relations ("IR") activities are carried out in accordance with its Shareholders Communication Policy (available on its corporate website).

- Dividend declaration

The Board is responsible for ensuring that the Company remains solvent at the time of dividend payment and will be able to pay its debts as and when they become due within twelve (12) months immediately after the payment is made.

During the year, the Board proposed a final single-tier dividend of 0.5 sen per ordinary share for the financial year ended 31 December 2023 which was approved by shareholders in the AGM held on 20 June 2024.

The roles and responsibilities of the Group Executive Chairman and the CEO are defined in the Board Charter. The Board has appointed Puan Sri Shahrizan Binti Abdullah as the Senior Independent Non-Executive Director. In view of this, she will be the person to convey any concerns of shareholders and other stakeholders.

Board Charter

The Board has a Board Charter which sets out the roles and responsibilities of the Board, Board Committees, Directors and Management and also the processes and procedures for convening their meetings. It serves as a reference and primary induction literature providing prospective and existing Board members and Management insight into the fiduciary and leadership functions of the Directors. The Board Charter is publicly available on our corporate website at www.choobee.com. The Board Charter is reviewed annually to ensure it complies with legislations, best practices and remains relevant and effective in light of the Board's objectives. In February 2024, the Board has revised its Board Charter including updates to the TOR of the ARMC and adoption of the Human Rights Policy to be in line with Bursa Securities's Sustainability Guidelines.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Formalised Ethical Standards through Code of Conduct

The Group's Code of Conduct for Directors and employees governs the standards of ethics and good conduct expected of Directors and employees, respectively. The Code of Conduct includes principles relating to fair dealings, confidentiality of information, conflict of interest, compliance with laws and regulations and sexual harassment, which is available on our corporate website at www.choobee.com

Whistleblowing Policy and Procedure ("WPP")

In addition, the Company's WPP, which is also available on our corporate website at www.choobee.com, seek to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Company may be exposed. The ARMC is responsible for overseeing the implementation of the WPP for the Group's management, and all whistle-blowing reports are addressed to the ARMC Chairman. The CEO is responsible for overseeing the implementation of the WPP for the Group's employees, where the CEO would address all whistle-blower reports made by employees or external parties as prescribed under the WPP. In February 2024, the Board has revised its Whistleblowing Policy and Procedures.

Anti-Bribery and Corruption Policy ("ABC Policy")

The objective of the Company's ABC Policy which is also available on its corporate website, is to manage risk in relation to bribery and corruption. This is to ensure that good standards of behaviour permeate throughout all levels of the Group and would help prevent misconduct and unethical practices. Consequently, it will support the delivery of long-term sustainable success for the Company. The ARMC is responsible for overseeing the implementation of the ABC Policy for the Group's management, and all reports are addressed to the Compliance Officer who will perform an initial investigation. Where the matter is deemed potentially serious, it will be promptly reported to the CEO and/or Chairman of the ARMC for further action.

Annual Assessment

The NRC carries out the Board, Board Committee and Director's assessment exercise annually. The effectiveness of the Board is assessed in the areas of Board diversity, composition and governance, addressing material sustainability risks and opportunities, decision-making and Boardroom activities, as well as in terms of each Director's skills and expertise. The respective Board Committees are assessed through the appointed Committee's Chairman to ascertain whether their functions and duties are effectively discharged in accordance with their respective Terms of Reference. The effectiveness of the Board Committee is also assessed in terms of composition and governance, meeting administration and conduct, skills, competencies, roles and responsibilities. The Directors are assessed in relation to the skills, experience, contribution and other qualities they bring to the Board. Additionally, the ability of each individual Director and Board Committee member to exercise independent judgement and demonstrate objectivity and clarity of thought on issues during deliberations at meetings, offer practical advice to the Board and/or Board Committee discussions are also taken into consideration.

The NRC in November 2024 carried out the formal assessment of the Board and Board Committees for their 2024 performance and contributions based on the assessment criteria spelled out above. From the assessment, the NRC was satisfied that the Board and Board Committees have discharged their duties effectively during the year.

Directors' Remuneration

The Company has adopted the practices recommended by MCGG whereby the level of remuneration of the Directors is sufficient to attract and retain the Directors needed to manage the Group successfully. In the case of Executive Directors, their remuneration is linked to their level of responsibilities, experience, contribution, and individual as well as the Group's performance. For the Non-Executive Directors, the level of remuneration reflects the demands, complexities and performance of the Company as well as the experience, skills and level of responsibilities undertaken by them.

The NRC carries out the annual review of the overall remuneration policy for Directors and key Group Management. The NRC ensures that the Company's remuneration policy remains supportive of its corporate objectives and is aligned with the interest of shareholders and that the remuneration packages of Directors and key Group Management are sufficiently attractive to attract and to retain persons of high caliber. The remuneration policy for the Board and key Group Management can be found on its corporate website.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Directors' Remuneration (Cont'd)**

The details of the Directors' remuneration for the financial year ended 31 December 2024 are as follows:

Directors' Remuneration	Executive Directors RM'000	Non-Executive Directors RM'000
Group		
Fee	90	188
Salaries and EPF	2,358	-
Bonus	126	-
Allowances	24	92
Benefits-in-kind	56	-
Gratuity	937	-

Directors' Remuneration	Executive Directors RM'000	Non-Executive Directors RM'000
Company		
Fee	60	186
Salaries and EPF	1,273	-
Bonus	73	-
Allowances	12	44
Benefits-in-kind	28	-
Gratuity	469	-

Group

RM	Soon Cheng Hai				Soon Cheng Boon				
	Salary & Allowance & EPF	Bonus	Fee	Benefits in kind	Salary & Allowance & EPF	Gratuity	Bonus	Fee	Benefits in kind
Below 50,000			√	√				√	√
50,001 - 100,000		√					√		
900,001 - 950,000						√			
1,050,001 - 1,100,000					√				
1,100,001 - 1,150,000	√								

RM	Tan Han Leong (Resigned on 25.02.2025)		
	Salary & Allowance & EPF	Bonus	Fee
Below 50,000		√	√
150,001 - 200,000	√		

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Directors' Remuneration (Cont'd)****Company**

RM	Soon Cheng Hai				Soon Cheng Boon		
	Salary & Allowance & EPF	Bonus	Fee	Benefits in kind	Salary & Allowance & EPF	Bonus	Fee
Below 50,000		√	√	√			√
50,001 - 100,000						√	
500,001 - 550,000					√		
550,001 - 600,000	√						

RM	Tan Han Leong (Resigned on 25.02.2025)		
	Salary & Allowance & EPF	Bonus	Fee
Below 50,000		√	√
150,001 - 200,000	√		

Non-Executive Directors' Remuneration**Group & Company**

RM	Ng Poh Tat		Ng Leong Teck		Puan Sri Shahrizan Binti Abdullah	
	Fee	Allowances	Fee	Allowances	Fee	Allowances
Below 50,000		√		√		√
50,001 - 100,000	√		√		√	

During the year, none of the Directors rendered any services to the Group that incurs separate remuneration.

Board and Board Committees Meetings

The Board and Board Committees meetings for each financial year are scheduled in advance (or as the occasion requires) for Directors to plan their schedule ahead to enable them to fulfill their time commitments. The Board and Board Committees have a formal schedule of matters reserved for it, among others, for decision, including the approval of annual and quarterly results, major capital expenditures, the review of business operations and performance of the Group as well as other matters as covered in their respective Terms of Reference.

The Board is satisfied with the level of time commitment given by the Directors in the discharge of their roles and responsibilities as evidenced by their attendance at the respective meetings during the financial year ended 31 December 2024:

Name of Directors	Board	Board Committees	
		ARMC	NRC
Soon Cheng Hai	5/5	N/A	N/A
Soon Cheng Boon	5/5	N/A	N/A
Tan Han Leong (resigned on 25 February 2025)	5/5	N/A	N/A
Ng Poh Tat	5/5	5/5	5/5
Puan Sri Shahrizan Binti Abdullah	5/5	5/5	5/5
Ng Leong Teck	5/5	5/5	5/5

N/A denotes Not Applicable

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board and Board Committees Meetings (Cont'd)

All Directors have also adequately complied with the minimum requirements on attendance at Board meetings as stipulated in the MMLRs (minimum 50% attendance).

Directors' Trainings

Directors' training is an on-going process as Directors recognise the need to continually develop and refresh their knowledge and skills, and to update themselves on developments in the steel industry and business landscape both domestically and internationally.

The Board's policy requires each Director to attend at least one (1) training session annually. The Board assesses each member's training requirements based on the feedback from members of the Board. The NRC will then analyse the training needs of each Director and delegate the task of sourcing for the appropriate training, according to the Director's needs, to the Human Resource Department of the Group. Directors are also personally responsible for their own training needs and should they come across any suitable training, they will notify the Human Resource Department to make arrangements accordingly.

During the FY 2024, the members of the Board had attained training on areas relevant to their duties and responsibilities as Directors by attending external seminars/talks as well as internally facilitated sessions and through reading materials.

Seminars and training programmes attended by Directors for the financial year ended 31 December 2024 are as follows:

Name of Directors	Training or Seminars Attended
Soon Cheng Hai	- Budget 2025 Overview
Soon Cheng Boon	- Budget 2025 Overview
Tan Han Leong	- Virtual CFO Circle Event – Leading Businesses Through Crisis and Digital Transformation - Professional Ethics in Focus - Ethics CPD Course – From Theory to Practice - Introduction to AI and its Applications in Accounting - Valuation In Practice: Demystifying Business Valuation - Latest tax updates on Transfer Pricing Rules in Malaysia - Navigating Sustainability Disclosures & Beyond - Can you use AI and Comply With Your Ethical Obligations? - Highlights from Budget 2025 - ESG Decoded: Your Questions, Our Insights
Ng Poh Tat	- Navigating Sustainability Disclosures & Beyond
Puan Sri Shahrizan Binti Abdullah	- Navigating Sustainability Disclosures & Beyond
Ng Leong Teck	- SSM National Conference 2024 - MPERS Financial Reporting – What to Look for - Implementing the International Standard of Quality Management (ISQM) 1 – Emphasis on Monitoring and Evaluation

The Directors will continue to undergo training and other relevant programmes to further enhance their skills and knowledge where relevant.

The Company Secretary circulated from time to time the relevant guidelines on statutory and regulatory requirements to the Directors. The External Auditors also highlighted changes to the Malaysian Financial Reporting Standards and legislation that affect the Company's financial statements during the financial year.

Strategies Promoting Sustainability

The Board views the commitment to sustainability as part of its broader responsibility to shareholders covering the marketplace, workplace, environment and communities in which it operates.

The Company's Sustainability Statement for the financial year under review are disclosed in this 2024 Annual Report.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Committees Established by the Board

The Board has delegated certain functions to the Committees it established to assist with the execution of its responsibilities to the Group. The Committees operate under clearly defined Terms of Reference and are consistent with the recommendations and practices of the MCCG. The functions and terms of reference of the Committees, as well as authority delegated by the Board to these Committees, are reviewed from time to time to ensure that they remain relevant and are up-to-date. The Chairman of the respective Committees reports to the Board the outcome of deliberations of the Committee meetings.

1. Executive Committee

The Executive Committee was established on 24 November 2001 and its current members consist of:

- Soon Cheng Hai (the CEO as Chairman of the Committee)
- Soon Cheng Boon (Executive Director / Deputy CEO)
- Tan Han Leong (Executive Director / Chief Financial Officer) (Resigned on 25.02.2025)

The Executive Committee meets quarterly to review the financial and sales performance, operational matters, risk management, sustainability risks management and audit issues. The respective heads of operating units are invited to attend the Executive Committee meetings as and when required.

The Non-Executive Directors are not represented in the Executive Committee. However, minutes of Executive Committee meetings are distributed to all Directors prior to the Board Meetings. Queries from the Non-Executive Directors are discussed at the Board meetings.

2. ARMC

The Audit Committee was established on 6 July 1994 and subsequently changed to ARMC (as approved by the Board on 25 May 2018) to better reflect its responsibilities.

The ARMC comprises two (2) Independent Non-Executive Directors as well as a Non-Independent Non-Executive Director and provides a forum for effective communication between the Board, Internal Auditors and External Auditors which meets every quarter or when necessary. None of the ARMC were former audit partners who are required to observe a cooling-off period of at least three years before being appointed in accordance with the TOR of the ARMC.

Quarterly and annual financial statements are reviewed by the ARMC prior to Board's approval. During the financial year end, the ARMC also reviewed the effectiveness of systems of internal control and risk management practices, as well as the efficiency and effectiveness of the external and internal audit functions.

Other detailed information on the ARMC is presented in the Audit and Risk Management Committee Report.

3. Nomination and Remuneration Committee ("NRC")

The Nomination Committee and Remuneration Committee were both established on 24 November 2001 and subsequently combined during the year as a single committee known as the Nomination and Remuneration Committee ("NRC") (approved by the Board on 24 March 2022) to lessen administrative and regulatory burdens and to enhance the efficiency of the Board Committees in discharging their duties and responsibilities.

Remuneration policies are developed to ensure that the remuneration given to the Directors, key Group Management and staff are fair and commensurate to their level of contributions and are appropriate to attract, retain and motivate them.

The role of the NRC is set out in its Terms of Reference and is available for reference on the Company's website at www.choobee.com

The members of the NRC during the FY 2024, comprised 2/3 of Independent Non-Executive Directors, are as follows:

Name of member

Puan Shahrizan Binti Abdullah	Chairman, Senior Independent Non-Executive Director
Ng Leong Teck	Member, Independent Non-Executive Director
Ng Poh Tat	Member, Non-Independent Non-Executive Director

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Committees Established by the Board (Cont'd)****3. Nomination and Remuneration Committee ("NRC") (Cont'd)**

The NRC meets when necessary. One (1) meeting was held during the financial year ended 31 December 2024 and undertook the following activities in the discharge of its duties:

- (i) reviewed the performance of the CEO and each individual Director for the FY 2024;
- (ii) reviewed and assessed that Directors are fit to be Directors in accordance with the Board's Fit and Proper policy;
- (iii) reviewed the independence of the Independent Non-Executive Directors which complied with the definition of Independent Non-Executive Director as defined in the MMLRs and recommended the continuation in office of Puan Sri Shahrizan Binti Abdullah as Independent Non-Executive Director as she was demonstrably independent, and her length of service on the Board of ten years and seven months as at 31 December 2024 as an Independent Director does not in any way interfere with her exercise of objective judgement or her ability to act in the best interest of the Company. Puan Sri Shahrizan Binti Abdullah's retention as Independent Non-Executive Director for the year 2025 will be subject to Shareholders' approval at the forthcoming AGM to be held on 19 June 2025;
- (iv) reviewed the terms of office and performance of the ARMC and each of its members while assessing whether its members have carried out their duties in accordance with their terms of reference;
- (v) assessed Directors' training needs;
- (vi) reviewed and assessed the performance and effectiveness of the Board as a whole for FY 2024. Annual assessment carried out was satisfied that:
 - the size and composition of the Board is optimum with the appropriate mix of knowledge, diversity in the skills, experience, age and gender;
 - none of the Directors dominated the decision making of the Board;
 - the Board has been able to discharge its duties professionally and effectively;
 - all the Directors continue to uphold the highest governance standards and independence in their conduct and that of the Board;
 - all the Members of the Board are well qualified to hold their positions as Directors in view of their respective academic and professional qualifications, depth of knowledge, skills and experience and their personal qualities; and
 - the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company, as they hold not more than five (5) directorships in public listed companies.
- (vii) reviewed and recommended to the Board to put forth the proposal for re-election of directors at the forthcoming AGM;
- (viii) reviewed, considered and recommended to the Board for decision on the remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management including the Deputy CEO's Gratuity Payment and annual renewable fixed term employment contract upon reaching 60 years retirement age; and
- (ix) succession planning.

All deliberations, assessments and evaluations carried out by the NRC in discharging its functions were properly documented as well.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

Financial Reporting

In presenting the annual financial statements and quarterly financial statements to shareholders, the Directors aim to present a balanced, clear and understandable assessment of the Group's position and prospects. The Audit and Risk Management Committee ("ARMC") assists the Board in reviewing information to be disclosed to ensure accuracy, adequacy and quality of reporting for the Group's annual and quarterly financial statements. It also reviews the appropriateness of the Group's accounting policies and the changes to these policies as well as ensures these financial statements comply and are prepared in accordance to applicable Malaysian Financial Reporting Standards ("MFRSs") and other regulatory/statutory requirements. Additionally, the Chief Financial Officer ("CFO") presents to the ARMC and the Board details of revenues and expenditures in the form of tables for review of quarter-to-quarter and year-to-date financial performances. The Management Discussion and Analysis of this Annual Report provides additional analysis and commentary on the Group's financial performance.

In reviewing the quarterly and yearly financial statements by the ARMC, the CFO also provides assurance to the ARMC that appropriate accounting policies had been adopted and applied consistently, that the going concern basis has been applied in the Condensed Consolidated Financial Statements and that prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs.

Assessment of Suitability and Independence of External Auditors

The ARMC is responsible for the annual assessment of the competency and independence of the External Auditors. In its assessment, the ARMC considers several factors, which includes the caliber, reputation and resources of the firm, staff experience and professionalism, audit scope, communication, independence (which includes the review of the External Auditors Annual Transparency Report) and the level of non-audit services to be rendered. Having assessed their performance and independence, the ARMC will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The External Auditors are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the MIA. The External Auditors have provided the declaration in their annual audit plan presented to the ARMC of the Company.

Corporate Disclosure Policy

The Group is committed to provide accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decisions as well as compliance with the MMLRs and Corporate Governance Guide issued by Bursa Malaysia Securities Berhad. This is facilitated by the Corporate Disclosure Committee and our Corporate Disclosure Policy which sets out the policies and procedures for all level of employees, including the CEO. The policy also serves as a guide to enhance awareness among employees of corporate disclosure requirements. Clear roles and responsibilities of Directors, management and employees are provided together with levels of authority, to be accorded to 'designated person(s)', spokespersons and committees in the handling and disclosure of material information. Persons responsible for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public.

The policy also covers confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website includes a Corporate section which provides all relevant information on the Company and is accessible publicly. Investor Relations function is further supported by the Investors Relations section of our website, and includes among others announcements made by Bursa Malaysia, changes in shareholdings, listing circulars, annual reports, AGM/EGM key notes and circulars to shareholders.

Statement of Directors' Responsibilities

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for that year.

In preparing the financial statements for the financial year ended 31 December 2024, the Directors have:

- Adopted appropriate accounting policies and applied them consistently
- Made judgements and estimates that are prudent and reasonable
- Ensured applicable accounting standards have been followed
- Prepared the financial statements on the going concern basis

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Companies Act 2016 and applicable financial reporting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Company.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**Relationship with the Auditors**

The Company has established transparent and appropriate relationships with the Company's auditors through the ARMC. The role of the ARMC in relation to both the external and internal auditors is described in the Audit and Risk Management Committee Report.

Risk Management and Internal Control Framework

The Board has established a sound risk management and internal control framework to manage risks and to safeguard shareholders' investment and the Company's assets, as presented in the Statement on Risk Management and Internal Control.

Internal Audit Function

The Internal Audit Function of the Group is outsourced to a professional internal audit service provider firm which undertakes independent, objective and systematic reviews of the risk management, internal controls system and corporate governance. The outsourced internal auditors report directly to the ARMC and assist the Board in reviewing the adequacy and integrity of the internal control systems to manage risks exposures over key processes within the Group. The functions and responsibilities of the Internal Audit Function are embodied in the Internal Audit Charter. The costs incurred by the Group in relation to the Internal Audit Function for the financial year ended 31 December 2024 amounted to approximately RM50,000.

During the financial year ended 31 December 2024, the following works were carried out by the Internal Audit Function:

- reviewed and assessed the adequacy and integrity of internal control systems of the Group covering the business processes/audit areas as detailed in the Statement on Risk Management and Internal Control;
- attended ARMC meetings to table the Internal Audit Reports on findings of assessment on internal control system, highlighted the risks and implications, and recommended improvements to the Management on weaknesses found;
- reviewed and reported on the follow-up status of previous audit findings taken by the Management; and
- performed independent risk assessment on risks identified, evaluated and managed by the respective Heads of Department which are being documented in the Risk Management Forms and presented the Risk Assessment Report to the ARMC.

During the financial year under review, a change in Internal Auditors from Agile Advisory Services PLT to JWC Consulting Sdn Bhd took effect upon the ARMC's approval on 22 February 2024. The Internal Audit Plan for 2024 was covered under the three-year audit plan (FY 2024 to FY 2026) reviewed and approved by the ARMC in March 2024.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**Communication with Stakeholders**

The Board recognises the importance of shareholders communication as it is a key component to upholding the principles and best practices of corporate governance for the Group. The Company views that timely dissemination of information is important, therefore such communication is done through various disclosures and announcements to Bursa Malaysia Securities Berhad, the annual report and circular to shareholders. The financial results of the Company and the Group and other corporate announcements are accessible via the Bursa Malaysia Securities Berhad's website and the Company's website at www.choobee.com. General corporate information and product information are also available on the Company's website.

During the financial year under review, the Company has been involved in investor relations activities to keep shareholders duly informed on the performance of the Company. There were conference calls with local fund managers and analysts to provide insights on the operations, financial performance and latest developments of the Group.

The Company appreciates feedback from their valued shareholders and in this regard, investor relations aim to serve as a channel for shareholders to provide such feedback and views on the Company's performance and direction.

Conduct of Annual General Meeting ("AGM")

The AGM serves as an ideal opportunity for dialogue and interaction with both institutional and individual shareholders. The Company dispatches Notice of its AGM to shareholders more than 28 days which is well in advance of the 21 days requirement stipulated in the Companies Act 2016 and MMLRs. The additional time allows shareholders to make the necessary arrangements to attend and participate in person or by proxy or by corporate representative at the AGM.

During the virtual AGM held in June 2024, the Company had in place the necessary infrastructure and tools for shareholders remote participation, while enabling them to interact, comment and pose questions on matters relating to the Group's business in addition to the Company's financial statements and other items for adoption at the meeting. All the Directors (as well as the Chair of the respective Board Committee), Chief Financial Officer ("CFO") and the External Auditors were in attendance to respond to shareholders' queries. Questions raised by those attending online were duly answered by the Chairman of the Meeting. The Minutes of the AGM (including all the questions raised by shareholders and answers thereto) were published on the Company's website within 30 days after the completion of the meeting.

Poll Voting

In line with the MMLRs, all resolutions set out in the notice of AGM will be voted by poll and a scrutineer will be appointed to validate the votes cast. The poll results were then declared by the Chairman of the Meeting that all the resolutions were carried. The Poll voting more accurately and fairly reflects shareholders' views as every vote is recognised thus enforce greater shareholder rights.

Compliance with the Code

The Group has complied with principles and recommendations of the MCCG except for the following exception that, in the opinion of the Directors, adequately suit the circumstances:

- Practice 1.3 on the positions of Chairman and Chief Executive Officer ("CEO") are held by different individuals.
- Practice 5.2 on the Board comprises at least half of Independent Directors.
- Practice 5.9 on the Board comprises at least 30% women Directors.
- Practice 8.2 on the Board discloses on a named basis the top five (5) senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.

The explanation for departure is also disclosed in the CG Report.

The CG Overview Statement together with the CG Report was approved by the Board of Directors on 27 March 2025.

Utilisation of Proceeds

The Company did not raise funds through any corporate proposal during the financial year.

Audit Fees

	Group RM'000	Company RM'000
Audit fees payable to the external auditors for the financial year	189	86

Non-Audit Fees

	Group RM'000	Company RM'000
Non-audit fees payable to the external auditors for the financial year	5	5

Variation of Results

There was no material variance between the audited results for the financial year ended 31 December 2024 and the unaudited results previously announced for the fourth (4th) financial quarter ended 31 December 2024.

Profit Guarantee

There were no profit guarantees given by the Company during the financial year.

Material Litigations

There were no material litigations faced by the Group.

Material Contracts and Contract Relating to Loans Awarded to Directors, Chief Executive and Major Shareholders

There were no material contracts and contracts relating to loans entered into by the Company and its subsidiaries which involved the Directors, Chief Executive who is not a Director and Major Shareholders entered into since the end of the previous financial year.

Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The information on RRPT for the financial year is presented in the Audited Financial Statements in this Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Composition and Meetings

The Audit and Risk Management Committee ("ARMC") comprises three (3) members, majority of whom (2/3) are Independent Non-Executive Directors, with a Non-Independent Non-Executive Director. The ARMC shall be appointed by the Board upon recommendation by the Nomination and Remuneration Committee ("NRC"). The ARMC meets the requirements of paragraph 15.09(1)(a) and (b) of the MMLRs.

The ARMC and its members have discharged their functions, duties and responsibilities in accordance with its Terms of Reference ("TOR") which is available on the Company's website at www.choobee.com, to support the Board in ensuring the Group practises good corporate governance. The TOR of the ARMC was reviewed and updated by the Board on 22 February 2024.

The Chairman of the ARMC, Ng Leong Teck is a member of the MIA and the ACCA, which complies with paragraph 15.09(1) (c)(i) of the MMLRs. He is not the Chairman of the Board pursuant to Practice 9.1 of the Malaysian Code on Corporate Governance 2021 ("MCCG"). No Alternate Director is appointed as a member of the ARMC.

During the FY 2024, the ARMC convened five (5) meetings. The ARMC members' attendance records are outlined in the Corporate Governance Overview Statement.

The members of the ARMC as at FY 2024 are as follows:

Name of Member

Ng Leong Teck	Chairman, Independent Non-Executive Director
Puan Sri Shahrizan Binti Abdullah	Member, Senior Independent Non-Executive Director
Ng Poh Tat	Member, Non-Independent Non-Executive Director

The detailed profiles of all the members of the ARMC are shown in the Directors' Profiles.

The Chief Financial Officer ("CFO") was invited to all ARMC meetings to facilitate direct communication as well as to provide clarification on financial/audit issues, the Group's operations and sustainability matters respectively. The Chief Risk Officer ("CRO") and outsourced Internal Audit also attended all the ARMC meetings to table the respective Risk Assessment and Internal Audit reports.

Other Board members and employees may attend any particular meeting only when their attendance are requested by the ARMC. The Company Secretary acts as the Secretary of the ARMC. Minutes of each ARMC meeting were recorded and tabled for confirmation at the following meeting and subsequently presented to the Board for notation. In 2024, the ARMC Chairman presented the Board with the ARMC's recommendations to approve the quarterly and annual financial statements. The ARMC Chairman also conveyed to the Board matters of significant concern as and when raised by the External Auditors ("EA") or Internal Auditors ("IA").

The NRC reviewed the terms of office of the ARMC members and assesses the performance of the ARMC and its members through an annual effectiveness evaluation. The NRC is satisfied that the ARMC and its members discharged their functions, duties and responsibilities in accordance with the ARMC's TOR, supporting the Board in ensuring the Group upholds appropriate corporate governance standards.

Summary of Work of Audit and Risk Management Committee

In line with the Terms of Reference of the ARMC, the following works were carried out by the ARMC during the FY 2024 in the discharge of its duties and responsibilities:

(a) Financial Reporting and External Audit

- reviewed the Audit Planning Memorandum, which includes reporting responsibilities and deliverables, audit approach, scope and audit and non-audit fees for the statutory audits of the Group accounts for the financial year ended 31 December 2024 with the EA and CFO prior to recommending to the Board for approval;
- reviewed and discussed the results of their audit report and management letter together with Management's response to their findings;
- reviewed the annual audited financial statements of the Group to ensure compliance with the Companies Act 2016, MMLRs, applicable accounting standards and other legal and regulatory requirements, prior to submission to the Board for consideration and approval;

Summary of Work of Audit and Risk Management Committee (Cont'd)

In line with the Terms of Reference of the ARMC, the following works were carried out by the ARMC during the FY 2024 in the discharge of its duties and responsibilities: (Cont'd)

(a) Financial Reporting and External Audit (Cont'd)

- carried out an annual assessment of the performance of the EA, including assessment of their suitability and independence in performing their obligations, which is performed via a formal evaluation form with criteria set by the ARMC. Assessment criteria includes the caliber, reputation and resources of the firm, staff experience and qualification, audit scope, communication, ability to perform work within the Group's timeline, review of the EA Annual Transparency Report and the level of non-audit services to be rendered. The ARMC also engaged the CFO for his feedback as part of the assessment process. With regard to the assessment of the EA's independence, the Board's EA independence policy requires that the engagement audit partner who is responsible for the financial statements of the Group be subject to a five-year rotation with a two-year cooling-off period. Being satisfied with the EA's performance, technical competency and audit independence as per the auditor independence policy and EA Annual Transparency Report, the ARMC then recommended to the Board for approval of the reappointment of BDO PLT as EA for the financial year ended 31 December 2024. The Board at its meeting held on 21 March 2024 approved the ARMC's recommendation to reappoint BDO PLT for the financial year ending 2024 and was approved by the shareholders' during the AGM held on 20 June 2024; and
- had 2 private meetings with the EA in 2024 without the presence of the CEO, Management and IA. The purposes of such meetings were to enquire about Management's cooperation with the EA, their sharing of information and the proficiency and adequacy of resources in financial reporting functions, particularly in relation to the compliance with applicable MFRSs as well as other areas of concern that is needed to be escalated to the Board and Management for their further consideration and action. The ARMC Chairman also permitted the EA to contact him at any time that they became aware of incidents or matters in the course of their audits or reviews that needed his attention or that of the ARMC or Board.

The EA provided assurance that they were and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, including the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA.

(b) Internal audit

- reviewed the Internal Audit Reports presented on a quarterly basis during the financial year under review, where these reports were prepared based on the audit activities conducted according to the approved Internal Audit Plan. The CEO and CRO facilitated the review process by providing clarification to the ARMC on any specific issues raised in the IA Reports including the Management's response to the audit findings. The IA Reports highlighted the significance of the audit issues raised and recommendations by the IA. The IA reports also provided status updates on the implementation of management action plans on the audit findings reported in the IA Reports presented to the ARMC;
- reviewed the corrective actions taken on the audit findings to ensure that actions have been taken in a timely and effective manner. The ARMC was satisfied with the IA performance for the financial year ended 31 December 2024 covering the business processes/audit areas as detailed in the Statement on Risk Management and Internal Control; and
- assessed the suitability and independence of the IA in carrying out their obligations through the Management criteria checklist and recommended the change of IA for the Board's approval in February 2024.

The IA provided written assurance on 27 February 2025 to the ARMC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for 2024.

(c) Risk Management

- reviewed the results of the IA' independent assessment of the risks identified, evaluated and managed by risk owners which are detailed in the Risk Assessment Report which is prepared by the IA on a quarterly basis;
- reviewed the risk profiles of the Group, including action plan and strategies to address these risks identified; and
- reviewed the risk policy and risk appetite of the Group and recommended to the Board for approval and inclusion in the Statement on Risk Management and Internal Control.

Summary of Work of Audit and Risk Management Committee (Cont'd)

In line with the Terms of Reference of the ARMC, the following works were carried out by the ARMC during the FY 2024 in the discharge of its duties and responsibilities: (Cont'd)

(d) Financial Reporting

- reviewed the unaudited quarterly reports and ensured they were prepared in accordance with the MFRS 134: Interim Financial Reporting and paragraph 9.22 of the MMLRs before recommending to the Board for approval;
- reviewed the annual audited financial statements for FY 2023 and recommended to the Board for approval and subsequent tabling at the upcoming AGM; and
- deliberated on significant matters highlighted including financial reporting issues, significant judgements made by management, and how these matters are addressed.

(e) Related Party Transactions and Conflict of Interest

- reviewed the related party transactions to ensure they were transacted within the limits prescribed under the MMLRs and also conflict of interest situations which arose, persist or may arise within the Group during the year.

(f) Annual Report

- reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the Annual Report; and
- presented the Audit and Risk Management Committee Report to the Board for approval and inclusion in the Annual Report.

(g) Sustainability Management and Reporting

- reviewed the Group's sustainability strategy and targets, policies, materiality assessment process and outcome as well as sustainability statement;
- ensured the integration of sustainability risks and opportunities within the Group's ERM;
- oversaw the management of material sustainability matters and opportunities;
- monitored the implementation of sustainability strategies and policies and performance against targets; and
- reviewed the Human Rights Policy in line with Bursa Malaysia Securities Berhad's Sustainability Guidelines.

(h) Whistleblowing Policy/Anti-Bribery and Corruption ("ABC") Cases

- ensured that the Group's Whistleblowing Policy and ABC Policy are actively implemented with appropriate actions taken whenever reports are received. To note that for the year 2024, there were no reports of whistleblowing nor bribery and corruption cases.
- the Whistleblowing Policy and Procedures was reviewed and updated by the Board on 22 February 2024.

(i) Others

(a) Guideline for Raw Risk, Control Effectiveness and Residual Audit Risk Rating

- ensured that the guideline is reviewed annually and serves as a proper guide for risk owners to rate the raw risks on their impact and likelihood of occurrences, the effectiveness of the current control in place and the residual audit risk.

(b) Threshold for Material Litigation Disclosure and TOR of the ARMC

- reviewed the threshold of material litigation disclosure.
- reviewed the TOR of the ARMC.

Summary of Conflict of Interest or Potential Conflict of Interest

In line with the TOR of the ARMC and MMLRs, there were no conflict of interest nor potential conflict of interest situations which arose during the year that required the ARMC to resolve, eliminate or mitigate such conflicts.

Internal Audit Function

The Internal Audit Function of the Group are disclosed under "Effective Audit and Risk Management" in the Corporate Governance Overview Statement.

Introduction

The Board of Directors ("the Board") is pleased to present our Group's Statement on Risk Management and Internal Control for the financial year ended 31 December 2024. This Statement which outlines the Group's risk management and internal control system is made in compliance with paragraph 15.26(b) of the Main Market Listing Requirements ("MMLRs") and is guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" issued by Bursa Malaysia Securities Berhad ("Bursa Securities").

Responsibility

The Board acknowledges its overall responsibility in reviewing the effectiveness and adequacy of the risk management and internal control system. The Risk Management team which comprises the Chief Executive Officer ("CEO"), Chief Risk Officer ("CRO") and respective Heads of Department, are responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control as well as taking the appropriate and timely corrective actions.

At each of the Executive Committee meeting in 2024, the Risk Assessment and Internal Audit Reports were presented by the Internal Auditors to the Executive Committee ("EXCO") for deliberation. The Internal Auditors provided their independent assessment on the adequacy and effectiveness of the controls in place on risk issues raised by the Management Team and also audit findings based on their risk-based audits. The CRO also provided an Enterprise Risk Management Report to the EXCO and Audit and Risk Management Committee ("ARMC") and discussed on action plans and strategies to mitigate the risks. The minutes of the EXCO and ARMC meetings which record the risk management and internal control issues identified by the Risk Management team, the action plans to mitigate, monitor and manage the risks, the timeline set, the progress and status of the action plans taken are presented to the Board.

The Board ensures that the Group's key areas of risk are managed within an acceptable risks profile. The system of risk management and internal control is designed to identify, assess, respond and manage risks within tolerable ranges, rather than eliminating all risks to achieve the Group's objectives. Therefore, this system can only provide reasonable and not absolute assurance against material misstatement or loss and fraud or breach of regulations.

The Board is of the view that the system of risk management and internal control is in place for the financial year ended 31 December 2024 under review and up to the date of approval of this Statement, and is sound and sufficient to safeguard shareholders' investment, the interests of customers, regulators, employees and other stakeholders, and the Group's assets.

The Board has received assurance from the CEO and the Deputy Chief Executive Officer ("DCEO") that the Group's risk management and internal control system is operating effectively and adequately, in all material aspects. The Board confirms that the Risk Management Team has taken appropriate remedial action in the event that there are any significant weaknesses identified from the risk management and internal control system.

Risk Management Policy

The Board recognises that its primary responsibility is to ensure the long-term viability of the Group. One of our key tasks is to understand the principal risks of all aspects of the business that the Group is engaged in, as all significant business decisions require the incurrence of risks. Our Choo Bee Enterprise Risk Management policy, therefore, is to achieve a proper balance between risks incurred and potential returns to shareholders and stakeholders.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The risk management and internal control framework which is adopted by the Group is based on the Committee of Sponsoring Organisations (COSO) Enterprise Risk Management (ERM) framework. The Board conducts an annual review of the Group's risk management and internal control framework which comprise the following elements:

- (a) Risk governance;
- (b) Risk appetite;
- (c) Risk management; and
- (d) Key internal control processes

The Board assesses whether if there are any changes required to the Group's risk management and internal control framework arising from the review.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Risk Governance

The Board, through the EXCO and ARMC, maintains an oversight responsibility for risks within the Group. Both the committees are supported by the Internal Audit Function as detailed below. Appropriate action is taken by Risk Management Team to implement decisions made by the Committees.

Under the purview of the CEO, the respective Heads of Department of the Group, i.e. risk owners are responsible to implement their own control processes, to identify and manage their risks within the system of risk management and internal control. The CRO is involved in assisting the CEO to drive the risk management process and review the risks identified, internal controls in place and risks ratings assigned by respective risk owners to ensure reflective of the business structure and control environment in the Group.

Risk Appetite

The Group's risk appetite defines the amount and types of risks that the Group is able and willing to accept in pursuit of its business objectives. It also reflects the level of risk tolerance and limits set to govern, manage and control the Group's risk-taking activities. The risk appetite statement of the Group is as follows:

"The Choo Bee Group shall remain focused in its strategic direction to become one of the nation's premier manufacturer, supplier and service center of steel products. In its pursuit for growth in business and formulating of strategies, the Group recognises the need to consider associated risk exposure by continuously reviewing its risk profiles, reinforce its prudent risk management practices and risk tolerance, uphold its corporate governance culture and practices. This is also to ensure regulatory compliance and to preserve its reputation in the market."

For capital management purposes, the Group monitors capital using the gearing ratio. The Group shall maintain a low gearing ratio of below 15% to safeguard the operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders as well as to maintain the optimal capital structure."

Risk Management

The Group has established an on-going risk management process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies.

a) Process for Identifying Risk

The Risk Management Team will identify the risks which affect the business or operations in meeting the objectives of the Group and the root causes of the risks. Based on a risk rating guideline which is reviewed and approved by the ARMC on a yearly basis, the risks will be assessed on their impact and likelihood of occurrence as well as the current control effectiveness based on past history, knowledge of the existing controls in place and understanding of the risk aspects or problems faced during operation. All these will be recorded in the Risk Management Form ("RMF").

The RMF will be submitted to Internal Auditors for their independent assessment to ensure that the risks and controls were correctly recorded and in practice as such.

b) Process for Evaluating Risk

The risk rating guideline provides a basis for determining the rating of the residual audit risks, whether it is low, moderate or high. This takes into account the raw risks rating which is based on the impact and significance assessment and the control effectiveness rating as follows:

Raw Risk Rating	Control Effectiveness Rating		
	High	Moderate	Low
Low	Low	Low	Moderate
Moderate	Low	Moderate	High
High	Low	Moderate	High

If the risk is assessed to be moderate or high, then there is a need to come up with a mitigation plan.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Risk Management (Cont'd)

c) Process for Managing Risk

The risks identified within the Group are managed by the Risk Management Team and Sustainability Working Group ("SWG") for sustainability related risk, the progress of the action plans to mitigate the risks are monitored and reported by the Internal Auditors and CRO to the EXCO and ARMC.

A Risk Register is maintained by the CRO to record all risks by department so that review can be performed regularly and status of the action plans can be monitored and updated. The Risk Register is communicated to the Risk Management Team on quarterly basis via emails.

The Group Risk Profiles with strategies to address these risks are continually reviewed, updated and reported to the ARMC by the CRO on a quarterly basis.

The key risk management processes for the main risk areas of the Group are as follows:

Risk Areas	Risk Management Processes
Business/Operational Risks (including Supply Risk, Human Resource Risk, Information Technology Risk, Production Risk, Quality Assurance/Quality Control Risk and Administration Risk)	- Day-to-day management of operational risks through an effective system of internal controls and monitoring measures. - Maintain the Quality Management System in compliance with international quality standard ISO 9001 : 2015 and BC1 : 2012. - Review of economic conditions and implications to business operations. - Review of regulatory compliance, reputation, cyber security and sustainability.
Inventory Management Risk	- Implementation of controls in inventory handling, movement and documentation. - Review and awareness of market information, price trend and changing business environment in making purchases and sales decisions as well as managing inventory levels. - Periodic internal stock counts on sampling basis and annual stock take.
Credit Risk	- Implementation of policies and procedures on invoicing, opening of new accounts of customers, overdue debts, doubtful debts, cash receipts and collections as well as credit controls. - Clearly defined authorities of Credit Committee in credit approving process.
Financial Risk	- Check and review processes in documents submitted to Finance Department and financial reports. - Implementation of applicable financial reporting standards and keeping abreast with new changes to ensure compliance. - Review and enhancement of existing accounting procedures manual.
Sustainability Risk (including Climate Related Risk)	- Reviews the sustainability implementation and performance indicators set. - Evaluates sustainability risks and opportunities. - Reviews and monitor disclosure requirements for identified material sustainability matters with targeted deadline set, person in-charge and progress reported.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Key Internal Control Processes

The Group maintains a strong control structure whereby internal control is embedded in its business processes. The Group's internal control system comprises the following key processes:

1. Control Environment

a) Organisation Structure, Authorisation Procedures and Segregation of Duties

The Group maintains a structured line of reporting which includes definition of responsibilities and delegation of authority which are defined in the Organisation Charts and the Group's Summary of Authority Limits which reflects the authority and authorisation limit of the Board, EXCO, Management and other key officers. There are segregation of duties over verification, authorisation and reconciliation processes to reduce the scope of errors and mitigate the risk of fraud in the organisation.

b) Active Involvement by Executive Directors

The Executive Directors are actively involved in the running of the business and operations and they report to the Board on significant changes in the business and external environment, if any which affect the operations of the Group.

c) Board Committees

Board Committees such as EXCO, ARMC, Nomination and Remuneration Committee ("NRC") are established with clearly defined Terms of Reference ("TOR") outlining their functions and duties delegated by the Board. The Board Committees assist the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope of work. The TOR are reviewed regularly and updated when there are changes.

d) Policies and Procedures

Operational policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses. These include standard operating practices, memorandum, manuals and handbooks which are updated, reviewed and revised periodically to meet changing business and operational requirements and statutory reporting needs.

e) External Certification

The effectiveness of the system of internal control is also reviewed in our Quality Management System (ISO 9001 : 2015 and BC1 : 2012). Regular review and periodic audits are conducted internally as well as by external auditors from accredited certification bodies. Results of these audits are reported to the Management.

2. Information and Communication

Appropriate internal and external communication processes have been established. Information critical to the achievement of the Group's business objectives are communicated through established reporting lines during the various meetings held and documentation such as operational guidelines, policies and procedures and in the form of reports, memorandum, staff and customer satisfaction surveys etc. Matters that require the Board and Management's attention are highlighted for review, deliberation and decision on a timely basis.

3. Review, Monitoring and Reporting

Scheduled operational and management meetings are held to discuss and review the business plans, financial and operational performances of the Group. All the meetings held are minuted to record the issues highlighted and discussed, action required and decisions made by the Management.

The Board is updated on the Group's performance at the scheduled quarterly meetings. The CFO provides assurance to the Board through the ARMC that appropriate accounting policies have been adopted and applied consistently, and that adequate processes and controls are in place for effective and appropriate financial reporting and disclosures under the Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and MMLRs of Bursa Securities.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Key Internal Control Processes (Cont'd)

3. Review, Monitoring and Reporting (Cont'd)

There is also close review and monitoring on the significant assets of the Group by the Management such as Trade Receivables and Inventories. During the monthly Group Sales Meeting, review is performed on highlighted customers' long overdue debts, debts more than credit limit allowed and customers with credit limit more than guarantee amount, temporary accounts opened for customers, customers without guarantee amount owing more than the set threshold and debts of customers under same management group or are related. This is to ensure that the customers' debts are effectively monitored and to mitigate credit default risk. During the EXCO meeting, review is also performed on Inventories ageing and net write down/back of inventories which has impact to Profit and Loss of the Group for the financial period. There are also full inventory counts conducted in all the locations of the Group at each financial year end and periodic internal inventory counts throughout the year to identify any inventory variances for adjustments in system. This is to ensure that our inventory balances are accurate and values are reflective in our financial statement. The results of all the inventory counts performed and inventory variances, if any, are reported to the Management and adjusted in the system accordingly.

The SWG performs materiality assessment of sustainability matters of the Group's sustainability framework, i.e. economic, nature (environment), workplace, society (community) which is detailed in the Sustainability Statement of this Annual Report. Besides this, the SWG also drives implementation, evaluates sustainability risks and opportunities, and reports sustainability initiatives by the stipulated deadline required by Bursa Securities. For FY 2024, the SWG selected 3 common sustainability matters on Diversity, Safety and Health, and Labour Practices and Standards, for review by the outsourced Internal Auditors. The findings and conclusion of the IA audit were then reported to the EXCO, ARMC and to the Board accordingly.

4. Internal Audit Function

The Group outsourced its Internal Audit Function to an independent professional internal audit service provider firm to review the adequacy and integrity of the internal control system of the Group and to perform testing of the internal control on a quarterly basis. The Internal Audit function reports to the ARMC and is guided by an approved Internal Audit Charter. The internal audit is guided by the International Professional Practices Framework and the Global Internal Audit Standards issued by the Institute of Internal Auditors Inc. which contains the international standards for internal auditing. The Internal Audit Function, performed reviews on key processes within the Group according to the Internal Audit Plan which have been approved by the ARMC and assessed the effectiveness of the internal control system, based on their procedures. They will also ensure compliance to the relevant accounting policies and financial reporting standards relating to their auditable areas. Their audit report which highlights non-compliance or weaknesses, risks and implications, and management responses will be presented at the EXCO and ARMC Meetings. The Management is responsible for ensuring that corrective actions are taken within the stipulated time frame. Subsequent review on the implementation of corrective actions taken for previous audit findings raised will also be performed by the Internal Audit Function and reported to the ARMC.

The Internal Audit Function also performed independent assessment of the risks identified, evaluated and managed by the risk owners. Such assessment provides guidance in determining the risk-based audit plan and scope of work as well as preparation of audit programme for a more effective audit to be conducted.

The Internal Audit plan which is prepared based on areas of higher risk exposure has been approved by the ARMC. The business processes/audit areas covered for the financial year ended 31 December 2024 were as follows:

Quarter	Audit Areas
1	Inventory Management General Safety and Security
2	Conversion and Production Quality Control
3	Human Resource Management
4	Repairs and Maintenance of Machinery Property, Plant and Equipment Management

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

REVIEW OF THE STATEMENT

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the annual report for the FY 2024 has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management and Internal Control factually inaccurate.

Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants which does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the processing of steel coils into steel products, fabrication of steel products and trading of hardware products. All the subsidiaries are wholly owned and are mainly involved in dealing and trading of hardware and construction materials. The subsidiaries are all operating in Malaysia. There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year	25,740	26,990
Attributable to:		
Owners of the parent	25,740	26,990

DIVIDENDS

Dividend paid, declared or proposed since the end of the previous financial year was as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
Final single tier dividend of 0.5 sen per ordinary share, paid on 2 August 2024	980

The Directors do not recommend any payment of dividend in respect of the current financial year ended 31 December 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Choo Bee Metal Industries Berhad

Soon Cheng Hai
 Soon Cheng Boon
 Puan Sri Shahrizan Binti Abdullah
 Ng Poh Tat
 Ng Leong Teck
 Tan Han Leong (Resigned on 25 February 2025)

Subsidiaries of Choo Bee Metal Industries Berhad

Soon Cheng Hai
 Soon Cheng Boon
 Soon Siew Hoon
 Chua Hian Hock
 Quah Bee Yam (Resigned on 31 January 2025)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholding kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.1.2024	Bought	Sold	Balance as at 31.12.2024
Shares in the Company				
Direct interests				
Soon Cheng Hai	2,400,000	-	-	2,400,000
Soon Cheng Boon	2,316,600	-	-	2,316,600
Puan Sri Shahrizan Binti Abdullah	86,112	-	-	86,112
Deemed interests by virtue of shares held by companies in which the Directors have interests				
Soon Cheng Hai	106,506,087	-	-	106,506,087
Soon Cheng Boon	106,506,087	-	-	106,506,087
Deemed interests by virtue of shares held by immediate family members of the Directors				
Soon Cheng Boon #	58,080	-	-	58,080
Tan Han Leong #	1,404,000	-	-	1,404,000
Shares in the ultimate holding company, Soon Lian Huat Holdings Sdn. Berhad				
Direct interests				
Soon Cheng Hai	1,226,667	-	-	1,226,667
Soon Cheng Boon	1,226,667	-	-	1,226,667
Shares in a related company, Choo Bee Holdings Sdn. Bhd.				
Direct interests				
Soon Cheng Hai	161,829	-	-	161,829
Soon Cheng Boon	161,829	-	-	161,829
Deemed interests by virtue of shares held by companies in which the Directors have interest				
Soon Cheng Hai	1,973,900	-	-	1,973,900
Soon Cheng Boon	1,973,900	-	-	1,973,900
Deemed interests by virtue of shares held by immediate family members of the Directors				
Tan Han Leong #	24,462	-	-	24,462

DIRECTORS' INTERESTS (CONT'D)

Deemed interests through children's and/or spouse's shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

By virtue of their interests in the ordinary shares of the Company and of its ultimate holding company, Soon Cheng Hai and Soon Cheng Boon are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company and the holding company have interests.

None of the other Directors holding office at the end of the financial year have any interest in the ordinary shares in the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- i) remuneration received by certain Directors as Directors/executives of the holding company, related companies and its subsidiaries; and
- ii) deemed benefits arising from related party transactions.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM'000	Company RM'000
Executive Directors:		
Fees		
- current financial year	92	60
- over provision in prior year	(2)	-
Other emoluments	3,445	1,827
	3,535	1,887
Non-executive Directors:		
Fees	188	186
Other emoluments	92	44
	3,815	2,117

The estimated monetary value of benefits-in-kind received and receivable by Executive Directors otherwise than in cash from the Group and the Company amounted to RM50,000 and RM25,000 respectively.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company maintain a corporate liability insurance, which provides appropriate insurance cover for the Directors and officers of the Group throughout the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS (CONT'D)

During the financial year, the total amount of insurance premium paid for the Directors and officers of the Group and of the Company was RM12,880.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

ULTIMATE HOLDING COMPANY

The Directors regard Soon Lian Huat Holdings Sdn. Berhad, which is incorporated in Malaysia as the ultimate holding company.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office. Auditors’ remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM'000	Company RM'000
Statutory audit	189	85
Other services	5	5
	194	90

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
Soon Cheng Hai
Director

Ipoh
16 April 2025

.....
Soon Cheng Boon
Director

STATEMENT BY DIRECTORS



In the opinion of the Directors, the financial statements set out on pages 79 to 139 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Soon Cheng Hai
Director

.....
Soon Cheng Boon
Director

Ipoh
16 April 2025

STATUTORY DECLARATION

I, Soon Cheng Hai, being the Director primarily responsible for the financial management of Choo Bee Metal Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 79 to 139 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
16 April 2025)

Soon Cheng Hai

Before me:

Mardhiyyah Abdul Wahab
No. W729
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT



To The Members Of Choo Bee Metal Industries Berhad (Incorporated In Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Choo Bee Metal Industries Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 79 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying amount of inventories at lower of cost and net realisable value

As at 31 December 2024, the carrying amount of inventories of the Group and of the Company, which were generally steel products, were RM200.9 million and RM124.7 million respectively. Details of the inventories have been disclosed in Note 10 to the financial statements.

We have focused on the audit risk that the carrying amount of inventories may not be stated at the lower of cost and net realisable value. Writing down of inventories to net realisable value is mainly based on management estimates, which have been derived from estimates of selling prices that are subject to price volatility of steel, and if not accounted for properly, may lead to the valuation of inventories being misstated.

Audit response

Our audit procedures included the following:

- (a) Evaluated the design and implementation over the control of identification of slow-moving inventories and tested their effectiveness;
- (b) Checked selected inventories samples to sales subsequent to the financial year end to determine that these were sold at more than its cost; and
- (c) Assessed the appropriateness of inventories written down by verifying selling prices subsequent to the end of the reporting period.

We have determined that there is no key audit matter to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

To The Members Of Choo Bee Metal Industries Berhad (Incorporated In Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT



To The Members Of Choo Bee Metal Industries Berhad (Incorporated In Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (CONT'D)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Sia Yeak Hong
03413/02/2027 J
Chartered Accountant

Kuala Lumpur
16 April 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024



		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	255,195	251,228	186,146	233,058
Investment properties	6	9,820	9,750	71,000	-
Right-of-use assets	7	21,588	21,758	6,306	6,028
Investments in subsidiaries	8	-	-	26,673	26,673
Goodwill on consolidation	9	-	-	-	-
		286,603	282,736	290,125	265,759
Current assets					
Inventories	10	200,953	216,329	124,681	103,860
Trade and other receivables	11	100,296	108,126	61,908	64,947
Derivative assets	12	1	-	-	-
Current tax assets		14,226	13,480	12,583	12,248
Cash and bank balances	13	28,019	30,660	1,899	8,258
		343,495	368,595	201,071	189,313
TOTAL ASSETS		630,098	651,331	491,196	455,072
EQUITY AND LIABILITIES					
Equity attributable to the owners of the parent					
Share capital	14	131,691	131,691	131,691	131,691
Treasury shares	14	(1,462)	(1,462)	(1,462)	(1,462)
Reserves	15	463,739	490,459	247,850	258,335
TOTAL EQUITY		593,968	620,688	378,079	388,564

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024



		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	3,126	3,056	2,748	2,451
Deferred tax liabilities	16	945	5,974	1,943	5,142
		4,071	9,030	4,691	7,593
Current liabilities					
Trade and other payables	17	26,902	11,747	103,676	49,426
Borrowings	18	3,300	8,000	3,300	8,000
Lease liabilities	7	1,661	1,708	1,433	1,477
Derivative liabilities	12	17	12	17	12
Current tax liabilities		179	146	-	-
		32,059	21,613	108,426	58,915
TOTAL LIABILITIES		36,130	30,643	113,117	66,508
TOTAL EQUITY AND LIABILITIES		630,098	651,331	491,196	455,072

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	21	396,352	402,114	206,855	226,002
Cost of sales		(399,230)	(375,593)	(226,568)	(218,584)
Gross (loss)/profit		(2,878)	26,521	(19,713)	7,418
Other income		1,766	4,192	3,773	6,818
Administrative expenses		(14,047)	(14,385)	(8,025)	(7,773)
Selling and distribution expenses		(14,542)	(14,946)	(4,878)	(4,499)
Finance costs	25	(442)	(209)	(3,292)	(1,510)
Net reversal on impairment loss of financial assets	22(b)	92	171	3	47
(Loss)/Profit before taxation	22	(30,051)	1,344	(32,132)	501
Taxation	26	4,311	(213)	5,142	360
(Loss)/Profit for the financial year		(25,740)	1,131	(26,990)	861
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Fair value adjustment on revaluation of investment properties, net of tax		-	-	17,485	-
Total comprehensive (loss)/income		(25,740)	1,131	(9,505)	861
(Loss)/Profit attributable to:					
Owners of the parent		(25,740)	1,131	(9,505)	861
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(25,740)	1,131	(9,505)	861
(Loss)/Earnings per share attributable to the equity holders of the Company (sen)					
Basic and diluted	27	(13.13)	0.58		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



For The Financial Year Ended 31 December 2024

Group	Note	Share capital RM'000	Treasury shares RM'000	General reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2024		131,691	(1,462)	1,186	6,707	482,566	620,688
Loss for the financial year		-	-	-	-	(25,740)	(25,740)
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	(25,740)	(25,740)
Transaction with owners							
Dividend	28	-	-	-	-	(980)	(980)
Total transaction with owners		-	-	-	-	(980)	(980)
Balance as at 31 December 2024		131,691	(1,462)	1,186	6,707	455,846	593,968
Balance as at 1 January 2023		131,691	(1,462)	1,186	6,707	486,337	624,459
Profit for the financial year		-	-	-	-	1,131	1,131
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	1,131	1,131
Transaction with owners							
Dividend	28	-	-	-	-	(4,902)	(4,902)
Total transaction with owners		-	-	-	-	(4,902)	(4,902)
Balance as at 31 December 2023		131,691	(1,462)	1,186	6,707	482,566	620,688

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024



Company	Note	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2024		131,691	(1,462)	-	258,335	388,564
Loss for the financial year		-	-	-	(26,990)	(26,990)
Other comprehensive income, net of tax	26(c)	-	-	17,485	-	17,485
Total comprehensive income/(loss)		-	-	17,485	(26,990)	(9,505)
Transaction with owners						
Dividend	28	-	-	-	(980)	(980)
Total transaction with owners		-	-	-	(980)	(980)
Balance as at 31 December 2024		131,691	(1,462)	17,485	230,365	378,079
Balance as at 1 January 2023		131,691	(1,462)	-	262,376	392,605
Profit for the financial year		-	-	-	861	861
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	861	861
Transaction with owners						
Dividend	28	-	-	-	(4,902)	(4,902)
Total transaction with owners		-	-	-	(4,902)	(4,902)
Balance as at 31 December 2023		131,691	(1,462)	-	258,335	388,564

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2024



	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(30,051)	1,344	(32,132)	501
Adjustments for:					
Bad debt recovered	22	(5)	-	-	-
Depreciation of property, plant and equipment	5	9,625	7,526	8,719	6,607
Depreciation of right-of-use assets	7	1,981	1,880	1,533	1,450
Dividend income received from:					
- a subsidiary	22	-	-	(495)	(2,551)
Fair value (gain)/loss on:					
- investment properties	6	(70)	142	-	-
- derivative financial instruments	12(c)	4	(1,049)	5	(853)
Loss on disposals of property, plant and equipment	22	52	516	39	335
Gain on disposals of other investments	22	-	(50)	-	-
Gain on lease modification		(3)	-	(3)	-
Net reversal of impairment losses on trade receivables	22	(92)	(171)	(3)	(47)
Interest expense	25	442	209	3,292	1,510
Interest on lease liabilities	7	79	83	66	74
Interest income on overdue accounts	22	(296)	(128)	(3)	-
Interest income		(381)	(846)	(157)	(204)
Net inventories written down/(back)	10	2,874	(8,777)	2,323	(8,907)
Net unrealised loss/(gain) on foreign exchange transactions	22	226	(298)	(54)	(133)
Property, plant and equipment written off	5	41	3	39	3
Operating (loss)/profit before changes in working capital					
- carried forward		(15,574)	384	(16,131)	(2,215)

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating (loss)/profit before changes in working capital					
- brought forward		(15,574)	384	(16,831)	(2,215)
Changes in working capital					
Inventories		12,502	1,708	(23,144)	19,424
Trade and other receivables		7,935	45,791	3,064	48,120
Trade and other payables		15,251	(2,587)	11,644	(11,528)
Cash flows generated from/(used in) operations		20,114	45,296	(25,267)	53,801
Interest received		296	128	3	-
Tax refunded		-	2,311	-	-
Tax paid		(1,430)	(5,366)	(335)	(2,508)
Net cash from/(used in) operating activities		18,980	42,369	(25,599)	51,293

CASH FLOWS FROM INVESTING ACTIVITIES

Dividend received from a subsidiary	22(a)	-	-	495	2,551
Increase in deposits pledged to a licensed bank		(7)	(6)	(6)	(5)
Interest received		381	846	157	204
Purchase of right-of-use assets	7	(78)	-	(78)	-
Purchase of property, plant and equipment	5	(14,064)	(74,529)	(13,477)	(72,412)
Purchase of other investments		-	(5,100)	-	-
Proceeds from disposals of:					
- property, plant and equipment		379	898	20	624
- other investments		-	5,150	-	-
Net advances from subsidiaries		-	-	42,680	23,725
Net cash (used in)/from investing activities		(13,389)	(72,741)	29,791	(45,313)

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2024



		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	28	(980)	(4,902)	(980)	(4,902)
Interest paid		(442)	(209)	(3,292)	(1,510)
Trust receipts:					
- Repayments		(45,400)	(46,400)	(40,600)	(24,700)
- Drawdowns		40,400	46,400	35,600	26,700
Bankers' acceptance:					
- Repayments		(46,100)	(38,000)	(41,500)	(38,000)
- Drawdowns		46,400	36,000	41,800	36,000
Trade loan:					
- Repayments		(397)	-	-	-
- Drawdowns		397	-	-	-
Repayment of lease interests		(79)	(83)	(66)	(74)
Repayment of lease liabilities		(1,707)	(1,614)	(1,477)	(1,383)
Net cash used in financing activities		(7,908)	(8,808)	(10,515)	(7,869)
Net decrease in cash and cash equivalents		(2,317)	(39,180)	(6,323)	(1,889)
Effect of exchange rate changes on cash and cash equivalents		(331)	169	(42)	30
Cash and cash equivalents at beginning of financial year		30,431	69,442	8,057	9,916
Cash and cash equivalents at end of financial year	13(f)	27,783	30,431	1,692	8,057

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2024



RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 7)		Bankers' acceptance (Note 18)		Trust receipts (Note 18)	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
At 1 January 2024	4,764	3,928	3,000	3,000	5,000	5,000
Cash flows	(1,786)	(1,544)	300	300	(5,000)	(5,000)
Non-cash flows:						
- Unwinding of interest	79	67	-	-	-	-
- Additions	1,727	1,727	-	-	-	-
At 31 December 2024	4,784	4,178	3,300	3,300	-	-
At 1 January 2023	2,964	2,594	5,000	5,000	5,000	3,000
Cash flows	(1,697)	(1,457)	(2,000)	(2,000)	-	2,000
Non-cash flows:						
- Unwinding of interest	83	74	-	-	-	-
- Additions	3,414	2,717	-	-	-	-
At 31 December 2023	4,764	3,928	3,000	3,000	5,000	5,000

The accompanying notes form an integral part of the financial statements.

31 December 2024

1. CORPORATE INFORMATION

Choo Bee Metal Industries Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

During the financial year, the registered office of the Company has changed from 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan to Wisma Soon Teik Aun, Jalan Bendahara, 31650 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at Wisma Soon Teik Aun, Jalan Bendahara, 31650 Ipoh, Perak Darul Ridzuan.

The ultimate holding company of the Company is Soon Lian Huat Holdings Sdn. Berhad, which is incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand ("RM'000"), unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 16 April 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the processing of steel coils into steel products, fabrication of steel products and trading of hardware products. All the subsidiaries are wholly owned and are mainly involved in dealing and trading of hardware and construction materials. The subsidiaries are all operating in Malaysia. There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standard and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 32.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

The Group has arrived at two reportable operating segments that are based on information reported internally to the Management and the Board of Directors. The reportable segments are summarised as follows:

(i) Trading

Dealing in hardware and construction materials

(ii) Manufacturing

Processing of steel coils into steel products and fabrication of steel products

The Group evaluates performance on the basis of profit or loss from operations before taxation not including non-recurring losses, such as goodwill impairment.

Inter-segment revenue is priced along the similar lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude derivative assets, cash and bank balances, assets used primarily for corporate purposes and items that cannot be reasonably allocated to individual segments.

31 December 2024

4. OPERATING SEGMENTS (CONT'D)

Segment liabilities exclude deferred tax liabilities and derivative liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirement). Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

Group 2024	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue			
Total revenue	286,700	202,156	470,856
Inter-segment sales	(10,005)	(64,499)	(74,504)
Revenue from external customers	258,695	137,657	396,352
Depreciation of property, plant and equipment	(1,014)	(8,611)	(9,625)
Depreciation of right-of-use assets	(483)	(1,498)	(1,981)
Segment profit/(loss) before taxation	755	(28,425)	(27,670)
Fair value loss/(gain) on:			
- derivative financial instruments	1	(5)	(4)
- investment properties	70	-	70
Loss on disposals of property, plant and equipment	(14)	(38)	(52)
Net reversal of impairment losses on trade receivables	89	3	92
Inventories written down	(604)	(2,270)	(2,874)
Property, plant and equipment written off	(3)	(38)	(41)
Additions to non-current assets other than financial instruments and deferred tax assets	934	14,935	15,869
Segment assets	180,859	406,994	587,853
Segment liabilities	13,222	21,946	35,168

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024



4. OPERATING SEGMENTS (CONT'D)

Group 2023	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue			
Total revenue	278,667	218,026	496,693
Inter-segment sales	(18,070)	(76,509)	(94,579)
Revenue from external customers	260,597	141,517	402,114
Depreciation of property, plant and equipment	(1,015)	(6,511)	(7,526)
Depreciation of right-of-use assets	(482)	(1,398)	(1,880)
Segment profit before taxation	4,073	2,477	6,550
Fair value adjustments on:			
- derivative financial instruments	226	823	1,049
- investment properties	(142)	-	(142)
Loss on disposals of property, plant and equipment	(193)	(323)	(516)
Net impairment losses on trade receivables	124	47	171
Inventories written back	413	8,927	9,340
Inventories written down	(563)	-	(563)
Property, plant and equipment written off	-	(3)	(3)
Additions to non-current assets other than financial instruments and deferred tax assets	5,467	72,476	77,943
Segment assets	226,554	394,117	620,671
Segment liabilities	9,494	15,163	24,657

4. OPERATING SEGMENTS (CONT'D)

(a) Reconciliations

Reconciliations of reportable segment profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

Group 2024	Trading RM'000	Manufacturing RM'000	Total RM'000
Loss for the financial year			
Total profit/(loss) for reportable segments	755	(28,425)	(27,670)
Elimination of inter-segment profit	(1,455)	(484)	(1,939)
Finance costs	(41)	(401)	(442)
Loss before taxation	(741)	(29,310)	(30,051)
Taxation	(714)	5,025	4,311
Loss for the financial year	(1,455)	(24,285)	(25,740)
Assets			
Total assets for reportable segments	180,859	406,993	587,852
<u>Unallocated assets</u>			
Current tax assets			14,226
Cash and bank balances			28,019
Derivative assets			1
Assets of the Group per consolidated statement of financial position			630,098
Liabilities			
Total liabilities for reportable segments	13,222	21,946	35,168
<u>Unallocated liabilities</u>			
Derivative liabilities			17
Deferred tax liabilities			945
Liabilities of the Group per consolidated statement of financial position			36,130

4. OPERATING SEGMENTS (CONT'D)

(a) Reconciliations (Cont'd)

Reconciliations of reportable segment profit or loss, assets and liabilities to the Group's corresponding amounts are as follows: (Cont'd)

Group 2023	Trading RM'000	Manufacturing RM'000	Total RM'000
Profit for the financial year			
Total profit for reportable segments	4,073	2,477	6,550
Elimination of inter-segment profit	(2,536)	(2,461)	(4,997)
Finance costs	(46)	(163)	(209)
Profit before taxation	1,491	(147)	1,344
Taxation	(560)	347	(213)
Profit for the financial year	931	200	1,131
Assets			
Total assets for reportable segments	226,554	394,117	620,671
<u>Unallocated assets</u>			
Cash and bank balances			30,660
Assets of the Group per consolidated statement of financial position			651,331
Liabilities			
Total liabilities for reportable segments	9,494	15,163	24,657
<u>Unallocated liabilities</u>			
Derivative liabilities			12
Deferred tax liabilities			5,974
Liabilities of the Group per consolidated statement of financial position			30,643

4. OPERATING SEGMENTS (CONT'D)**(b) Geographical information**

The analysis of the Group's segment revenue from external customers by geographical area based on the region in which the customer is located is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Malaysia	347,669	346,056
Asia, other than Malaysia	48,683	56,058
Total revenue	396,352	402,114

Information on the carrying amount of segment assets by geographical market and cost to acquire property, plant and equipment by location of assets has not been disclosed as the Group operates principally in Malaysia.

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2024	Balance as at 1.1.2024 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Written off RM'000	Reclassifications RM'000	Balance as at 31.12.2024 RM'000
Carrying amount							
Freehold land	36,766	-	-	-	-	-	36,766
Buildings	76,834	3	(3)	(2,294)	-	26,203	100,743
Plant and machinery	31,801	768	(333)	(5,875)	-	64,528	90,889
Electrical installation	3,298	12	-	(366)	-	1,568	4,512
Furniture, fittings, equipment and vehicles	8,270	1,638	(95)	(1,074)	(41)	94	8,792
Renovation	699	4	-	(16)	-	483	1,170
Construction-in-progress	93,560	11,639	-	-	-	(92,876)	12,323
	251,228	14,064	(431)	(9,625)	(41)	-	255,195

	At 31.12.2024		
	Cost RM'000	Accumulated depreciation and impairment RM'000	Carrying amount RM'000
Freehold land	36,766	-	36,766
Buildings	121,889	(21,146)	100,743
Plant and machinery	185,234	(94,345)	90,889
Electrical installation	9,230	(4,718)	4,512
Furniture, fittings, equipment and vehicles	16,514	(7,722)	8,792
Renovation	2,225	(1,055)	1,170
Construction-in-progress	12,323	-	12,323
	384,181	(128,986)	255,195

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2023	Balance as at 1.1.2023 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Written off RM'000	Reclassifications RM'000	Balance as at 31.12.2023 RM'000
Carrying amount							
Freehold land	36,766	-	-	-	-	-	36,766
Buildings	77,934	607	-	(1,866)	-	159	76,834
Plant and machinery	34,137	437	-	(4,485)	-	1,712	31,801
Electrical installation	1,811	94	-	(242)	-	1,635	3,298
Furniture, fittings, equipment and vehicles	6,108	4,375	(1,414)	(912)	(3)	116	8,270
Renovation	715	5	-	(21)	-	-	699
Construction-in-progress	28,171	69,011	-	-	-	(3,622)	93,560
	185,642	74,529	(1,414)	(7,526)	(3)	-	251,228

	At 31.12.2023			
	Cost RM'000	Accumulated depreciation and impairment RM'000	Carrying amount RM'000	
Freehold land	36,766	-	36,766	
Buildings	96,791	(19,957)	76,834	
Plant and machinery	120,566	(88,765)	31,801	
Electrical installation	7,749	(4,451)	3,298	
Furniture, fittings, equipment and vehicles	15,635	(7,365)	8,270	
Renovation	1,738	(1,039)	699	
Construction-in-progress	93,560	-	93,560	
	372,805	(121,577)	251,228	

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2024	Balance as at 1.1.2024 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Written off RM'000	Transfer to investment properties (Note 6) RM'000	Reclassi- fications RM'000	Balance as at 31.12.2024 RM'000
Carrying amount								
Freehold land	36,438	-	-	-	-	(25,945)	-	10,493
Buildings	66,543	3	-	(2,052)	-	(25,627)	26,203	65,070
Plant and machinery	27,999	768	(58)	(5,645)	-	-	64,528	87,592
Electrical installation	3,136	12	-	(361)	-	-	1,568	4,355
Furniture, fittings, equipment and vehicles	4,689	1,135	(1)	(645)	(39)	-	94	5,233
Renovation	694	4	-	(16)	-	-	483	1,165
Construction-in-progress	93,559	11,555	-	-	-	-	(92,876)	12,238
	233,058	13,477	(59)	(8,719)	(39)	(51,572)	-	186,146

	<----- At 31.12.2024 ----->		
	Cost RM'000	Accumulated depreciation and impairment RM'000	Carrying amount RM'000
Freehold land	10,493	-	10,493
Buildings	82,817	(17,747)	65,070
Plant and machinery	179,151	(91,559)	87,592
Electrical installation	8,975	(4,620)	4,355
Furniture, fittings, equipment and vehicles	10,024	(4,791)	5,233
Renovation	2,220	(1,055)	1,165
Construction-in-progress	12,238	-	12,238
	305,918	(119,772)	186,146

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2023	Balance as at 1.1.2023 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Written off RM'000	Reclassi- fications RM'000	Balance as at 31.12.2023 RM'000
Carrying amount							
Freehold land	36,438	-	-	-	-	-	36,438
Buildings	67,393	607	-	(1,616)	-	159	66,543
Plant and machinery	30,198	317	-	(4,228)	-	1,712	27,999
Electrical installation	1,639	94	-	(232)	-	1,635	3,136
Furniture, fittings, equipment and vehicles	3,661	2,384	(959)	(510)	(3)	116	4,689
Renovation	715	-	-	(21)	-	-	694
Construction-in-progress	28,171	69,010	-	-	-	(3,622)	93,559
	168,215	72,412	(959)	(6,607)	(3)	-	233,058

	<----- At 31.12.2023 ----->			
	Cost RM'000	Accumulated depreciation and impairment RM'000	Carrying amount RM'000	
Freehold land	36,438	-	36,438	
Buildings	83,338	(16,795)	66,543	
Plant and machinery	113,994	(85,995)	27,999	
Electrical installation	7,396	(4,260)	3,136	
Furniture, fittings, equipment and vehicles	9,235	(4,546)	4,689	
Renovation	1,733	(1,039)	694	
Construction-in-progress	93,559	-	93,559	
	345,693	(112,635)	233,058	

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation period and annual rates are as follows:

Buildings	1% - 2%
Plant and machinery	2% - 20%
Electrical installation	5%
Furniture, fittings, equipment and vehicles	5% - 20%
Renovation	2% - 20%

Freehold land has an unlimited useful life and is not depreciated. Construction-in-progress represents machinery under installation and renovation in progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised.

- (c) Impairment assessment

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use.

6. INVESTMENT PROPERTIES

Group	Balance as at 1.1.2024 RM'000	Fair value adjustments RM'000	Balance as at 31.12.2024 RM'000
At fair value			
Freehold land and buildings	1,420	70	1,490
Leasehold land and buildings	8,330	-	8,330
	9,750	70	9,820

	Balance as at 1.1.2023 RM'000	Fair value adjustments RM'000	Balance as at 31.12.2023 RM'000
At fair value			
Freehold land and buildings	1,384	36	1,420
Leasehold land and buildings	8,508	(178)	8,330
	9,892	(142)	9,750

6. INVESTMENT PROPERTIES (CONT'D)

Company	Balance as at 1.1.2024 RM'000	Transfer from property, plant and equipment (Note 5) RM'000	Fair value adjustments RM'000	Balance as at 31.12.2024 RM'000
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At fair value

Freehold land and buildings	-	51,572	19,428	71,000
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- (a) Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.
- (b) Investment properties at Level 3 fair values were recommended by the Directors as at the end of reporting period.

On 31 December 2024, the carrying amount of the investment properties of the Group and of the Company were based on valuation carried out by the external independent valuers, JS Valuers Property Consultants (Perak) Sdn. Bhd. and JS Valuers Property Consultants Sdn. Bhd. respectively. The fair value measurement of the properties were based on comparison method that makes reference to recent sales of similar properties in the vicinity on a price per square foot basis. The price per square foot of the properties adopted, which were significant inputs, ranged from RM50 to RM225 (2023: RM50 to RM214) and RM67 (2023: Nil) respectively. Any changes in the price per square foot will result in a reasonable change in the fair value of the investment properties.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use. The investment properties of the Group and of the Company are used to generate rental income. There is no transfer between levels in the hierarchy during the financial year.

- (c) The leasehold land has a remaining lease period of 18 years to 55 years (2023: 19 years to 56 years).
- (d) Rental income generated from rental of investment properties which generated rental income to the Group and the Company during the financial year amounted to RM464,000 (2023: RM406,000) and RM2,652,000 (2023: Nil) respectively.
- (e) Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group		Company
	2024 RM'000	2023 RM'000	2024 RM'000
Insurance	39	3	33
Quit rent and assessment	141	32	101

- (f) Fair value of the investment properties of the Group and of the Company are categorised as Level 3 of the fair value hierarchy.

6. INVESTMENT PROPERTIES (CONT'D)

(g) The aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group		Company
	2024 RM'000	2023 RM'000	2024 RM'000
Less than one (1) year	459	297	2,710
One (1) to two (2) years	270	39	3,000
Two (2) to three (3) years	-	-	3,000
Three (3) to four (4) years	-	-	2,500
	729	336	11,210

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

Group	Balance as at 1.1.2024 RM'000	Additions RM'000	Modification RM'000	Depreciation charged for the financial year RM'000	Balance as at 31.12.2024 RM'000
Carrying amount					
Leasehold land	17,042	78	-	(270)	16,850
Buildings	4,716	1,727	6	(1,711)	4,738
	21,758	1,805	6	(1,981)	21,588

Group	Balance as at 1.1.2023 RM'000	Additions RM'000	Depreciation charged for the financial year RM'000	Balance as at 31.12.2023 RM'000
Carrying amount				
Leasehold land	17,311	-	(269)	17,042
Buildings	2,913	3,414	(1,611)	4,716
	20,224	3,414	(1,880)	21,758

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(a) Right-of-use assets (Cont'd)

Company	Balance as at 1.1.2024 RM'000	Additions RM'000	Modification RM'000	Depreciation charged for the financial year RM'000	Balance as at 31.12.2024 RM'000
Carrying amount					
Leasehold land	2,143	78	-	(66)	2,155
Buildings	3,885	1,727	6	(1,467)	4,151
	6,028	1,805	6	(1,533)	6,306

Company	Balance as at 1.1.2023 RM'000	Additions RM'000	Depreciation charged for the financial year RM'000	Balance as at 31.12.2023 RM'000
Carrying amount				
Leasehold land	2,209	-	(66)	2,143
Buildings	2,552	2,717	(1,384)	3,885
	4,761	2,717	(1,450)	6,028

- (i) The right-of-use assets comprise industrial land and building and they are initially recorded at cost.

After initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

- (ii) The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The principal depreciation periods used are as follows:

Leasehold land	60 - 84 years
Buildings	3 years

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(a) Right-of-use assets (Cont'd)

(iii) The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Depreciation charge of right-of-use assets				
- cost of sales	914	255	725	66
- administrative expenses	988	1,547	808	1,384
- selling and distribution expenses	79	78	-	-
Interest expense on lease liabilities				
- cost of sales	24	-	23	-
- administrative expenses	51	80	43	74
- selling and distribution expenses	4	3	-	-
Expenses relating to low-value leases				
- cost of sales	3	84	3	84
- administrative expenses	1	-	-	-
	2,064	2,047	1,602	1,608

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January	4,764	2,964	3,928	2,594
Additions	1,727	3,414	1,727	2,717
Accretion of interest	79	83	66	74
Payments	(1,786)	(1,697)	(1,543)	(1,457)
Modification	3	-	3	-
As at 31 December	4,787	4,764	4,181	3,928
Represented by:				
Non-current liabilities	3,126	3,056	2,748	2,451
Current liabilities	1,661	1,708	1,433	1,477
Lease liabilities owing to non-financial institutions	4,787	4,764	4,181	3,928

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(b) Lease liabilities (Cont'd)

- (i) The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liabilities by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.
- (ii) The Group and the Company have certain low-value of leases of RM5,000 and below. The Group and the Company apply the 'lease of low-value assets' exemptions for these leases.
- (iii) The following are total cash outflows for leases of the Group and of the Company:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Included in net cash from operating activities:				
Payments relating to low value assets	4	84	3	84
Included in net cash used in financing activities:				
Payments of lease liabilities	1,707	1,614	1,477	1,383
Interest paid in relation to lease liabilities	79	83	66	74
	<u>1,790</u>	<u>1,781</u>	<u>1,546</u>	<u>1,541</u>

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(b) Lease liabilities (Cont'd)

- (iv) The following table sets out the carrying amounts, the incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company that are exposed to interest rate risk:

Group	Incremental borrowing rates per annum %	Within 1 year RM'000	1 - 2 years RM'000	More than 2 years RM'000	Total RM'000
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At 31 December 2024

Lease liabilities

Fixed rates	3.36 – 3.92	1,661	1,669	1,457	4,787
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At 31 December 2023

Lease liabilities

Fixed rates	3.36 – 3.92	1,708	1,395	1,661	4,764
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Company

At 31 December 2024

Lease liabilities

Fixed rates	3.36 – 3.92	1,433	1,433	1,315	4,181
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At 31 December 2023

Lease liabilities

Fixed rates	3.36 – 3.92	1,477	1,168	1,283	3,928
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- (v) The maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is disclosed in Note 31(ii) to the financial statements.
- (vi) Management exercises judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use assets in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

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7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(c) The Group as lessor

The Group has entered into irrevocable lease agreements on certain properties for terms of between one (1) to three (3) years and renewable at the end of the lease period subject to an increase clause.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2024	2023
	RM'000	RM'000
Less than one (1) year	360	60
One (1) to two (2) years	90	-
	450	60

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	26,673	26,673

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

Non-controlling interests are measured at the proportionate share of net assets of subsidiaries, unless another measurement basis is required by MFRSs.

(b) Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of company	Principal place of business	Effective interest in equity		Principal activities
		2024	2023	
		%	%	
Choo Bee Hardwares Sdn. Bhd.	Malaysia	100	100	Dealer in hardware and construction materials
Taik Bee Hardware Sdn. Bhd.	Malaysia	100	100	Trading of steel products, hardware products and construction materials
Subsidiary of Choo Bee Hardwares Sdn. Bhd.				
Choo Bee Hardware (Sabah) Sdn. Bhd.	Malaysia	100	100	Dealer in hardware and construction materials

All subsidiaries are audited by BDO PLT in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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9. GOODWILL ON CONSOLIDATION

	Group	
	2024 RM'000	2023 RM'000
Goodwill on consolidation	87	87
Less: Impairment loss	(87)	(87)
	-	-

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

10. INVENTORIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At cost				
Raw materials	50,601	47,537	50,601	47,537
Work-in-progress	6,758	19,350	6,758	19,350
Consumables	1,601	1,342	1,601	1,342
Trading goods	51,557	85,106	42	44
Manufactured goods	22,927	22,287	22,927	22,288
	133,444	175,622	81,929	90,561
At net realisable value				
Raw materials	18,293	7,326	18,155	7,187
Work-in-progress	5,781	1,767	5,780	1,766
Trading goods	23,913	26,551	66	74
Manufactured goods	19,522	5,063	18,751	4,272
	67,509	40,707	42,752	13,299
	200,953	216,329	124,681	103,860
Recognised in profit or loss				
Inventories recognised as cost of sales	377,580	359,326	204,919	202,317
Inventories written down	(2,874)	(563)	(2,323)	(19)
Inventories written back	-	9,340	-	8,926

10. INVENTORIES (CONT'D)

- (a) Inventories are stated at the lower of cost and net realisable value.

The cost of raw materials, consumables and trading goods are determined on a weighted average basis and comprises the original cost of purchase plus the cost of acquiring the inventories and other costs incurred (including import duties and other taxes) in bringing them to their present location and condition.

The cost of work-in-progress and manufactured goods includes the cost of raw materials, direct labour, and an appropriate share of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The Group writes down obsolete or slow moving inventories based on assessment of their estimated net selling prices. Management exercises judgement in evaluating circumstances which may indicate that the carrying amounts could not be recovered and in assessing the adequacy of the write down for obsolete or slow moving inventories.

- (b) The Group and the Company have written down/back the inventories due to fluctuation changes in steel price during the financial year ended 31 December 2024 and 31 December 2023.
- (c) Information on financial risks of inventories, namely market price risk is disclosed in Note 31 to the financial statements.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables				
- Third parties	94,857	100,433	39,382	42,137
- Related parties	206	233	-	-
- Subsidiaries	-	-	18,808	16,109
	95,063	100,666	58,190	58,246
Less: Impairment losses	(325)	(417)	(85)	(88)
Total trade receivables	94,738	100,249	58,105	58,158
Other receivables				
Amount owing by ultimate holding company	1	-	-	-
Third parties	1,267	952	68	315
Deposits	2,011	3,020	1,868	2,975
Total other receivables	3,279	3,972	1,936	3,290
Total receivables	98,017	104,221	60,041	61,448
Prepayments	2,279	3,905	1,867	3,499
	100,296	108,126	61,908	64,947

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are interest bearing and the normal trade credit terms granted by the Group and the Company range from 7 to 60 days (2023: 7 to 60 days). Interest on overdue trade balances are charged at a rate of 14.4% (2023: 14.4%) per annum. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Amount owing by ultimate holding company is non-trade advance in nature, which is interest-free and receivable within the next twelve (12) months.
- (d) The currency exposure profile of receivables are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	87,991	96,372	58,879	61,418
Singapore Dollar	8,864	7,819	-	-
United States Dollar	1,017	-	1,017	-
Euro	145	30	145	30
	98,017	104,221	60,041	61,448

- (e) The ageing analysis of trade receivables of the Group and of the Company are as follows:

Group	Gross	Lifetime	Net
2024	carrying	ECL	carrying
	amount	allowance	amount
	RM'000	RM'000	RM'000
Current (not past due)	80,684	(21)	80,663
1 to 30 days past due	10,556	(41)	10,515
31 to 60 days past due	2,517	(62)	2,455
61 to 90 days past due	975	(56)	919
91 to 120 days past due	-	-	-
More than 121 days past due	199	(13)	186
	94,931	(193)	94,738
Credit impaired			
Individually impaired	132	(132)	-
	95,063	(325)	94,738

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) The ageing analysis of trade receivables of the Group and of the Company are as follows: (Cont'd)

Group 2023	Gross carrying amount RM'000	Lifetime ECL allowance RM'000	Net carrying amount RM'000
Current (not past due)	82,574	(31)	82,543
1 to 30 days past due	13,366	(63)	13,303
31 to 60 days past due	2,711	(87)	2,624
61 to 90 days past due	1,686	(87)	1,599
91 to 120 days past due	-	-	-
More than 121 days past due	197	(17)	180
	100,534	(285)	100,249
Credit impaired			
Individually impaired	132	(132)	-
	100,666	(417)	100,249

Company 2024	Gross carrying amount RM'000	Lifetime ECL allowance RM'000	Net carrying amount RM'000
Current (not past due)	52,988	(7)	52,981
1 to 30 days past due	5,059	(14)	5,045
31 to 60 days past due	99	(20)	79
	58,146	(41)	58,105
Credit impaired			
Individually impaired	44	(44)	-
	58,190	(85)	58,105

2023			
Current (not past due)	51,188	(7)	51,181
1 to 30 days past due	6,640	(15)	6,625
31 to 60 days past due	374	(22)	352
	58,202	(44)	58,158
Credit impaired			
Individually impaired	44	(44)	-
	58,246	(88)	58,158

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) The ageing analysis of trade receivables of the Group and of the Company are as follows: (Cont'd)

The collective assessment of impairment of trade receivables shares similar credit risk characteristics and industries. Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

- (f) Impairment for trade receivables is recognised based on the simplified approach using the lifetime expected credit losses.

The Group and the Company consider credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 4 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

A financial asset is categorised as 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- (i) Significant financial difficulties of the debtor;
- (ii) A breach of contract such as a default or being more than 90 days past due; or
- (iii) It is probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group and the Company consider that default has occurred when a financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information (such as overnight policy rate) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within net gain on impairment of financial assets in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment. As at the end of the reporting period, the Group and the Company is of the view that the expected credit losses of trade receivables are adequate based on the analysis of probability of default by trade receivables.

- (g) Movements in the impairment allowance for trade receivables are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables				
At 1 January	417	588	88	135
Charge for the financial year	15	13	-	-
Reversal of impairment losses	(107)	(184)	(3)	(47)
At 31 December	325	417	85	88

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11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (h) Impairment for other receivables is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information.

It requires management to exercise significant judgement in determining the probability of default by other receivables, appropriate forward looking information and significant increase in credit risk.

- (i) No expected credit loss is recognised from other receivables as it is negligible.
- (j) Information on financial risks of trade and other receivables is disclosed in Note 31 to the financial statements.

12. DERIVATIVE ASSETS/(LIABILITIES)

	2024			2023		
	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group						
Forward currency contracts	<u>11,636</u>	<u>1</u>	<u>(17)</u>	<u>4,685</u>	<u>-</u>	<u>(12)</u>
Company						
Forward currency contracts	<u>11,311</u>	<u>-</u>	<u>(17)</u>	<u>4,685</u>	<u>-</u>	<u>(12)</u>

- (a) The Group and the Company use forward currency contracts to manage some of the transaction exposure. These contracts are not designated 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.
- (b) Forward currency contracts are used to hedge the purchases of the Group and the Company denominated in USD for which firm commitments existed at the reporting date, extending to January 2025 (2023: January 2024).
- (c) During the financial year, the Group and the Company recognised a loss of RM4,000 (2023: gain of RM1,049,000) and loss of RM5,000 (2023: gain of RM853,000) respectively arising from fair value changes of derivatives. The fair value changes are attributable to changes in foreign exchange spot and forward rates.
- (d) Information on the fair value hierarchy is disclosed in Note 30 to the financial statements.

13. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	24,010	22,585	1,677	1,947
Deposits with licensed banks	4,009	8,075	222	6,311
	28,019	30,660	1,899	8,258

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Deposits of the Group and of the Company have a range of maturity period of 1 day to 181 days (2023: 1 day to 182 days).
- (c) Deposits placed with licensed banks of the Group, with a carrying amount of RM4,009,000 (2023: RM8,075,000), are subject to fixed weighted average effective interest rate of 2.46% per annum (2023: 2.23% per annum).
- (d) Deposits placed with licensed banks of the Company, with a carrying amount of RM222,000 (2023: RM6,311,000), are subject to fixed weighted average effective interest rate of 2.74% per annum (2023: 2.70% per annum).
- (e) Included in deposits with licensed banks of the Group and of the Company are amounts of RM236,000 (2023: RM229,000) and RM207,000 (2023: RM201,000) pledged to a licensed bank as securities for banking facilities granted to the Group and the Company respectively.
- (f) For the purpose of statements of cash flows, cash and cash equivalents comprise the following as at the end of reporting period:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	24,010	22,585	1,677	1,947
Deposits with licensed banks	4,009	8,075	222	6,311
	28,019	30,660	1,899	8,258
Less: Deposits pledged to a licensed bank	(236)	(229)	(207)	(201)
	27,783	30,431	1,692	8,057

13. CASH AND BANK BALANCES (CONT'D)

(g) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	25,034	27,471	1,502	7,574
Singapore Dollar	2,531	1,999	49	52
United States Dollar	453	1,189	348	632
Indonesia Rupiah	1	1	-	-
	<u>28,019</u>	<u>30,660</u>	<u>1,899</u>	<u>8,258</u>

(h) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

(i) Information on financial risks of cash and bank balances is disclosed in Note 31 to the financial statements.

14. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	Group and Company			
	2024		2023	
	Number of shares '000	RM'000	Number of shares '000	RM'000

Issued and fully paid up ordinary shares with no par value

At beginning/end of financial year	<u>197,536</u>	<u>131,691</u>	<u>197,536</u>	<u>131,691</u>
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The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

(b) Treasury shares

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting ("AGM") held on 20 June 2024, renewed the approval for the Company to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Group and of the Company.

There were no shares repurchased during the financial year ended 31 December 2024.

As at 31 December 2024, 1,442,887 (2023: 1,442,887) out of the total of 197,536,300 (2023: 197,536,300) issued and fully paid ordinary shares purchased for RM1,461,725 (2023: RM1,461,725) are held as treasury shares by the Company. The number of ordinary shares in issue and fully paid as at 31 December 2024 after excluding the treasury shares is 196,093,413 (2023: 196,093,413). The mandate given by the shareholders will expire at the forthcoming AGM and an ordinary resolution will be tabled at the AGM for shareholders to grant a fresh mandate for another year.

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends or participation in other distribution.

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14. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Treasury shares (CONT'D)

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends or participation in other distribution.

15. RESERVES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
General reserve	1,186	1,186	-	-
Revaluation reserve	6,707	6,707	17,485	-
Retained earnings	455,846	482,566	230,365	258,335
	463,739	490,459	247,850	258,335

General reserve

The general reserve of the Group arose from the capitalisation of bonus issuance undertaken by certain subsidiaries in the previous years.

Revaluation reserve

Revaluation reserve represents revaluation adjustment arising from transfer of owner-occupied property, plant and equipment and right-of-use assets to investment properties.

16. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	5,974	6,965	5,142	5,502
Recognised in profit or loss (Note 26)	(5,029)	(991)	(5,142)	(360)
Recognised in other comprehensive income (Note 26)	-	-	1,943	-
At 31 December	945	5,974	1,943	5,142

Presented after appropriate offsetting:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax liabilities, net	945	5,974	1,943	5,142

16. DEFERRED TAX LIABILITIES (CONT'D)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Investment properties RM'000	Others RM'000	Tax benefits RM'000	Total RM'000
At 1 January 2024	7,202	-	973	(2,201)	5,974
Recognised in profit or loss	3,086	-	(2)	(8,113)	(5,029)
At 31 December 2024	10,288	-	971	(10,314)	945
At 1 January 2023	8,360	1,092	(47)	(2,440)	6,965
Recognised in profit or loss	(1,158)	(1,092)	1,020	239	(991)
At 31 December 2023	7,202	-	973	(2,201)	5,974

Deferred tax assets of the Group

	Unabsorbed capital allowances RM'000	Others RM'000	Tax benefits RM'000	Total RM'000
At 1 January 2024	(423)	(1,778)	2,201	-
Recognised in profit or loss	80	(8,193)	8,113	-
At 31 December 2024	(343)	(9,971)	10,314	-
At 1 January 2023	(11)	(2,429)	2,440	-
Recognised in profit or loss	(412)	651	(239)	-
At 31 December 2023	(423)	(1,778)	2,201	-

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Investment property RM'000	Tax benefits RM'000	Total RM'000
At 1 January 2024	7,321	-	(2,179)	5,142
Recognised in profit or loss	2,600	-	(7,742)	(5,142)
Recognised in other comprehensive income	-	1,943	-	1,943
At 31 December 2024	9,921	1,943	(9,921)	1,943
At 1 January 2023	8,041	-	(2,539)	5,502
Recognised in profit or loss	(720)	-	360	(360)
At 31 December 2023	7,321	-	(2,179)	5,142

16. DEFERRED TAX LIABILITIES (CONT'D)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (Cont'd)

Deferred tax assets of the Company

	Others RM'000	Tax benefits RM'000	Total RM'000
At 1 January 2024	(2,179)	2,179	-
Recognised in profit or loss	(7,748)	7,748	-
At 31 December 2024	(9,921)	9,921	-
At 1 January 2023	(2,539)	2,539	-
Recognised in profit or loss	360	(360)	-
At 31 December 2023	(2,179)	2,179	-

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Unutilised tax losses - Expiring by 31 December 2034	9,473	-
Unutilised reinvestment allowance - Expiring by 31 December 2039	36,390	-
	45,863	-

Deferred tax assets of the Group and of the Company has not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities. Unutilised tax losses of the Group and of the Company incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board

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17. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	21,377	5,648	11,510	116
Other payables				
Net amounts owing to subsidiaries	-	-	88,712	45,655
Third parties	2,198	2,268	1,449	1,600
Accruals and deposits	3,327	3,831	2,005	2,055
	5,525	6,099	92,166	49,310
	26,902	11,747	103,676	49,426

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade and other payables are interest bearing and the normal credit terms granted to the Group and the Company ranged from 14 to 120 days (2023: 14 to 120 days). Interest on overdue trade balances are charged at a rate of 16% to 18% (2023: 16% to 18%) per annum. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Non-trade amounts owing to the subsidiaries represent advances and payments made on behalf, which are unsecured and payable within next twelve (12) months in cash and cash equivalents. These amounts are interest-free except for advances amounting to RM97,330,000 (2023: RM54,650,000), which are subject to interest of 3.6% (2023: 3% to 3.6%) per annum.
- (d) The currency exposure profile of payables are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	9,979	11,631	92,167	49,310
United States Dollar	16,923	116	11,509	116
	26,902	11,747	103,676	49,426

- (e) Information on financial risks of trade and other payables are disclosed in Note 31 to the financial statements.

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18. BORROWINGS

	Group and Company	
	2024 RM'000	2023 RM'000
Bankers' acceptance	3,300	3,000
Trust receipts	-	5,000
	<u>3,300</u>	<u>8,000</u>

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Borrowings are denominated in RM.
- (c) The weighted average effective interest rates of bankers' acceptance of the Group and of the Company as at the end of the reporting period is 3.50% (2023: 3.46%) and 3.50% (2023: 3.46%) respectively.
- (d) In previous financial year, the weighted average effective interest rates of trust receipts of the Group and of the Company as at the end of the reporting period are 3.66% and 3.66% respectively.
- (e) Information on financial risks of borrowings is disclosed in Note 31 to the financial statements.

19. CAPITAL COMMITMENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Capital expenditure				
Property, plant and equipment				
Contracted but not provided for	880	7,678	880	7,665
Approved but not contracted for	<u>164</u>	<u>2,564</u>	<u>164</u>	<u>2,422</u>
	<u>1,044</u>	<u>10,242</u>	<u>1,044</u>	<u>10,087</u>

20. CONTINGENT LIABILITIES

	Company	
	2024 RM'000	2023 RM'000
Corporate guarantees given to financial institutions in respect of credit facilities granted to subsidiaries		
- Limit of guarantee	79,850	74,200
- Amount utilised	<u>-</u>	<u>-</u>

The fair value of such financial corporate guarantees is negligible as the likelihood of the Company defaulting on the financial facilities is not probable.

The Company designate corporate guarantees given to financial institutions for banking facilities given to subsidiaries as financial liabilities at the time the guarantees are issued. The maturity profile of these financial guarantees amounting to Nil (2023: Nil) are deemed to be on demand.

No expected credit loss is recognised arising from financial guarantee as it is negligible.

21. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers				
- Trading sales	258,695	260,597	4,699	7,976
- Manufacturing sales	137,657	141,517	202,156	218,026
	<u>396,352</u>	<u>402,114</u>	<u>206,855</u>	<u>226,002</u>
Timing of revenue recognition				
Transferred at a point in time	<u>396,352</u>	<u>402,114</u>	<u>206,855</u>	<u>226,002</u>

(a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve months.

(b) Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements. No revenue was recognised over time.

22. (LOSS)/PROFIT BEFORE TAXATION

(a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at (loss)/profit before taxation:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
After charging:				
Auditors' remuneration:				
- current year	189	182	85	82
- other services	5	4	5	4
Fair value loss on derivative financial instruments	4	-	5	-
Fair value loss on investment properties	-	142	-	-
Net loss on disposals of:				
- property, plant and equipment	52	516	39	335
Net realised loss on foreign exchange transactions	1,787	-	1,630	614
Net unrealised loss on foreign exchange transactions	226	-	-	-
Property, plant and equipment written off	41	3	39	3

22. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

- (a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at (loss)/profit before taxation: (Cont'd)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
And crediting:				
Bad debts recovered	5	-	-	-
Dividend income received from:				
- a subsidiary	-	-	495	2,551
Fair value gain on derivative financial instruments	-	1,049	-	853
Fair value gain on investment properties	70	-	-	-
Gain on disposal of other investments	-	50	-	-
Interest income on:				
- fixed deposits	32	336	7	18
- other investments	-	43	-	-
- overdue accounts	296	128	3	-
- short term deposits	349	467	150	186
Net realised gain on foreign exchange transactions	-	129	-	-
Net unrealised gain on foreign exchange transactions	-	298	54	133
Rental income	<u>794</u>	<u>520</u>	<u>3,049</u>	<u>3,045</u>

- (i) Dividend income

Dividend income is recognised when the right to receive payment is established.

- (ii) Interest income

Interest income is recognised as it accrues, using the effective interest method.

- (iii) Rental income

Rental income is recognised for on a straight-line basis over the lease term of an ongoing lease.

22. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

(b) Net reversal on impairment of financial assets on financial assets recognised in profit or loss were as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Impairment losses on trade receivables (Note 11):				
- Addition	(15)	(13)	-	-
- Reversal	107	184	3	47
	<u>92</u>	<u>171</u>	<u>3</u>	<u>47</u>

23. DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive Directors:				
Fees				
- current financial year	92	94	60	60
- over provision in prior year	(2)	-	-	-
	<u>90</u>	<u>94</u>	<u>60</u>	<u>60</u>
Other emoluments:				
- current financial year	3,445	3,704	1,827	1,955
- under provision in prior year	-	149	-	93
	<u>3,445</u>	<u>3,853</u>	<u>1,827</u>	<u>2,048</u>
	3,535	3,947	1,887	2,108
Non-executive Directors:				
Fees	188	182	186	180
Other emoluments	92	97	44	49
	<u>3,815</u>	<u>4,226</u>	<u>2,117</u>	<u>2,337</u>

Included in Directors' other emoluments are contributions made by the Group and by the Company to the Employees Provident Fund of RM402,000 (2023: RM588,000) and RM215,000 (2023: RM310,000) respectively.

23. DIRECTORS' REMUNERATION (CONT'D)

Directors' remuneration of the Group also includes remuneration for the Directors of subsidiaries as follows:

	Group	
	2024 RM'000	2023 RM'000
Fees	4	4
Other emoluments	1	2
	<u>5</u>	<u>6</u>

The estimated monetary value of benefits-in-kind received and receivable by Executive Directors otherwise than in cash from the Group and the Company amounted to RM56,000 (2023: RM53,000) and RM28,000 (2023: RM29,000) respectively.

24. EMPLOYEE SALARIES AND BENEFITS EXPENSES (EXCLUDING DIRECTORS' REMUNERATION)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries and bonuses	13,463	12,438	7,928	6,910
Contribution to defined contribution plan	1,204	1,179	611	584
Social security contributions	192	170	114	95
Other employee benefits	<u>1,196</u>	<u>1,823</u>	<u>817</u>	<u>1,336</u>
	<u>16,055</u>	<u>15,610</u>	<u>9,470</u>	<u>8,925</u>

25. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expenses on:				
- bankers' acceptances	261	101	244	101
- trust receipts	180	108	166	68
- trade loan	1	-	-	-
- advances from subsidiaries	<u>-</u>	<u>-</u>	<u>2,882</u>	<u>1,341</u>
	<u>442</u>	<u>209</u>	<u>3,292</u>	<u>1,510</u>

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26. TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax:				
Relating to profit for the financial year	652	1,263	-	-
Under/(Over) provision in prior years	65	(59)	-	-
	717	1,204	-	-
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	(5,148)	(1,021)	(5,142)	(360)
Under provision in prior years	120	30	-	-
	(5,028)	(991)	(5,142)	(360)
	(4,311)	213	(5,142)	(360)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliations between the taxation and the product of accounting (loss)/profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit before taxation	(30,051)	1,344	(32,132)	501
Tax at applicable statutory tax rate at 24% (2023: 24%)	(7,212)	323	(7,712)	120
Tax effects in respect of:				
Non-allowable expenses	938	1,767	956	744
Non-taxable income	(495)	(1,848)	(659)	(1,224)
Tax incentive and allowance	(8,734)	-	(8,734)	-
Deferred tax assets not recognised	11,007	-	11,007	-
	(4,496)	242	(5,142)	(360)
Under/(Over) provision in prior years				
- current tax	65	(59)	-	-
- deferred tax	120	30	-	-
	(4,311)	213	(5,142)	(360)

26. TAXATION (CONT'D)

- (c) Tax on each component of other comprehensive income is as follows:

Company	Before tax RM'000	Tax effect RM'000	After tax RM'000
2024			
Items that will not be reclassified subsequently to profit or loss			
Fair value adjustment on revaluation of freehold land and building	<u>19,428</u>	<u>(1,943)</u>	<u>17,485</u>

27. (LOSS)/EARNINGS PER SHARE

- (a) Basic (loss)/earnings per ordinary share

Basic (loss)/earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year after deducting treasury shares.

	Group	
	2024 RM'000	2023 RM'000
(Loss)/Profit attributable to equity holders of the parent	<u>(25,740)</u>	<u>1,131</u>
Weighted average number of ordinary shares applicable to basic earnings per ordinary share	<u>196,093</u>	<u>196,093</u>
Basic (loss)/earnings per ordinary share (sen)	<u>(13.13)</u>	<u>0.58</u>

- (b) Diluted (loss)/earnings per ordinary share

There are no potential dilutive ordinary shares during the financial year. Accordingly, the diluted (loss)/earnings per ordinary share is not presented.

28. DIVIDENDS

	Group and Company			
	2024		2023	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
In respect of the financial year ended 31 December 2023				
Final single tier dividend	0.5	980	-	-
In respect of the financial year ended 31 December 2022				
Final single tier dividend	-	-	2.5	4,902
	<u>0.5</u>	<u>980</u>	<u>2.5</u>	<u>4,902</u>

28. DIVIDENDS (CONT'D)

The Directors do not recommend any payment of dividend in respect of the current financial year ended 31 December 2024.

29. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries and its ultimate holding company.

The related parties and their relationship with the Group are as follows:

Names of related parties	Relationship
AJS Bersatu Sabah Sdn. Bhd.	A company in which Chua Hian Hock is a Director.
Hock Seng Hardware Sdn. Bhd.	A company in which the immediate family member of Chua Hian Hock, a Director of the subsidiary is a Director.
K.P.M.W. Sdn. Bhd.	A company in which the immediate family member of Chua Hian Hock, a Director of the subsidiary is a Director.
Soon Lian Huat Holdings Sdn. Berhad	A company in which Soon Cheng Hai and Soon Cheng Boon are Directors.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Subsidiaries				
Trade sales	-	-	69,192	84,115
Rental income received	-	-	3,049	3,045
Net dividend received	-	-	495	2,551
Net interest paid on advances	-	-	(2,882)	(1,341)
Trade purchases	-	-	(139)	(263)
Related parties				
Purchase of hardware products				
- K.P.M.W. Sdn. Bhd.	3	3	-	-
Trade sales				
- AJS Bersatu Sabah Sdn. Bhd.	18	187	-	-
- K.P.M.W. Sdn. Bhd.	115	104	-	-

29. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year. (Cont'd)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ultimate holding company				
Rental of land and buildings				
- Soon Lian Huat Holdings Sdn. Berhad	<u>1,612</u>	<u>1,602</u>	<u>1,370</u>	<u>1,362</u>

The related party transactions described above were carried out on negotiated terms and conditions and mutually agreed with the related parties.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of Executive Directors and other members of key management personnel of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short term employee benefits	2,965	3,583	1,585	1,885
Post-employment benefits	<u>1,379</u>	<u>1,171</u>	<u>692</u>	<u>598</u>
	4,344	4,754	2,277	2,483

The estimated monetary value of benefits-in-kind received and receivable by Executive Directors and the key management personnel otherwise than in cash from the Group and the Company amounted to RM70,000 (2023: RM60,000) and RM29,000 (2023: RM29,000) respectively.

30. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

- (a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total equity plus net debts. The Group includes within net debt, trade and other payables, borrowings, less cash and bank balances.

30. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)
(a) Capital management (Cont'd)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade and other payables	26,902	11,747	103,676	49,426
Borrowings	3,300	8,000	3,300	8,000
Less: Cash and bank balances	(28,019)	(30,660)	(1,899)	(8,258)
Net debt/(cash)	2,183	(10,913)	105,077	49,168
Total equity	593,968	620,688	378,079	388,564
Net debt/(cash)	2,183	(10,913)	105,077	49,168
	596,151	609,775	483,156	437,732
Gearing ratio (%)	0.4%	*	21.7%	11.2%

* Gearing ratio is not presented as the Group is in net cash position as at the applicable reporting dates.

The Group is not subject to any other externally imposed capital requirements.

(b) Financial instruments

	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Group			
31 December 2024			
Financial assets			
Trade and other receivables, net of prepayments	98,017	-	98,017
Derivative assets	-	1	1
Cash and bank balances	28,019	-	28,019
	126,036	1	126,037

30. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (Cont'd)

	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Group			
31 December 2024			
Financial liabilities			
Trade and other payables	26,902	-	26,902
Borrowings	3,300	-	3,300
Derivative liabilities	-	17	17
Lease liabilities	4,787	-	4,787
	34,989	17	35,006
31 December 2023			
Financial assets			
Trade and other receivables, net of prepayments	104,221	-	104,221
Cash and bank balances	30,660	-	30,660
	134,881	-	134,881
Financial liabilities			
Trade and other payables	11,747	-	11,747
Borrowings	8,000	-	8,000
Derivative liabilities	-	12	12
Lease liabilities	4,764	-	4,764
	24,511	12	24,523
Company			
31 December 2024			
Financial assets			
Trade and other receivables, net of prepayments	60,041	-	60,041
Cash and bank balances	1,899	-	1,899
	61,940	-	61,940
Financial liabilities			
Trade and other payables	103,676	-	103,676
Borrowings	3,300	-	3,300
Derivative liabilities	-	17	17
Lease liabilities	4,181	-	4,181
	111,157	17	111,174

30. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (Cont'd)

	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Company			
31 December 2023			
Financial assets			
Trade and other receivables, net of prepayments	61,448	-	61,448
Cash and bank balances	8,258	-	8,258
	<u>69,706</u>	<u>-</u>	<u>69,706</u>
Financial liabilities			
Trade and other payables	49,426	-	49,426
Borrowings	8,000	-	8,000
Derivative liabilities	-	12	12
Lease liabilities	3,928	-	3,928
	<u>61,354</u>	<u>12</u>	<u>61,366</u>

(c) Methods and assumptions used to estimate fair value

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

- 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, 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.

- 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.

30. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

(d) 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 is 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 fair value of investment properties and fair value of forward exchange contracts are categorised as Level 3 and Level 2 respectively in the fair value hierarchy. There were no transfers between Level 1, Level 2 and Level 3 fair value measurements of the Group and of the Company during the financial years ended 31 December 2024 and 31 December 2023.

(e) Level 3 fair value

The following table shows a reconciliation of balances of investment properties whose fair values have been classified in Level 3 of the fair value hierarchy:

	Group		Company
	2024 RM'000	2023 RM'000	2024 RM'000
Balance as at 1 January	9,750	9,892	-
Transferred from property, plant and equipment (Note 5)	-	-	51,572
Fair value gain/(loss)	70	(142)	19,428
Balance as at 31 December	9,820	9,750	71,000

(f) The following table shows the sensitivity analysis for the Level 2 fair value measurements.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit after taxation and equity				
Foreign currency rate				
- Increase by 10% (2023: 10%)	(1)	1	(1)	1
- Decrease by 10% (2023: 10%)	1	(1)	1	(1)

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31. FINANCIAL RISK MANAGEMENT OBJECTIVE

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and Credit Committee. The Audit and Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the policy of the Group that no derivatives shall be undertaken except for the use as hedging instruments, where appropriate. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the exposure of the Group and the Company to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The exposure of the Group and the Company to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit standing counterparties.

The objective of the Group is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the policy of the Group that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the exposure of the Group to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Credit Committee.

Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each of the financial assets recognised in the statements of financial position, including derivatives with positive fair values.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 11 to the financial statements.

31. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(i) Credit risk (Cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group and of the Company's trade receivables at the end of the reporting period are as follows:

	2024		2023	
	RM'000	% of total	RM'000	% of total
Group				
By country				
Malaysia	85,874	91%	92,430	92%
Asia, other than Malaysia	8,864	9%	7,819	8%
	94,738	100%	100,249	100%
Company				
By country				
Malaysia	58,105	100%	58,158	100%

At the end of the reporting period, approximately:

- 80% (2023: 71%) and 58% (2023: 60%) of the Group's and the Company's trade receivables respectively were due from five (2023: five) major customers who are hardware trading and construction companies located in Malaysia.
- 32% (2023: 28%) of the Company's trade receivables were balances with subsidiaries.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The objective of the Group and the Company is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The liquidity risk management policy of the Group and the Company is that to maintain sufficient liquid financial assets and stand-by credit facilities with five different banks.

31. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(ii) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the liabilities of the Group and the Company at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year RM'000	1 - 5 years RM'000	Total RM'000
Group			
31 December 2024			
Financial liabilities			
Trade and other payables	26,902	-	26,902
Borrowings	3,300	-	3,300
Derivative liabilities	17	-	17
Lease liabilities	1,772	3,840	5,612
Total undiscounted financial liabilities	31,991	3,840	35,831
31 December 2023			
Financial liabilities			
Trade and other payables	11,747	-	11,747
Borrowings	8,000	-	8,000
Derivative liabilities	12	-	12
Lease liabilities	1,787	3,191	4,978
Total undiscounted financial liabilities	21,546	3,191	24,737
Company			
31 December 2024			
Financial liabilities			
Trade and other payables	103,676	-	103,676
Borrowings	3,300	-	3,300
Derivative liabilities	17	-	17
Lease liabilities	1,527	3,420	4,947
Total undiscounted financial liabilities	108,520	3,420	111,940
31 December 2023			
Financial liabilities			
Trade and other payables	49,426	-	49,426
Borrowings	8,000	-	8,000
Derivative liabilities	12	-	12
Lease liabilities	1,544	2,556	4,100
Total undiscounted financial liabilities	58,982	2,556	61,538

31. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and the Company will fluctuate because of changes in market interest rates.

The exposure of the Group to changes in interest rates relates primarily to the interest bearing debt obligations and deposits with banks of the Group. The Group finances its operations by a mixture of internal funds, bank and other borrowings. The Group regularly reviews the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group is to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The deposits of the Group are placed at fixed rates and management endeavours to obtain the best rate available in the market.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the (loss)/profit net of taxation and equity of the Group and the Company to a reasonably possible change in RM interest rate, with all other variables held constant.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit after taxation and equity				
- Increase by 30 (2023: 30) basis point	(8)	(18)	(229)	(143)
- Decrease by 30 (2023: 30) basis point	8	18	229	143

31. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(iii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to the interest rate risk:

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	More than 2 years RM'000	Total RM'000
Group						
At 31 December 2024						
Fixed rate instrument						
Deposits with licensed banks	13	2.41	4,009	-	-	4,009
Floating rate instruments						
Bankers' acceptance	18	3.50	3,300	-	-	3,300
At 31 December 2023						
Fixed rate instrument						
Deposits with licensed banks	13	2.23	8,075	-	-	8,075
Floating rate instruments						
Bankers' acceptance	18	3.46	3,000	-	-	3,000
Trust receipts	18	3.66	5,000	-	-	5,000

31. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(iii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to the interest rate risk: (Cont'd)

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	More than 2 years RM'000	Total RM'000
Company						
At 31 December 2024						
Fixed rate instruments						
Deposits with licensed banks	13	2.74	222	-	-	222
Floating rate instruments						
Amount owing to subsidiaries	17(c)	3.60	97,330	-	-	97,330
Bankers' acceptance	18	3.50	3,300	-	-	3,300
At 31 December 2023						
Fixed rate instruments						
Deposits with licensed banks	13	2.70	6,311	-	-	6,311
Floating rate instruments						
Amount owing to subsidiaries	17(c)	3.30	54,650	-	-	54,650
Bankers' acceptance	18	3.46	3,000	-	-	3,000
Trust receipts	18	3.66	5,000	-	-	5,000

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Transactional currency exposures mainly arise from transactions that are denominated in currencies other than functional currencies of the operating entities.

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to RM2,985,000 (2023: RM3,189,000) and RM397,000 (2023: RM684,000) for the Group and the Company respectively.

The Group and the Company enter into forward foreign currency contracts for its foreign currency exposures and the management monitors these exposures on an ongoing basis.

During the financial year, the Group entered into forward foreign 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 and of the Company.

31. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(iv) Foreign currency risk (Cont'd)

The notional amount and maturity date of the forward foreign currency contracts outstanding of the Group and of the Company as at 31 December 2024 and 31 December 2023 are as follows:

	Currency	Contract amount in foreign currency '000	RM'000 equivalent	Maturities within
Group				
31 December 2024				
Forward currency contracts used to hedge trade payables	USD	<u>2,605</u>	<u>11,652</u>	<u>One month</u>
31 December 2023				
Forward currency contracts used to hedge trade payables	USD	<u>1,018</u>	<u>4,685</u>	<u>One month</u>
Company				
31 December 2024				
Forward currency contracts used to hedge trade payables	USD	<u>2,532</u>	<u>11,328</u>	<u>One month</u>
31 December 2023				
Forward currency contracts used to hedge trade payables	USD	<u>1,018</u>	<u>4,685</u>	<u>One month</u>

31. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

Sensitivity analysis for foreign currency risk

(iv) Foreign currency risk (Cont'd)

The following table demonstrates the sensitivity of the (loss)/profit net of taxation and equity of the Group and the Company to a reasonably possible change in the USD, SGD and EUR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2024	2023
	RM'000	RM'000
(Loss)/Profit after taxation and equity		
USD/RM- strengthened 10% (2023: 10%)	(1,174)	82
- weakened 10% (2023: 10%)	<u>1,174</u>	<u>(82)</u>
SGD/RM- strengthened 10% (2023: 10%)	886	746
- weakened 10% (2023: 10%)	<u>(886)</u>	<u>(746)</u>
EUR/RM - strengthened 10% (2023: 10%)	11	2
- weakened 10% (2023: 10%)	<u>(11)</u>	<u>(2)</u>
	Company	
	2024	2023
	RM'000	RM'000
(Loss)/Profit after taxation and equity		
USD/RM- strengthened 10% (2023: 10%)	(771)	39
- weakened 10% (2023: 10%)	<u>771</u>	<u>(39)</u>
SGD/RM- strengthened 10% (2023: 10%)	4	4
- weakened 10% (2023: 10%)	<u>(4)</u>	<u>(4)</u>
EUR/RM - strengthened 10% (2023: 10%)	6	2
- weakened 10% (2023: 10%)	<u>(6)</u>	<u>(2)</u>

(v) Market price risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The principal exposure of the Group and the Company to market risk arises mainly from the changes in steel raw materials and finished goods prices. Both raw materials and finished goods are classified as current assets and the Group and the Company manage the sale of finished goods and procurement of its raw materials to optimise return on realisation of its inventories.

31. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

- (v) Market price risk (Cont'd)

Sensitivity analysis on world composite steel prices

The following table demonstrates the sensitivity of the (loss)/profit net of taxation and equity of the Group and of the Company to a reasonably possible change in world composite steel prices, with all other variables held constant.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit after taxation and equity				
- Increase by 10% (2023: 10%)	13,862	24,744	5,772	10,046
- Decrease by 10% (2023: 10%)	(13,862)	(24,744)	(5,772)	(10,046)

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

32.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company:

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025 (CONT'D)

The following are Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company: (Cont'd)

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement to Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

LIST OF GROUP'S PROPERTIES

As at 31 December 2024

LOCATION		YEAR OF ACQUISITION/ REVALUATION*		DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE
Choo Bee Metal Industries Berhad									
1)	Lot 328197 No. hakmilik: PN 258237 Kawasan Perusahaan Pengkalan 1, 31500 Lahat Perak Darul Ridzuan	1996	Pengkalan Factory	Industrial land with single-storey factory	74,160 sq. mtr	Leasehold 60 years expiring on 25.04.2061	31.5	24,244,149	Factory
	Lot 361995 No. hakmilik: PN 378151 Kawasan Perusahaan Pengkalan 1, 31500 Lahat Perak Darul Ridzuan	1996	Pengkalan Factory	Industrial land with single-storey factory	6,087 sq. mtr	Leasehold 60 years expiring on 13.02.2056			
2)	PT 64386 Mukim of Kapar, District of Klang, State of Selangor	*2010	Kapar Warehouse	Industrial land with single-storey warehouse	37,885 sq. mtr.	Freehold	15	25,740,985	Warehouse
		2024	Kapar Factory	Industrial land with single-storey factory		Freehold	0.83	24,960,014	Factory
3)	Lot 14787 Mukim Damansara, Daerah Petaling, Selangor	2011	Laman Baiduri Condominium	Condominium	152 sq. mtr.	Leasehold 99 years expiring on 28.10.2108	14	447,579	Staff use
4)	Parcel no. N-5-1 Geran no.122177 Lot no. 11899S Ipoh, Perak	2017	Polo Residence	Condominium	141.1 sq. mtr.	Freehold	8	669,421	Staff use
5)	Medium Industrial land Jalan SK1 1/ KU7. Kawasan Perindustrian Sungai Kapar Indah 42200 Kapar, Selangor	2019	Kapar (II) Warehouse	Freehold land	31,021 sq. mtr.	Freehold	6	71,000,000	Warehouse
	H.S.(D)153042, PT 72788			Freehold land	11,944 sq. mtr.				
	H.S.(D)153043, PT 72789			Freehold land	10,050 sq. mtr.				
	H.S.(D)153044, PT 72790			Freehold land	9,027 sq. mtr.				

* The freehold land was revalued partially in 2010 where area occupied by warehouse.

LIST OF GROUP'S PROPERTIES

As at 31 December 2024



LOCATION		YEAR OF ACQUISITION/ REVALUATION*		DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE
Choo Bee Metal Industries Berhad									
6)	B-09-09, Setia City Residences, Geran no.323447 Lot no. 91251 Shah Alam, Selangor	2021	Setia City Residences	Condominium	91.51 sq. mtr	Freehold	4	569,687	Staff use
7)	11, Jalan Gamelan 7, Bandar Bukit Raja, 41050 Klang Selangor	2023	Kapar Hostel	One & a half storey terrace house	121 sq. mtr	Freehold	1.25	448,505	Staff use
8)	Sunsuria Forum (Phase 2) -Service apartment RS-48-12 P.T.(D/M) No:86616	2024	Sunsuria Forum service apartment	Service apartment	82 sq.mtr	Freehold	0.67	515,396	Staff use
								148,595,735	

LIST OF GROUP'S PROPERTIES

As at 31 December 2024

LOCATION		YEAR OF ACQUISITION/ REVALUATION*		DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE
Choo Bee Hardwares Sdn. Bhd.									
1)	Lots 18001 and 22970, Mukim of Ulu Kinta, District of Ulu Kinta, Perak Darul Ridzuan	1972	Kuan Woh Yuen Warehouse	Land with no specific zoning; has a steel portal frame-work building used as a warehouse on Lot 18001 and a single-storey detached house which is owner occupied on Lot 22970	Lot 18001 12,216.26 sq. mtr. Lot 22970 10,952.00 sq. mtr.	Long-term leasehold 999 years expiring on 5.8.2895	53	3,699,373	Warehouse
2)	Lot No.90633 Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan (619 & 619A Jalan Tasek, Taman Seri Tasek, Ipoh)	2006 Valuation wef 2011 Last valuation: 2024	Tasek Shophouse	Commercial land with two-storey shophouse	143 sq. mtr.	Leasehold 99 years expiring on 11.3.2079			
3)	Lots 5592S and 5593S, Town of Ipoh, District of Kinta, Perak Darul Ridzuan (No.46 and 48 Lebuhraya Bendahara 31650 Ipoh)	1981	Jalan Bendahara Old Office	Commercial land with three-storey shophouse	Lot 5592S 180.09 sq. mtr. Lot 5593S 171.59 sq. mtr.	Freehold	44	159,305	Office
						Freehold			
4)	Lot 5594S Town of Ipoh, District of Kinta, Perak Darul Ridzuan (44A & B Lebuhraya Bendahara 31650 Ipoh)	1981	Jalan Bendahara Old Office	Commercial land with three-storey shophouse	171.59 sq. mtr.	Freehold	44	29,487	Office
5)	Lots 2874S and 2875S, Town of Ipoh, District of Kinta, Perak Darul Ridzuan (42-44 Jalan Bendahara, 31650 Ipoh)	1962 Valuation wef 2011 Last valuation: 2024	Jalan Bendahara Old Office	Commercial land with double-storey shophouse	Lot 2874S 208.10 sq. mtr. Lot 2875S 161.84 sq. mtr.	Freehold	63	1,490,000	Let out
						Freehold			
6)	Lot 5595S Town of Ipoh District of Kinta, Perak Darul Ridzuan (44 Lebuhraya Bendahara 31650 Ipoh)	1962	HQ Carpark	Commercial land with a temporary shed constructed on the land for cars and motorcycles	171.59 sq. mtr.	Freehold	N/A	12,500	Car Park

LIST OF GROUP'S PROPERTIES

As at 31 December 2024



LOCATION		YEAR OF ACQUISITION/ REVALUATION*		DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE
Choo Bee Hardwares Sdn. Bhd.									
7)	Lot 19493 and Lot 6969 Mukim of Kinta, Perak Darul Ridzuan	1993	Kuan Woh Yuen Stockyard	Commercial land	Lot 19493 404.68 sq. mtr. Lot 6969 1,947.55 sq. mtr.	Freehold Freehold	N/A N/A	67,027	Stockyard
8)	Lot 13A/13B, Industrial Zone 13, Jalan 4 KKIP Timur, KKIP, KM 25, Jalan Tuaran, 88460 Tuaran, Sabah	2016	Sabah warehouse	Industrial lot leasehold	Lot 13A 25,190 sq. mtr. Lot 13B 18,150 sq. mtr.	Leasehold 99 years effective 1/1/2000 to 31/12/2098	25	15,026,093	Warehouse
RENTED PROPERTY (LANDLORD - CHOO BEE METAL INDUSTRIES BHD)									
9)	Medium Industrial land Jalan SKI 1/KU7. Kawasan Perindustrian Sungai Kapar Indah 42200 Kapar, Selangor	Dec 2022	Kapar (II) Warehouse	Freehold land	31,021 sq. mtr.	Freehold		543,488	Warehouse & office Tenant
	H.S.(D)153042, PT 72788			Freehold land	11,944 sq. mtr.				
	H.S.(D)153043, PT 72789			Freehold land	10,050 sq. mtr.				
	H.S.(D)153044, PT 72790			Freehold land	9,027 sq. mtr.				
								21,357,273	

LIST OF GROUP'S PROPERTIES

As at 31 December 2024

LOCATION	YEAR OF ACQUISITION/ REVALUATION*		DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE
Choo Bee Hardware (Sabah) Sdn. Bhd.								
1) Country Lease No 045324141 KM 25, Jalan Tuaran District of Tuaran Sabah	2007	Sabah Warehouse	Industrial land with single-storey factory	11,938.23 sq. mtr.	Leasehold 99 years expiring on 31.12.2090	28	5,699,291	Warehouse
							<u>5,699,291</u>	
Taik Bee Hardware Sdn. Bhd. ("TBH")								
1) PT 38826 H.S.(D): 6233/82 Mukim Hulu Kinta Perak Darul Ridzuan	2011 Last valuation: 2022	Menglembu Factory & office	Industrial land with single-storey factory	9,288.05 sq. mtr.	Leasehold 60 years expiring on 25.8.2042	33	8,000,000	Let out
							<u>8,000,000</u>	
Grand total							183,652,298	

STATEMENT OF SHAREHOLDINGS



As at 28 March 2025

Total Number of Issued Shares : 196,093,413 (excluding 1,442,887 Treasury Shares)
 Class of Shares : Ordinary shares
 Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
Less than 100	261	7.330	11,710	0.006
100 - 1,000	317	8.902	136,432	0.070
1,001 - 10,000	2,087	58.607	8,705,901	4.440
10,001 - 100,000	770	21.623	21,346,455	10.886
100,001 - 9,804,670 (*)	123	3.454	49,161,828	25.070
9,804,671 and above (**)	3	0.084	116,731,087	59.528
Total	3,561	100.000	196,093,413	100.000

Notes: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

TOP 30 HOLDERS AS AT 28 MARCH 2025

No.	Name of Holders	Holdings	% of Issued Capital
1	CHOO BEE HOLDINGS SDN. BHD.	80,896,500	41.254
2	SOON LIAN HUAT HOLDINGS SDN. BERHAD	25,609,587	13.060
3	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR YEOMAN 3-RIGHTS VALUE ASIA FUND	10,225,000	5.214
4	TAN EWE SEONG	3,060,000	1.560
5	TAN BENG GUAN	3,000,000	1.530
6	SOON CHENG HAI	2,400,000	1.224
7	SOON CHENG BOON	2,316,600	1.181
8	YEO LEE HONG BETTY	1,982,448	1.011
9	SOON SIEW LEH	1,404,000	0.716
10	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR LIM MEE HWA	1,237,500	0.631
11	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	1,209,000	0.617
12	TAN AIK CHOON	1,194,570	0.609
13	THEN YOON YIN	1,170,000	0.597
14	SOON SIEW HOON	1,044,360	0.533
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG JOO KHIM	876,100	0.447
16	SOON AH KHUN @ SOON LIAN HUAT	841,650	0.429
17	YEOH GUAN LIEW	776,000	0.396
18	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM CHEN YIK	769,500	0.392
19	TAN PENG SOON	728,208	0.371

STATEMENT OF SHAREHOLDINGS

As At 28 March 2025



TOP 30 HOLDERS AS AT 28 MARCH 2025 (CONT'D)

No.	Name of Holders	Holdings	% of Issued Capital
20	TEOH CHIN TEK @ TEOH CHIN LEONG	711,288	0.363
21	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOALKEY SYSTEM SDN BHD	704,000	0.359
22	LEE SIENG TZI @ VINCENT LEE	603,000	0.308
23	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PAY KAON	600,000	0.306
24	TAN PENG NAM	561,600	0.286
25	TAN PENG SUM	561,600	0.286
26	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	557,450	0.284
27	TAN POH GUAN	556,000	0.284
28	QUAH ENG SIM	505,004	0.258
29	GAN YEN CHENG	500,000	0.255
30	LIM PEI TIAM @ LIAM AHAT KIAT	500,000	0.255
Total		147,100,965	75.016

SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2025

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

Name of Substantial Shareholders	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Choo Bee Holdings Sdn. Bhd.	80,896,500	41.25	-	-	80,896,500	41.25
Soon Lian Huat Holdings Sdn. Berhad	25,609,587	13.06	80,896,500 ²	41.25	106,506,087	54.31
Yeoman 3-Rights Value Asia Fund VCC	10,225,000	5.21	-	-	10,225,000	5.21
Yeoman Capital Management Pte Ltd	225,000	0.11	10,225,000 ⁵	5.21	10,450,000	5.32
Soon Cheng Hai	2,400,000	1.22	106,506,087 ³	54.31	108,906,087	55.53
Soon Cheng Boon	2,316,600	1.18	106,564,167 ⁴	54.34	108,880,767	55.52
Estate of Soon Hean Hooi, Deceased	-	-	106,506,087 ³	54.31	106,506,087	54.31
Lim Mee Hwa	1,237,500	0.63	10,450,000 ⁶	5.33	11,687,500	5.96
Yeo Seng Chong	-	-	11,687,500 ⁷	5.96	11,687,000	5.96

Notes :

- (1) Calculated based on the total number of ordinary shares in issue of 196,093,413 (excluding 1,442,887 treasury shares held).
- (2) Deemed interested by virtue of its interest in Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (3) Deemed interested by virtue of his interests in Soon Lian Huat Holdings Sdn. Berhad and Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (4) Deemed interested by virtue of his interests in Soon Lian Huat Holdings Sdn. Berhad and Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and the shareholdings of his spouse in Choo Bee Metal Industries Berhad pursuant to Section 59(11)(c) of the Companies Act 2016.
- (5) Deemed interested by virtue of its interest as investment manager for its clients under Yeoman 3-Rights Value Asia Fund and its voting control over the Shares held under Yeoman 3-Rights Value Asia Fund.
- (6) Deemed interested by virtue of her interest in Yeoman Capital Management Pte Ltd pursuant to Section 8 of the Companies Act 2016.
- (7) Deemed interested by virtue of his interest in Yeoman Capital Management Pte Ltd as well as the shareholdings of his spouse pursuant to Section 8 of the Companies Act 2016.

STATEMENT OF SHAREHOLDINGS

As at 28 March 2025



DIRECTORS' INTEREST AS AT 28 MARCH 2025

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 the Directors' interests in the ordinary shares capital of the Company and its subsidiary companies are as follows:

Shares in the Company

Name of Directors	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Soon Cheng Hai	2,400,000	1.22	106,506,087 ¹	54.31	108,906,087	55.53
Soon Cheng Boon	2,316,600	1.18	106,564,167 ²	54.34	108,880,767	55.52
Puan Sri Shahrizan Binti Abdullah	86,112	0.04	-	-	86,112	0.04
Ng Poh Tat	-	-	-	-	-	-
Ng Leong Teck	-	-	-	-	-	-

Notes:

- (1) Deemed interested by virtue of his interests in Soon Lian Huat Holdings Sdn. Berhad and Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (2) Deemed interested by virtue of his interests in Soon Lian Huat Holdings Sdn. Berhad and Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and the shareholdings of his spouse in Choo Bee Metal Industries Berhad pursuant to Section 59(11)(c) of the Companies Act 2016.

Shares in the ultimate holding company, Soon Lian Huat Holdings Sdn. Berhad

Name of Directors	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Soon Cheng Hai	1,226,667	32.35	-	-	1,226,667	32.35
Soon Cheng Boon	1,226,667	32.35	-	-	1,226,667	32.35

Shares in related company, Choo Bee Holdings Sdn. Bhd.

Name of Directors	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Soon Cheng Hai	161,829	4.91	1,973,900	59.94	2,135,729	64.85
Soon Cheng Boon	161,829	4.91	1,973,900	59.94	2,135,729	64.85

By virtue of their interests in the Company and in the holding company, Soon Cheng Hai and Soon Cheng Boon are also deemed to have an interest in shares of all the subsidiaries to the extent that the Company and the holding company have interests.

Other than as disclosed above, none of the other Directors had any interest in shares in the Company or its related companies.

FORM OF PROXY



聚美

CHOO BEE
CHOO BEE METAL
INDUSTRIES BERHAD
[197101000234 (10587-A)]
(Incorporated in Malaysia)

No. of shares held	
CDS A/C No.	
Telephone No.	

I/We _____ (FULL NAME IN BLOCK CAPITALS)

NRIC No./Company No. _____ of _____

_____ (FULL ADDRESS) being a member of Choo Bee

Metal Industries Berhad hereby appoint the following person(s):

Proxy	Full Name (in Block Letters) NRIC/Passport No.	Tel. No.	NRIC/Passport No.	No. of shares	%
1					
	Email Address:				
2					
	Email Address:				

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the 2025 Annual General Meeting of the Company to be held on 19 June 2025 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business	Ordinary Resolution	For	Against
The payment of Directors' Fees	1		
The payment of Non-Executive Directors' Benefits	2		
The re-election of Directors:			
- Soon Cheng Boon	3		
- Ng Poh Tat	4		
The re-appointment of Messrs BDO PLT as Auditors and authority to Directors to fix their remuneration	5		
Special Business			
Retention of Independent Non-Executive Director: Puan Sri Shahrizan Binti Abdullah	6		
Proposed Renewal of Share Buy-Back Authority	7		
Proposed Authority to Allot and Issue Shares	8		

Please indicate with (J) and (X) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date:

Signature of Shareholder
(Common Seal & Signature)

NOTES:

- Pursuant to Paragraph 8.29A of the Listing Requirements, voting at general meeting will be conducted by poll rather than show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
- Only members whose names appear on the Record of Depositors as at 10 June 2025 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
- A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or any adjournment Meeting thereof either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above.
- Alternatively, the proxy form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically, also forty-eight (48) hours before the Meeting.
- For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.
- Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agrees and consents that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.



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AFFIX STAMP
(within Malaysia)

The Share Registrar
CHOO BEE METAL INDUSTRIES BERHAD
[Registration No.: 197101000234 (10587-A)]
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

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聚美鋼鐵工業有限公司
CHOO BEE METAL INDUSTRIES BERHAD

[Registration No. 197101000234 (10587-A)]
(Incorporated in Malaysia)

Wisma Soon Teik Aun, Jalan Bendahara,
31650 Ipoh, Perak Darul Ridzuan, Malaysia.

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