

SKB SHUTTERS CORPORATION BERHAD
 (Company No. 430362 - U)
 (Incorporated in Malaysia)
 AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2008 - UNAUDITED

	(Unaudited) As at 31 Mar 2008	(Audited) As at 30 June 2007
	RM'000	RM'000
Assets		
Property, plant and equipment	46,113	48,606
Prepaid lease land payment	9,265	9,536
Investment properties	2,014	2,026
Interest in associates	992	686
Total non-current assets	58,384	60,854
Inventories	32,787	25,164
Trade and other receivables	13,548	12,871
Tax refundable	596	1,551
Non-current assets classified as held for sale	-	16,863
Cash and cash equivalents	6,816	682
Total current assets	53,747	57,131
Total Assets	112,131	117,985
Equity		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	5,802	5,802
Retain earnings	22,135	18,667
Total equity attributable to shareholders of the Company	69,435	65,967
Liabilities		
Long term borrowings	18,340	21,530
Deferred tax liabilities	2,518	2,518
Total non-current liabilities	20,858	24,048
Trade and other payables	6,619	10,625
Tax liabilities	19	6
Short term borrowings	15,200	17,339
Total current liabilities	21,838	27,970
Total liabilities	42,696	52,018
Total Equity And Liabilities	112,131	117,985
Net asset per share (RM)	1.74	1.65

The notes set out on pages 5 to 9 form an integral part of, and, should be read in conjunction with, this interim financial report.

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**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2008 - UNAUDITED**

	3 months ended 31-Mar		9 months ended 31-Mar	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	<u>12,077</u>	<u>12,605</u>	<u>45,487</u>	<u>36,878</u>
Operating profit	844	808	6,356	4,349
Interest expense	(546)	(642)	(1,727)	(1,982)
Share of profit of associates	127	74	306	269
Profit before taxation	<u>426</u>	<u>241</u>	<u>4,935</u>	<u>2,636</u>
Tax expense	(139)	(135)	(591)	(485)
Profit after taxation	<u>287</u>	<u>106</u>	<u>4,344</u>	<u>2,151</u>
Minority interests	-	-	-	-
Net Profit for the period	<u>287</u>	<u>106</u>	<u>4,344</u>	<u>2,151</u>
Basic earnings per share (sen)	<u>0.72</u>	<u>0.26</u>	<u>10.86</u>	<u>5.38</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2008 - UNAUDITED**

	Share Capital RM'000	Non- Distributable Reserves RM'000	Distributable Retained Earnings RM'000	Total RM'000
At 1 July 2007	40,000	7,300	18,667	65,967
Profit for the period	-	-	4,344	4,344
Dividends	-	-	(876)	(876)
As 31 March 2008 (Unaudited)	<u>40,000</u>	<u>7,300</u>	<u>22,135</u>	<u>69,435</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2007 - UNAUDITED**

	Share Capital RM'000	Non- Distributable Reserves RM'000	Distributable Retained Earnings RM'000	Total RM'000
At 1 July 2006				
- As previously stated	40,000	6,934	17,774	64,708
- Effects of adopting FRS 3	-	-	205	205
At 1 July 2006 (As restated)	<u>40,000</u>	<u>6,934</u>	<u>17,979</u>	<u>64,913</u>
Net profit for the period	-	-	2,151	2,151
At 31 March 2007 (Unaudited)	<u>40,000</u>	<u>6,934</u>	<u>20,130</u>	<u>67,064</u>

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 31 MARCH 2008 - UNAUDITED**

	Current year to date 31 March 2008 RM'000 (Unaudited)	Preceding year to date 31 March 2007 RM'000 (Unaudited)
Profit before tax	4,935	2,636
Adjustments for		
Non-cash items	2,426	3,972
Non-operating items	2,101	2,207
Operating profit before changes in working capital	<hr/> 9,462	<hr/> 8,815
Changes in working capital		
Net changes in current assets	(8,387)	(7,244)
Net changes in current liabilities	(3,926)	403
Dividend received	-	144
Taxes refunded/(paid)	377	(3)
Net cash (used in)/generated from operating activities	<hr/> (2,474)	<hr/> 2,115
Cash flows from investing activities		
- Purchase of property, plant and equipment	(347)	(1,116)
- Proceeds from disposal of property, plant and equipment	430	286
- Proceeds from disposal of assets classified as held for sale	18,425	-
Net cash generated from/(used in) investing activities	18,508	(830)
Cash flows from financing activities		
- Borrowings	(8,863)	(186)
Net cash used in financing activities	(8,863)	(186)
Net increase in cash and cash equivalents	<hr/> 7,171	<hr/> 1,099
Cash and cash equivalents at 1 July	(355)	(2,019)
Cash and cash equivalents at 31 March	<hr/> <hr/> 6,816	<hr/> <hr/> (920)
Note :		
<u>Purchase of property, plant and equipment</u>		
Additions of property, plant and equipment	1,947	2,313
Less: Hire purchase obligations	(1,600)	(1,197)
	<hr/> 347	<hr/> 1,116
<u>Cash and cash equivalents</u>		
Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following :		
Cash and bank balances	6,816	769
Overdrafts	-	(1,689)
	<hr/> 6,816	<hr/> (920)

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SKB SHUTTERS CORPORATION BERHAD
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Notes to the interim financial report

1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and the additional disclosure requirements as set out in Part A of Appendix 9B of the Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2007.

2. Changes in accounting policies

The accounting policies and the methods of computation adopted by SKB Shutters Corporation Berhad., its subsidiaries and associate (“the Group”) in this interim financial report are consistent with those adopted in the financial statements for the year ended 30 June 2007 except for the adoption of the following applicable new/revised Financial Reporting Standards and Interpretations effective for the financial period beginning 1 July 2007 respectively:

Standard/Interpretation

FRS 107, Cash Flow Statements	
FRS 111, Construction Contracts	
FRS 112, Income Taxes	
FRS 118, Revenue	
FRS 120, Accounting for Government Grants and Disclosure of Government Assistance	
FRS 124, Related Party Disclosures	
FRS 134, Interim Financial Reporting	
FRS 137, Provisions, Contingent Liabilities and Contingent Assets	
FRS 139, Financial Instruments: Recognition and Measurement	
Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investments in Foreign Operations	
IC Interpretation 1	Changes in Exiting Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members’ Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2
FRS 111, FRS 120	Amendment to FRS 121 and the Interpretations listed above are not applicable to the Group. FRS 139 has been deferred and has not been adopted by the Group.

The initial applications of the other FRSs are not expected to have a material impact on the financial statements of the Group and of the Company.

3. Auditors' qualification

There were no qualifications on the audit report of the preceding annual financial statements of SKB Shutters Corporation Berhad.

4. Seasonality or cyclicity of interim operations

The business of the Group was not affected by any significant seasonal or cyclical factors in the quarter.

5. Exceptional and extraordinary items

There were no material exceptional and extraordinary items for the period under review.

6. Change in estimates

There were no material changes in the estimates used for the preparation of this interim financial report.

7. Change in debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities for the financial period-to-date.

8. Dividends paid

The proposed first and final dividend of 3% per ordinary share less 27% tax in respect of the financial year ended 30 June 2007 was paid on 24 January 2008.

9 Segment revenue and results

No segmental reporting has been prepared as the Group's activities are principally confined to the manufacture and sale of roller shutters and related steel products, racking and storage systems which are principally carried out in Malaysia.

10. Valuation of property, plant and equipment

The valuation of land and buildings has been brought forward without amendment from the previous annual report.

11. Material post balance sheet events

There were no material events subsequent to balance sheet date.

12. Changes in Group's composition

There were no changes in the composition of the Group during the current quarter ended 31 March 2008.

13. Changes in contingent liabilities and assets

There were no changes in contingent liabilities and assets for the Group as at 22 May 2008 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

14. Review of performance of the Company and its principal subsidiaries.

The Group's revenue for this quarter has increased by 4.19% or RM0.528 million as compared to the corresponding quarter in the preceding year. The decrease in revenue was mainly due to the decrease in furniture parts and steel door export sales.

The Group recorded a profit before taxation of RM0.426 million for the current quarter and current quarter to date as compared to RM0.241 million in the preceding year corresponding period. The increase in the profit before taxation for the quarter was mainly due to the effective cost control measures implemented.

15. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM0.426 million in this reporting quarter on the back of revenue of RM12.077 million. The increase in profit before taxation as compared to the preceding quarter was mainly due to the effective cost control measures implemented.

16. Current year prospects

Barring unforeseen circumstances, the Directors anticipate that the Group will continue to strive to enhance the financial performance by practicing prudent cost management and to continue to concentrate on the Group's core activities which are the manufacturing and dealing of roller shutters, steel door, racking, and storage systems. Also, the Group continuously strives to improve quality of products and developing new innovative products to increase its market share, sales revenue and profitability.

17. Variance of profit forecast

Not applicable as no profit forecast was published.

18. Tax expense

	3 months ended 31 March		9 months ended 31 March	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Current	139	135	591	485

Prior	-	-	-	-
Deferred tax expense				
Current	-	-	-	-
Prior	-	-	-	-
	<u>139</u>	<u>135</u>	<u>591</u>	<u>485</u>

The disproportionate tax charge is mainly due to the utilization of unabsorbed capital allowances and non taxable income derived from the disposal of land and building by a subsidiary company.

19. Profit/(Loss) on sale of unquoted investments and/or properties for current quarter and financial year-to-date

On 19 July 2007, a wholly-owned subsidiary, SKB Shutters Manufacturing Sdn Bhd had disposed off its assets held for sale and recognized a net gain of RM0.754 million.

20. Purchase or disposal of quoted securities

There were no purchases or disposals of quoted shares for the period under review.

21. Status of corporate proposals

Not applicable.

22. Group borrowings and debts securities

	31 Mar 2008 RM'000
Current	
Secured	5,424
Unsecured	9,776
	<u>15,200</u>
Non-current	
Secured	18,340
Unsecured	-
	<u>18,340</u>

The above borrowings are denominated in Ringgit Malaysia.

23. Off balance sheet financial instruments

The Group did not have any financial instruments with off balance sheet risk as at 22 May 2008 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report)

24. Litigation

Kuala Lumpur High Court
Suit No. S3-23-75-2006
SKB Shutters Manufacturing Sdn Bhd

-v- Standard Chartered Bank Malaysia Berhad

On 14th August 2006, one of the Group's wholly-owned subsidiaries, SKB Shutters Manufacturing Sdn Bhd vide Messrs Gunaseelan and associates served a WRIT, Civil Suit No.S3-23-75-2006 on the solicitors for the defendant, Messrs Shearn Delamore & Co demanded for general damages not less than RM250,000/- to be paid by Standard Chartered Bank Malaysia Berhad within eight (8) days after served the said WRIT for the following claims:-

1. General compensation for breach of contract
2. General compensation on written defamation and oral defamation
3. Interest rate 8% per annum from 10 March 2006 to judgment on the general compensation.
4. Interest rate 8% per annum from judgment to the full settlement of the general compensation.
5. Defendant to pay the Plaintiff the cost of this legal proceeding
6. Continuous and other relief which is fair as determine by the High Court.

On 2nd October 2006, SCB had filed their defence, denying liabilities.

25. Proposed dividend

No dividend has been recommended for the quarter ended 31 March 2008.

26. Basic earnings per share

The calculation of basic earnings per share for the quarter is based on the net profit attributable to ordinary shareholders of RM287,359 and the weighted average number of ordinary shares outstanding during the quarter of 40,000,000.

27. Capital commitments

	31 Mar 2008 RM'000
Property, plant and equipment	
Contracted but not provided for in the financial statements	<u>8</u>

28. Related party transactions

There were no non-recurring related party transactions during the quarter under review.

BY ORDER OF THE BOARD

Sin Kheng Lee
Executive Chairman and Group Managing Director
Dated: 29th May 2008