

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

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2008 - UNAUDITED**

	(Unaudited) As at 30 Sep 2008	(Audited) As at 30 June 2008
	RM'000	RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	45,518	45,016
Prepaid lease payment	9,066	9,165
Investment properties	2,005	2,009
Interest in associates	1,101	937
	<u>57,690</u>	<u>57,127</u>
<b><u>Current assets</u></b>		
Inventories	37,205	33,142
Trade and other receivables	16,118	17,312
Tax refundable	870	670
Cash and cash equivalents	2,361	2,590
	<u>56,554</u>	<u>53,714</u>
<b>Total Assets</b>	<u>114,244</u>	<u>110,841</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to equity holders of the parent</b>		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	2,450	2,450
Retain earnings	26,049	24,349
	<u>69,997</u>	<u>68,297</u>
<b>Shareholders' funds</b>	<u>69,997</u>	<u>68,297</u>
<b>LIABILITIES</b>		
<b><u>Non-Current Liabilities</u></b>		
Long Term Borrowings	16,375	17,025
Deferred tax liabilities	2,820	2,820
	<u>19,195</u>	<u>19,845</u>
<b><u>Current liabilities</u></b>		
Trade and other payables	11,231	8,402
Tax liabilities	-	1
Short Term Borrowings	13,822	14,296
	<u>25,053</u>	<u>22,699</u>
<b>Total Equity And Liabilities</b>	<u>114,244</u>	<u>110,841</u>
 Net asset per share (RM)	<u>1.75</u>	<u>1.71</u>

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.

**SKB SHUTTERS CORPORATION BERHAD****(Company No. 430362 - U)****(Incorporated in Malaysia)****AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2008 - UNAUDITED**

	3 months ended		3 months ended	
	30-Sep		30-Sep	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Revenue	20,198	17,556	20,198	17,556
Operating profit/(loss)	2,143	3,464	2,143	3,464
Interest expense	(526)	(606)	(526)	(606)
Interest income	-	-	-	-
Share of profit of associates	164	81	164	81
Profit/(loss) before taxation	1,781	2,939	1,781	2,939
Tax expense	(81)	(74)	(81)	(74)
Profit (loss) after taxation	1,700	2,865	1,700	2,865
Minority interests	-	-	-	-
Net Profit/(loss) for the period	1,700	2,865	1,700	2,865
Basic earnings per share (sen)	4.25	7.16	4.25	7.16

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2008 - UNAUDITED**

	Share Capital RM'000	Non- Distributable Reserves RM'000	Distributable Retained Earnings RM'000	Total RM'000
At 1 July 2008	40.000	7.300	20.997	68.297
Net profit for the period	-	-	1.700	1.700
At 30 Sep 2008 (Unaudited)	<u>40.000</u>	<u>7.300</u>	<u>22.697</u>	<u>69.997</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2007 - 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
Net profit for the period	-	-	2.865	2.865
At 30 Sep 2007 (Unaudited)	<u>40.000</u>	<u>7.300</u>	<u>21.532</u>	<u>68.832</u>

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**SKB SHUTTERS CORPORATION BERHAD**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2008 - UNAUDITED**

	<b>Current year to-date 30 September 2008 RM'000 (Unaudited)</b>	<b>Preceding year to-date 30 September 2007 RM'000 (Unaudited)</b>
Profit/(Loss) before tax	1,781	2,939
Adjustments for		
Non-cash items	1,273	(182)
Non-operating items	595	744
Operating profit before changes in working capital	<u>3,649</u>	<u>3,501</u>
Changes in working capital		
Net changes in current assets	(3,346)	(2,610)
Net changes in current liabilities	4,116	(2,973)
Taxes paid	(281)	748
Net cash generated/(used in) from operating activities	<u>4,138</u>	<u>(1,334)</u>
<b>Cash flows from investing activities</b>		
- Purchase of property, plant and equipment	(1,849)	(99)
- Proceeds from disposal of property, plant and equipment	13	265
- Proceeds from disposal of assets classified as held for sale	-	18,425
Net cash (used in) generated from investing activities	<u>(1,836)</u>	<u>18,591</u>
<b>Cash flows from financing activities</b>		
- Borrowings	(1,642)	(4,009)
Net cash used in financing activities	<u>(1,642)</u>	<u>(4,009)</u>
Net increase in cash and cash equivalents	<u>660</u>	<u>13,248</u>
Cash and cash equivalents at 1 July	1,399	(355)
Cash and cash equivalents at 30 Sep	<u><u>2,059</u></u>	<u><u>12,893</u></u>
Note :		
Purchase of property, plant and equipment		
Additions of property, plant and equipment	1,849	879
Less: Hire purchase obligations	-	(780)
	<u>1,849</u>	<u>99</u>
Cash and cash equivalents		
Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following :		
Cash and bank balances	2,361	12,893
Overdrafts	(302)	-
	<u>2,059</u>	<u>12,893</u>

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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 2008.

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 2008.

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 25% tax in respect of the financial year ended 30 June 2008 has not been accounted for in the financial statement. The dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting. The net dividend per ordinary share as disclosed in the income statements takes into account of the proposed final dividend for the financial year ended 30 June 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 30 September 2008.

13. Changes in contingent liabilities and assets

There were no changes in contingent liabilities and assets for the Group as at 18 November 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 15.04% or RM2.642 million as compared to the corresponding quarter in the preceding year. The increase in revenue was mainly due to the increase in roller shutters and racking sales.

The Group recorded a profit before taxation of RM1.781 million in the current quarter as compared to RM2.939 million in the preceding year corresponding period. The decrease in the profit before taxation for the quarter was mainly due to the higher cost of sales and decrease in other operating income.

15. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM1.781 million in this reporting quarter on the back of revenue of RM20.198 million. The decrease in profit before taxation as compared to the preceding quarter was mainly due to the higher cost of sales and decrease in other operating income.

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	
	30 September	
	2008	2007
	RM'000	RM'000
Current tax expense		
Current	81	74
Prior	-	-
Deferred tax expense		
Current	-	-
Prior	-	-
	<hr/>	<hr/>
	81	74

The disproportionate tax charge is mainly due to the utilization of unabsorbed capital allowances by its subsidiaries.

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

There were no disposals of investments and properties during the current quarter under review

20. Purchase or disposal of quoted securities

There were no purchases or disposals of quoted shares during the current quarter under review.

21. Status of corporate proposals

Not applicable.

22. Group borrowings and debts securities

	30 Sep 2008 RM'000
Current	
Secured	5,587
Unsecured	8,235
	<hr/> 13,822 <hr/>
Non-current	
Secured	16,375
Unsecured	-
	<hr/> 16,375 <hr/>

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 18 September 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 14<sup>th</sup> 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 2<sup>nd</sup> October 2006, SCB had filed their defence, denying liabilities.

25. Proposed dividend

No dividend has been recommended for the quarter ended 30 September 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 RM1,699,828 and the weighted average number of ordinary shares outstanding during the quarter of 40,000,000.

27. Capital commitments

	30 Sep 2008 RM'000
Property, plant and equipment Contracted but not provided for in the financial statements	<u>6</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: 25<sup>th</sup> September 2008