

**SKB SHUTTERS CORPORATION BERHAD**

(Company No. 430362 - U)  
(Incorporated in Malaysia)  
AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAR 2011**

	(Unaudited) At 31 Mar 2011	(Audited) At 30 June 2010
	RM'000	RM'000
<b>Assets</b>		
Property, plant and equipment	38,628	41,152
Prepaid lease payments	8,074	8,371
Investment properties	1,783	1,793
Interest in associate	1,371	1,600
<b>Total non-current assets</b>	<u>49,856</u>	<u>52,916</u>
Inventories	36,568	32,305
Trade and other receivables	16,304	17,470
Current tax assets	647	669
Cash and cash equivalents	4,456	7,377
<b>Total current assets</b>	<u>57,975</u>	<u>57,821</u>
<b>Total assets</b>	<u>107,831</u>	<u>110,737</u>
<b>Equity</b>		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	2,450	2,450
Retained earnings	26,097	25,320
<b>Total equity attributable to owners of the Company</b>	<u>70,045</u>	<u>69,268</u>
Loans and borrowings	8,929	12,795
Deferred tax liabilities	3,320	3,320
<b>Total non-current liabilities</b>	<u>12,249</u>	<u>16,115</u>
Trade and other payables	9,131	11,622
Loans and borrowings	16,406	13,732
<b>Total current liabilities</b>	<u>25,537</u>	<u>25,354</u>
<b>Total equity and liabilities</b>	<u>107,831</u>	<u>110,737</u>
<b>Net assets per share (RM)</b>	<u>1.75</u>	<u>1.73</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.

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31MAR 2011 (UNAUDITED)**

	3 months ended		9 months ended	
	31 Mar 2011 RM'000	31 Mar 2010 RM'000	31 Mar 2011 RM'000	31 Mar 2010 RM'000
<b>Continuing operations</b>				
Revenue	<u>10,290</u>	<u>9,866</u>	<u>36,378</u>	<u>34,948</u>
Operating profit/(Loss)	207	(501)	1,701	502
Interest expense	(281)	(276)	(877)	(916)
Share of profit of associates	99	123	371	446
<b>Profit before taxation</b>	<u>25</u>	<u>(654)</u>	<u>1,195</u>	<u>32</u>
Income Tax expense	(132)	(32)	(418)	(105)
<b>Profit/(Loss) after taxation</b>	<u>(107)</u>	<u>(686)</u>	<u>777</u>	<u>(73)</u>
Minority interest	-	-	-	-
Profit/(Loss) for the period	<u>(107)</u>	<u>(686)</u>	<u>777</u>	<u>(73)</u>
Basic earnings per share (sen)	<u>(0.27)</u>	<u>(1.72)</u>	<u>1.94</u>	<u>(0.18)</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MAR 2011 (UNAUDITED)**

	----- Non-distributable -----		Distributable	Total equity RM'000
	Share capital RM'000	Reserves RM'000	Retained earnings RM'000	
At 1 July 2010	40,000	3,948	25,320	69,268
Profit for the period	-	-	777	777
At 31 Mar 2011	-	-	26,097	70,045

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAR 2010 (AUDITED)**

	----- Non-distributable -----		Distributable	Total equity RM'000
	Share capital RM'000	Reserves RM'000	Retained earnings RM'000	
At 1 July 2009	40,000	3,948	25,958	69,906
Loss for the period	-	-	(73)	(73)
Dividend paid	-	-	(1,200)	(1,200)
At 31 Mar 2010	40,000	3,948	24,685	68,633

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**SKB SHUTTERS CORPORATION BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MAR 2011 (UNAUDITED)**

	9 months ended 31 Mar	
	2011	2010
	RM'000	RM'000
<b>Profit before tax from continuing operations</b>	1,195	32
Adjustments for :		
Non-cash items	3,752	3,810
Non-operating items	877	268
Operating profit before changes in working capital	5,824	4,110
Changes in working capital:		
Net changes in current assets	(4,909)	(107)
Net changes in current liabilities	(679)	(500)
Dividend received	600	-
Taxes (paid) / refunded	(395)	(400)
<b>Net cash from / (used in) operating activities</b>	441	3,103
<b>Cash flows from investing activities</b>		
- Purchase of property, plant and equipment	(266)	(1,082)
- Proceeds from disposal of property, plant and equipment	2	165
<b>Net cash used in investing activities</b>	(264)	(917)
<b>Cash flows from financing activity</b>		
-Borrowings , net	(3,597)	761
-Dividend paid	-	(1,200)
<b>Net cash (used in) / from financing activity</b>	(3,597)	(439)
Net (decrease) / increase in cash and cash equivalents	(3,420)	1,747
Cash and cash equivalents at 1 July	6,708	4,097
<b>Cash and cash equivalents at 31 Mar</b>	3,288	5,844
Note :		
<u>Purchase of property, plant and equipment</u>		
Additions of property, plant and equipment	1,294	2,933
Less: Hire purchase obligations	(1,028)	(1,851)
	266	1,082
<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	4,456	6,128
Overdrafts	(1,168)	(284)
	3,288	5,844

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**SKB SHUTTERS CORPORATION BERHAD**  
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**AND ITS SUBSIDIARIES**  
**Notes to the condensed consolidated interim financial statements**

1. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and *FRS134, Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2010.

2. Significant accounting policies

(a) 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 2010 other than the adoption of :

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010**

- FRS 4, Insurance Contracts
- FRS 7, Financial Instruments: Disclosures
- FRS 101, Presentation of Financial Statements (revised)
- FRS 123, Borrowing Costs (revised)
- FRS 139, Financial Instruments: Recognition and Measurement
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations
- Amendments to FRS 7, Financial Instruments: Disclosures
- Amendments to FRS 101, Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 132, Financial Instruments: Presentation
  - Puttable Financial Instruments and Obligations Arising on Liquidation
  - Separation of Compound Instruments
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement
- Improvements to FRSs (2009)
- IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 10, Interim Financial Reporting and Impairment
- IC Interpretation 11, FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13, Customer Loyalty Programmes
- IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

### **Amendment effective for annual periods beginning on or after 1 March 2010**

- Amendments to FRS 132, Financial Instruments: Presentation - Classification of Rights Issues

### **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010**

- FRS 1, First-time Adoption of Financial Reporting Standards (revised)
- FRS 3, Business Combinations (revised)
- FRS 127, Consolidated and Separate Financial Statements (revised)
- Amendments to FRS 2, Share-based Payment
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 12, Service Concession Agreements
- IC Interpretation 15, Agreements for the Construction of Real Estate
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17, Distribution of Non-cash Assets to Owners
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), Accounting Policies, Changes in Accounting Estimates and Errors, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

The initial application of a standard, amendment or an interpretation, which will be applied retrospectively, is not expected to have any material impact on the financial statements of the Company other than adoption of FRS117, Leases, FRS128, Investments in Associates and FRS123, Borrowing Costs (revised).

#### 3. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2010.

#### 4. Seasonality or cyclical of operations

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

5. Exceptional and extraordinary items

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

6. 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.

7. Dividends

No dividends have been recommended or paid for the quarter ended 31 Mar 2011.

8. Operating segments

The Group is 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. Accordingly, information by operating segments on the Group's operations as required by *FRS 8* is not presented.

9. Valuation of property, plant and equipment

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

10. Subsequent events

On 09.May.2011, the group has submitted the strike off application of its dormant subsidiary –SKB Diversified Sdn Bhd to Suruhanjaya Syarikat Malaysia pursuant to Section 308 of the Companies Act,1965.

11. Changes in Group's composition

There were no changes in the composition of the Group during the current quarter ended 31 Mar 2011.

12. Changes in contingent liabilities and assets

There were no contingent liabilities and assets for the Group as at 20 May 2011 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report)

### 13. Review of Group performance

Group revenue for the quarter ended 31 Mar 2011 increased by 4.30% or RM0.424 million as compared to the corresponding quarter in 2010. The increase in revenue was mainly due to increase sales of shutters, steel door and window products.

Group profit before taxation of RM0.0254 million increased by 103.88% as compared to the corresponding quarter in the previous year due to increase in revenue and lower other operating expenses.

### 14. Variation of results against preceding quarter

Group revenue reduced from RM14.708 million to RM10.290 million as compared to the immediate preceding quarter. Group profit before taxation of RM0.0254 million reduced by 96.74% as compared to the immediate preceding quarter mainly due to reduce in revenue, higher administrative and distribution costs.

### 15. 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 will continuously strive to improve quality of products and developing new innovative products to increase its market share, sales revenue and profitability.

### 16. Variance of actual profit from profit forecast

The Group has not announced or disclosed any profit forecast in a public document that relates to this interim reporting period.

### 17. Income Tax expense

	3 months ended 31 Mar		9 months ended 31 Mar	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense				
Current	139	31	317	105
Prior	(7)	-	101	-
	<hr/>	<hr/>	<hr/>	<hr/>
	132	31	418	105

The disproportionate tax charge for the period ended 31 Mar 2011 is mainly due to utilisation of tax incentive and capital allowance by a subsidiary in the current quarter.



18. Unquoted investments and properties

There were no disposals of unquoted investments and/or properties for the quarter under review and the financial period to-date.

19. Quoted investments

There were no purchases or disposals of quoted shares for the quarter under review and the financial period to-date.

20. Status of corporate proposals

Not applicable.

21. Loans and borrowings

	31 Mar 2011 RM'000
Current	
Secured	6,455
Unsecured	9,953
	<hr/> <u>16,408</u>
Non-current	
Secured	8,929
	<hr/> <u>8,929</u>

The above borrowings are denominated in Ringgit Malaysia.

22. Off balance sheet financial instruments

The Group did not have any financial instruments with off balance sheet risk as at 20 May 2011 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

23. Basic earnings per share

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

24. Capital commitments

	31 Mar 2011 RM'000
Property, plant and equipment	
Contracted but not provided for in the financial statements	<hr/> <u>99</u>

## 25. Related parties

There were no non-recurring related party transactions during the quarter under review and financial period to-date.

## 26. Retained Earnings

The breakdown of retained earnings of the Group as at reporting date, into realised and unrealised is as follow:

	As at 31 Mar 2011 RM'000	As at 31 Dec 2010 RM'000
Total retained profits of the Company & its subsidiaries		
- Realised	32,085	32,382
- Unrealised	3,320	3,320
Total share of retained earnings from an associate		
- Realised	1,365	1,263
- Unrealised	6	9
	<hr/>	<hr/>
Less : Consolidation adjustments	(10,679)	(10,778)
	<hr/>	<hr/>
Total Group retained earnings as per consolidated accounts	26,097	26,196

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1. Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

BY ORDER OF THE BOARD

Sin Kheng Lee  
Executive Chairman and Group Managing Director  
Dated: 27<sup>th</sup> May 2011