

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	(Unaudited) At 30 June 2011	(Audited) At 30 June 2010
	RM'000	RM'000
Assets		
Property, plant and equipment	38,265	41,152
Prepaid lease payments	7,974	8,371
Investment properties	1,782	1,793
Interest in associate	1,170	1,600
Other investment	-	-
Goodwill on consolidation	-	-
Total non-current assets	49,191	52,916
Inventories	36,949	32,305
Trade and other receivables	15,039	17,470
Current tax assets	231	669
Cash and cash equivalents	5,034	7,377
Total current assets	57,253	57,821
Total assets	106,444	110,737
Equity		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	2,450	2,450
Retained earnings	26,330	25,320
Total equity attributable to owners of the Company	70,278	69,268
Loans and borrowings	8,377	12,795
Deferred tax liabilities	3,205	3,320
Total non-current liabilities	11,582	16,115
Trade and other payables	9,055	11,622
Loans and borrowings	15,529	13,732
Total current liabilities	24,584	25,354
Total equity and liabilities	106,444	110,737
Net assets per share (RM)	1.76	1.73

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
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2011**

	3 months ended		12 months ended	
	30 June 2011 RM'000 Unaudited	30 June 2010 RM'000 Unaudited	30 June 2011 RM'000 Unaudited	30 June 2010 RM'000 Audited
Continuing operations				
Revenue	<u>15,362</u>	<u>13,662</u>	<u>51,740</u>	<u>48,609</u>
Operating profit	866	1,044	2,568	1,547
Interest expense	(291)	(266)	(1,169)	(1,183)
Share of profit of associates	74	90	445	536
Profit before taxation	<u>649</u>	<u>868</u>	<u>1,844</u>	<u>900</u>
Income Tax expense	(411)	(233)	(834)	(338)
Profit after taxation	<u>238</u>	<u>635</u>	<u>1,010</u>	<u>562</u>
Minority interest	-	-	-	-
Profit for the period	<u>238</u>	<u>635</u>	<u>1,010</u>	<u>562</u>
Basic earnings per share (sen)	<u>0.60</u>	<u>1.59</u>	<u>2.53</u>	<u>1.41</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 30 JUNE 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	-	69,268
Profit for the period	-	-	1,010	-	1,010
At 30 June 2011	-	-	-	26,330	70,278

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 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	-	69,906
Profit for the period	-	-	562	-	562
Dividend paid	-	-	(1,200)	-	(1,200)
At 30 June 2010	40,000	-	3,948	-	69,268

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SKB SHUTTERS CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2011

	12 months ended 30 June	
	2011 RM'000 Unaudited	2010 RM'000 Audited
Profit before tax from continuing operations	1,844	900
Adjustments for :		
Non-cash items	5,034	4,884
Non-operating items	1,169	1,183
Operating profit before changes in working capital	8,047	6,967
Changes in working capital:		
Net changes in current assets	(4,026)	(4,565)
Net changes in current liabilities	(884)	3,923
Dividend received	875	248
Taxes (paid) / refunded	(379)	186
Net cash from operating activities	3,633	6,759
Cash flows from investing activities		
- Proceed from disposal of Associate	-	-
- Purchase of property, plant and equipment	(458)	(1,356)
- Addition to prepaid lease payments	-	-
- Proceeds from disposal of property, plant and equipment	17	220
- Proceeds from disposal of assets classified as held for sale	-	-
- Proceeds from disposal of investment properties	-	240
- Interest received	-	136
Net cash used in investing activities	(441)	(760)
Cash flows from financing activities		
-Borrowings , net	(5,947)	(2,188)
-Dividend paid	-	(1,200)
Net cash used in financing activities	(5,947)	(3,388)
Net (decrease) / increase in cash and cash equivalents	(2,755)	2,611
Cash and cash equivalents at 1 July	6,708	4,097
Cash and cash equivalents at 30 June	3,953	6,708
Note :		
<u>Purchase of property, plant and equipment</u>		
Additions of property, plant and equipment	2,201	3,325
Less: Hire purchase obligations	(1,743)	(1,969)
Interest on term loan capitalised	-	-
	458	1,356
<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	5,034	7,377
Overdrafts	(1,081)	(669)
	3,953	6,708

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SKB SHUTTERS CORPORATION BERHAD
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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 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 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

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 IC Interpretation 9, Reassessment of Embedded Derivatives

Adoption of the above FRSs, Interpretations and Amendments do not have any significant impact on the Group’s financial position and results.

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 nature 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 30 June 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. Changes in Group's composition

In June 2011, the Group strike-off its wholly owned subsidiary, SKB Diversified Sdn. Bhd. pursuant to Section 308(1) of the Companies Act, 1965.

Other than the above, there were no changes in the composition of the Group from the end of previous year until the announcement date of this report.

11. Changes in contingent liabilities and assets

There were no contingent liabilities and assets for the Group as at 19 August 2011 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

12. Review of Group performance

Group revenue for the quarter ended 30 June 2011 increased by 12.45% or RM1.7 million as compared to the corresponding quarter in 2010. The increase in revenue was mainly due to increase in sales of shutters, steel doors and racking products.

Group profit before taxation of RM0.649 million reduced by 25.23% as compared to the corresponding quarter in the previous year due to increase in other operating expenses.

13. Variation of results against preceding quarter

Group revenue increased from RM10.290 million to RM15.362 million as compared to the immediate preceding quarter. Group profit before taxation of RM0.649 million increased by 2459.64% as compared to the immediate preceding quarter mainly due to increase in revenue netted off by lower administrative and distribution costs.

14. 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 doors, 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.

15. 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.

16. Income tax expense

	3 months ended 30 June		12 months ended 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense				
Current	560	81	882	320
Prior	(35)	152	67	18
Deferred tax expenses				
Current	(514)	(398)	(514)	(398)
Prior	400	398	399	398
	<u>411</u>	<u>233</u>	<u>834</u>	<u>338</u>

16. Income tax expense (continued)

The disproportionate tax charge for the period ended 30 June 2011 is mainly due to certain non-deductible expenses.

17. 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.

18. Quoted investments

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

19. Status of corporate proposals

Not applicable.

20. Loans and borrowings

	30 June 2011 RM'000
Current	
Secured	6,210
Unsecured	9,319
	<hr/>
	15,529
	<hr/>
Non-current	
Secured	8,377
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The above borrowings are denominated in Ringgit Malaysia.

21. Off balance sheet financial instruments

The Group did not have any financial instruments with off balance sheet risk as at 19 Aug 2011 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

22. 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.

23. Capital commitments

	30 June 2011 RM'000
Property, plant and equipment Contracted but not provided for in the financial statements	<u>20</u>

24. Related parties

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

25. Retained Earnings

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

	As at 30 June 2011 RM'000	As at 31 Mar 2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	32,835	32,085
- Unrealised	3,205	3,320
Total share of retained earnings from an associate		
- Realised	1,164	1,365
- Unrealised	6	6
	<u>37,210</u>	<u>36,776</u>
Less : Consolidation adjustments	(10,880)	(10,679)
Total Group retained earnings as per consolidated accounts	<u>26,330</u>	<u>26,097</u>

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: 26th Aug 2011