

SKB SHUTTERS CORPORATION BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPT 2013**

	(Unaudited) 30 Sept 2013 RM'000	(Audited) 30 June 2013 RM'000
Assets		
Property, plant and equipment	40,748	41,550
Investment properties	1,687	1,690
Prepaid lease payments	6,019	6,103
Interest in associate	1,877	1,734
Total non-current assets	<u>50,331</u>	<u>51,077</u>
Inventories	33,029	31,221
Trade and other receivables	19,360	21,295
Current tax assets	891	927
Cash and cash equivalents	1,894	2,588
Total current assets	<u>55,174</u>	<u>56,031</u>
Total assets	<u><u>105,505</u></u>	<u><u>107,108</u></u>
Equity		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	41	21
Retained earnings	34,714	35,275
Total equity attributable to owners of the Company	<u>76,253</u>	<u>76,794</u>
Loans and borrowings	2,459	2,593
Deferred tax liabilities	1,250	1,250
Total non-current liabilities	<u>3,709</u>	<u>3,843</u>
Loans and borrowings	11,546	13,957
Trade and other payables	13,997	12,514
Current tax liabilities	-	-
Total current liabilities	<u>25,543</u>	<u>26,471</u>
Total equity and liabilities	<u><u>105,505</u></u>	<u><u>107,108</u></u>
Net assets per share (RM)	<u>1.91</u>	<u>1.92</u>

SKB SHUTTERS CORPORATION BERHAD

(Company No. 430362 - U)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPT 2013**

	3 months ended		3 months ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Continuing operations				
Revenue	<u>12,296</u>	<u>10,189</u>	<u>12,296</u>	<u>10,189</u>
Result from operating activities	(461)	(553)	(461)	(553)
Interest income	2	14	2	14
Interest expense	(177)	(231)	(177)	(231)
Share of profit of associate	143	102	143	102
Loss before taxation	<u>(493)</u>	<u>(668)</u>	<u>(493)</u>	<u>(668)</u>
Income tax expense	(68)	(75)	(68)	(75)
Loss for the period/ year representing comprehensive income for the period/year attributable to owners of the Company	<u>(561)</u>	<u>(743)</u>	<u>(561)</u>	<u>(743)</u>
Basic earnings per share (sen)	<u>(1.40)</u>	<u>(1.86)</u>	<u>(1.40)</u>	<u>(1.86)</u>

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 SEPT 2013 (UNAUDITED)**

	----- Non-distributable -----		Distributable		Total equity RM'000
	Share capital RM'000	Share premium RM'000	Reserves RM'000	Retained earnings RM'000	
At 1 July 2013	40,000	1,498	21	35,275	76,794
Other comprehensive expense for the year	-	-	20	-	20
Loss for the year	-	-	-	(561)	(561)
Comprehensive expense for the year			20	(561)	(541)
At 30 Sept 2013	40,000	1,498	41	34,714	76,253

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 SEPT 2012 (UNAUDITED)**

	----- Non-distributable -----		Distributable		Total equity RM'000
	Share capital RM'000	Share premium RM'000	Reserves RM'000	Retained earnings RM'000	
At 1 July 2012, as previously stated	40,000	1,498	8,234	27,649	77,381
Effect of adoption of MFRSs	-	-	(8,204)	7,380	(824)
At 1 July 2012, restated	40,000	1,498	30	35,029	76,557
Loss for the year representing comprehensive income for the year	-	-	-	(743)	(743)
At 30 Sept 2012	40,000	1,498	30	34,286	75,814

SKB SHUTTERS CORPORATION BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPT 2013**

	3 months ended 30 Sept	
	2013	2012
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Loss before tax from continuing operations	(493)	(668)
Adjustments for :		
Depreciation of property, plant & equipment	1,290	1,291
Depreciation of investment properties	3	2
Amortisation of prepaid lease payments	84	99
Impairment loss on plant and equipment	-	-
Impairment loss on building	-	-
Gain on disposal of property, plant and equipment	-	(25)
Interest Expense	178	230
Interest income	(2)	(14)
Share on profit after tax of an equity accounted associate	(143)	(102)
Allowance for diminution	-	-
Tax penalty	-	-
Operating profit before changes in working capital	917	813
Changes in working capital:		
Inventories	(1,808)	(1,363)
Trade and other receivables	1,086	1,377
Trade and other payables	2,351	1,863
Cash generated from operations	2,546	2,690
Dividend received from associate	-	-
Income tax paid	(31)	(146)
Net cash from operating activities	2,515	2,544
Cash flows from investing activities		
- Purchase of property, plant and equipment	(140)	(107)
- Proceeds from disposal of property, plant and equipment	-	25
- Interest received	2	14
Net cash used in investing activities	(138)	(68)
Cash flows from financing activity		
-Borrowings , net	(2,114)	(3,629)
Net cash used in financing activity	(2,114)	(3,629)
Net decrease in cash and cash equivalents	263	(1,153)
Cash and cash equivalents at 1 July	(215)	2,511
Cash and cash equivalents at 30 Sept	48	1,358
Note :		
<u>Purchase of property, plant and equipment</u>		
Additions of property, plant and equipment	488	677
Less: Hire purchase obligations	(348)	(570)
	140	107
<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	1,894	3,533
Overdrafts	(1,846)	(2,175)
	48	1,358

SKB SHUTTERS CORPORATION BERHAD
(Company No.430362-U)
(Incorporated in Malaysia)
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 *MFRS134, 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 2013.

2. 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 2013.

3. Seasonality or cyclical of operations

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

4. Exceptional and extraordinary items

There were no material exceptional and extraordinary items for the quarter/year under review.

5. 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 30 September 2013.

6. Dividends

No dividends have been recommended or paid for the current quarter ended 30 September 2013.

7. 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 MFRS 8 is not presented.

8. Valuation of property, plant and equipment

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

9. Changes in Group's composition

There were no changes in the composition of the Group during the current quarter ended 30 September 2013.

10. Changes in contingent liabilities and assets

There were no contingent liabilities and assets for the Group as at 20 November 2013 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. Review of Group performance

Group revenue for the quarter ended 30 September 2013 increased by 20.68% or RM2.11 million as compared to the corresponding quarter in 2012. The increase in revenue was mainly due to increase in sales of shutters, racking and steel door products.

Group loss before taxation of RM0.493 million reduced by 26.17% as compared to corresponding quarter in the previous year mainly due to increase in revenue, reduced in finance costs and distribution expenses.

12. Variation of results against preceding quarter

Group revenue reduced from RM17.211 million to RM12.296 million as compared to the immediate preceding quarter. Group loss before taxation of RM0.493 million as compared to Group loss before taxation of RM3.226 million in the immediate preceding quarter was mainly due to reduce in other operating expenses.

13. 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.

14. 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.

15. (Loss)/Profit before taxation

	3 months ended 30 September 2013 RM'000
Depreciation and amortisation	1,377
Loss on foreign exchange	
- realised	93
- unrealised	55
Impairment loss on trade receivables	-
Gain on disposal of property, plant and equipment	-
	<u> </u>

16. Income tax expense

	3 months ended 30 September	
	2013 RM'000	2012 RM'000
Current tax expense		
Current	68	75
Prior	-	-
Deferred tax expense		
Current	-	-
Prior	-	-
	<u> </u>	<u> </u>
	<u>68</u>	<u>75</u>

The disproportionate tax charge for the year ended 30 September 2013 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 September 2013
	RM'000
Current	
Secured	1,625
Unsecured	9,920
	<hr/>
	11,545
	<hr/>
Non-current	
Secured	2,459
	<hr/>

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 20 November 2013 (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

There were no capital commitments for the current quarter ended 30 September 2013.

24. Related parties

There were no non-recurring related party transactions during the quarter under review and financial year 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 September 2013 RM'000	As at 30 June 2013 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	42,108	40,177
- Unrealised	1,250	5,414
Total share of retained earnings from an associate		
- Realised	1,523	1,358
- Unrealised	6	28
	<hr/>	<hr/>
	44,887	46,977
Less : Consolidation adjustments	(10,173)	(11,702)
	<hr/>	<hr/>
Total Group retained earnings as per consolidated accounts	<u>34,714</u>	<u>35,275</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 Securities Berhad and should not be applied for any other purposes.

26. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors.

BY ORDER OF THE BOARD

Sin Kheng Lee
Executive Chairman and Group Managing Director
Dated: 27th November 2013