

**SKB SHUTTERS CORPORATION BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 Dec 2013**

	(Unaudited) 31 Dec 2013 RM'000	(Audited) 30 June 2013 RM'000
<b>Assets</b>		
Property, plant and equipment	39,324	41,550
Investment properties	1,684	1,690
Prepaid lease payments	5,934	6,103
Interest in associate	1,797	1,734
<b>Total non-current assets</b>	<u>48,739</u>	<u>51,077</u>
Inventories	31,586	31,221
Trade and other receivables	19,911	21,295
Current tax assets	1,057	927
Cash and cash equivalents	1,044	2,588
<b>Total current assets</b>	<u>53,598</u>	<u>56,031</u>
<b>Total assets</b>	<u><u>102,337</u></u>	<u><u>107,108</u></u>
<b>Equity</b>		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	41	21
Retained earnings	34,680	35,275
<b>Total equity attributable to owners of the Company</b>	<u>76,219</u>	<u>76,794</u>
Loans and borrowings	2,071	2,593
Deferred tax liabilities	1,250	1,250
<b>Total non-current liabilities</b>	<u>3,321</u>	<u>3,843</u>
Loans and borrowings	10,601	13,957
Trade and other payables	12,196	12,514
Current tax liabilities	-	-
<b>Total current liabilities</b>	<u>22,797</u>	<u>26,471</u>
<b>Total equity and liabilities</b>	<u><u>102,337</u></u>	<u><u>107,108</u></u>
<b>Net assets per share (RM)</b>	<u>1.91</u>	<u>1.92</u>

**SKB SHUTTERS CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DEC 2013**

	3 months ended		6 months ended	
	31 Dec 2013 RM'000 Unaudited	31 Dec 2012 RM'000 Unaudited	31 Dec 2013 RM'000 Unaudited	31 Dec 2012 RM'000 Unaudited
<b>Continuing operations</b>				
Revenue	12,762	12,547	25,059	22,741
Result from operating activities	158	725	(303)	172
Interest income	1	9	3	23
Interest expense	(160)	(214)	(338)	(444)
Share of profit of associate	85	165	229	266
<b>Profit/(Loss) before taxation</b>	<b>84</b>	<b>685</b>	<b>(409)</b>	<b>17</b>
Income tax expense	(113)	(107)	(186)	(182)
(Loss)/profit for the period/ year representing comprehensive income for the period/year attributable to owners of the Company	<b>(29)</b>	<b>578</b>	<b>(595)</b>	<b>(165)</b>
Basic earnings per share (sen)	(0.07)	1.45	(1.49)	(0.41)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DEC 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	-	-	-	(595)	(595)
Comprehensive expense for the year			20	(595)	(575)
At 31 Dec 2013	<u>40,000</u>	<u>1,498</u>	<u>41</u>	<u>34,680</u>	<u>76,219</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 Dec 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	<u>40,000</u>	<u>1,498</u>	<u>30</u>	<u>35,029</u>	<u>76,557</u>
Loss for the year representing comprehensive income for the year	-	-	-	(165)	(165)
At 31 Dec 2012	<u>40,000</u>	<u>1,498</u>	<u>30</u>	<u>34,864</u>	<u>76,392</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DEC 2013**

	6 months ended 31 Dec	
	2013	2012
	RM'000	RM'000
	(Unaudited)	(Unaudited)
<b>(Loss)/Profit before tax from continuing operations</b>	(409)	17
Adjustments for :		
Depreciation of property, plant & equipment	2,551	2,542
Depreciation of investment properties	6	3
Amortisation of prepaid lease payments	169	198
Impairment loss on plant and equipment	-	-
Impairment loss on building	-	-
Gain on disposal of property, plant and equipment	(220)	(188)
Interest Expense	338	444
Interest income	(3)	(23)
Share on profit after tax of an equity accounted associate	(229)	(266)
Allowance for diminution	-	-
Tax penalty	-	-
Operating profit before changes in working capital	2,203	2,727
Changes in working capital:		
Inventories	(365)	(5,516)
Trade and other receivables	536	724
Trade and other payables	550	5,619
Cash generated from operations	2,924	3,554
Dividend received from associate	165	-
Income tax paid	(315)	(348)
<b>Net cash from operating activities</b>	2,774	3,206
<b>Cash flows from investing activities</b>		
- Purchase of property, plant and equipment	(178)	(332)
- Proceeds from disposal of property, plant and equipment	420	213
- Interest received	3	23
<b>Net cash used in investing activities</b>	245	(96)
<b>Cash flows from financing activity</b>		
-Borrowings , net	(3,678)	(4,912)
<b>Net cash used in financing activity</b>	(3,678)	(4,912)
Net decrease in cash and cash equivalents	(659)	(1,802)
Cash and cash equivalents at 1 July	(215)	2,511
<b>Cash and cash equivalents at 31 Dec</b>	(874)	709
Note :		
<u>Purchase of property, plant and equipment</u>		
Additions of property, plant and equipment	526	982
Less: Hire purchase obligations	(348)	(650)
	178	332
<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	1,044	3,227
Overdrafts	(1,918)	(2,518)
	(874)	709

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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 *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 31 December 2013.

6. Dividends

No dividends have been recommended or paid for the current quarter ended 31 December 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 31 December 2013.

10. Changes in contingent liabilities and assets

There were no contingent liabilities and assets for the Group as at 20 February 2014 (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 31 December 2013 increased by 1.72% or RM0.216 million as compared to the corresponding quarter in 2012. The increase in revenue was mainly due to increase in sales of parts & accessories and steel door products.

Group profit before taxation of RM0.084 million reduced by 87.70% as compared to corresponding quarter in the previous year mainly due to reduced in other operating income and higher cost of sales.

12. Variation of results against preceding quarter

Group revenue increased from RM12.296 million to RM12.762 million as compared to the immediate preceding quarter. Group profit before taxation of RM0.084 million as compared to Group loss before taxation of RM0.493 million in the immediate preceding quarter was mainly due to increased in revenue and reduced in direct labour charges.

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

	<b>3 months ended 31 December 2013</b>	<b>6 months ended 31 December 2013</b>
	<b>RM'000</b>	
Depreciation and amortisation	1,348	2,725
Loss on foreign exchange		
- realised	111	18
- unrealised	36	(18)
Impairment loss on trade receivables	20	20
Gain on disposal of property, plant and equipment	(220)	(220)

16. Income tax expense

	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense				
Current	80	90	153	165
Prior	33	17	33	17
Deferred tax expense				
Current	-		-	-
Prior	-		-	-
	<u>113</u>	<u>107</u>	<u>186</u>	<u>182</u>

The disproportionate tax charge for the year ended 31 December 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

	<b>31 December 2013</b>
	<b>RM'000</b>
Current	
Secured	1,600
Unsecured	9,001
	<hr/>
	10,601
	<hr/>
Non-current	
Secured	2,071
	<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 February 2014 (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 31 December 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:

	<b>As at 31 December 2013 RM'000</b>	<b>As at 30 September 2013 RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	41,886	42,108
- Unrealised	1,250	1,250
Total share of retained earnings from an associate		
- Realised	1,791	1,523
- Unrealised	6	6
	<hr/> 44,933	<hr/> 44,887
Less : Consolidation adjustments	(10,252)	(10,173)
	<hr/>	<hr/>
Total Group retained earnings as per consolidated accounts	<u>34,681</u>	<u>34,714</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: 27<sup>th</sup> February 2014