

SKB SHUTTERS CORPORATION BERHAD**(Company No. 430362 - U)****(Incorporated in Malaysia)****AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPT 2014**

	(Unaudited) 30 Sept 2014 RM'000	(Audited) 30 June 2014 RM'000
Assets		
Property, plant and equipment	36,908	37,683
Investment properties	1,452	1,454
Prepaid lease payments	5,681	5,766
Total non-current assets	<u>44,041</u>	<u>44,903</u>
Inventories	27,350	27,565
Trade and other receivables	21,415	21,718
Current tax assets	903	692
Cash and cash equivalents	10,540	6,066
Assets classified as held for sale	-	1,900
Total current assets	<u>60,208</u>	<u>57,941</u>
Total assets	<u><u>104,249</u></u>	<u><u>102,844</u></u>
Equity		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	(13)	9
Retained earnings	36,273	35,048
Total equity attributable to owners of the Company	<u>77,758</u>	<u>76,555</u>
Loans and borrowings	1,703	1,974
Deferred tax liabilities	1,470	1,470
Total non-current liabilities	<u>3,173</u>	<u>3,444</u>
Loans and borrowings	13,330	11,279
Trade and other payables	9,988	11,564
Current tax liabilities	-	2
Total current liabilities	<u>23,318</u>	<u>22,845</u>
Total equity and liabilities	<u><u>104,249</u></u>	<u><u>102,844</u></u>
Net assets per share (RM)	<u>1.94</u>	<u>1.91</u>

The notes set out on pages 5 to 10 form an integral part of these condensed interim financial statements.

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 2014**

	3 months ended		3 months ended	
	30 Sept 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Audited
Continuing operations				
Revenue	<u>13,518</u>	<u>12,296</u>	<u>13,518</u>	<u>12,296</u>
Result from operating activities	1,403	(461)	1,403	(461)
Interest income	38	2	38	2
Interest expense	(183)	(177)	(183)	(177)
Share of profit of associate	35	143	35	143
Profit/(Loss) before taxation	<u>1,293</u>	<u>(493)</u>	<u>1,293</u>	<u>(493)</u>
Tax expense	(68)	(68)	(68)	(68)
Profit/(Loss) for the period/ year representing comprehensive income/(expense) for the period/year attributable to owners of the Company	<u>1,225</u>	<u>(561)</u>	<u>1,225</u>	<u>(561)</u>
Basic earnings/(loss) per share (sen)	<u>3.06</u>	<u>(1.40)</u>	<u>3.06</u>	<u>(1.40)</u>

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these condensed interim financial statements.

SKB SHUTTERS CORPORATION BERHAD

(Company No. 430362 - U)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPT 2014 (UNAUDITED)**

	----- Non-distributable -----	----- Distributable -----			
	Share capital RM'000	Share premium RM'000	Reserves RM'000	Retained earnings RM'000	Total equity RM'000
At 1 July 2014	40,000	1,498	9	35,048	76,555
Other comprehensive expense for the year	-	-	(22)	-	(22)
Profit for the year	-	-	-	1,225	1,225
Comprehensive income for the year	-	-	(22)	1,225	1,203
At 30 Sept 2014	40,000	1,498	(13)	36,273	77,758

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

	----- Non-distributable -----	----- Distributable -----			
	Share capital RM'000	Share premium RM'000	Reserves RM'000	Retained earnings RM'000	Total equity 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

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these condensed interim financial statements.

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 2014**

	3 months ended 30 Sept	
	2014	2013
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Profit before tax from continuing operations	1,293	(493)
Adjustments for :		
Depreciation of property, plant & equipment	1,204	1,290
Depreciation of investment properties	2	3
Amortisation of prepaid lease payments	-	84
Gain on disposal of property, plant and equipment	(995)	-
Interest expense	183	178
Interest income	(38)	(2)
Share on profit after tax of an equity accounted associate	(35)	(143)
Operating profit before changes in working capital	1,614	917
Changes in working capital:		
Inventories	214	(1,808)
Trade and other receivables	(778)	1,086
Trade and other payables	(515)	2,351
Cash generated from operations	535	2,546
Dividend received from an associate	-	-
Income tax paid	(280)	(31)
Net cash from operating activities	255	2,515
Cash flows from investing activities		
Purchase of property, plant and equipment	(344)	(140)
Proceeds from disposal of property, plant and equipment	995	-
- Proceeds from disposal of investment properties	1,935	-
Interest received	38	2
Net cash from/(used in) investing activities	2,624	(138)
Cash flows from financing activity		
Borrowings , net	792	(2,114)
Net cash from/(used in) financing activity	792	(2,114)
Net increase in cash and cash equivalents	3,671	263
Cash and cash equivalents at 1 July	3,302	(215)
Cash and cash equivalents at 30 June	6,973	48
Note :		
<u>Purchase of property, plant and equipment</u>		
Additions of property, plant and equipment	344	488
Less: Hire purchase obligations	-	(348)
	344	140
<u>Cash and cash equivalents</u>		
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following :		
Cash and bank balances	10,540	1,894
Overdrafts	(3,567)	(1,846)
	6,973	48

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SKB SHUTTERS CORPORATION BERHAD
(Company No.430362-U)
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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 2014.

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 quarter ended 30 September 2014.

6. Dividends

No dividends have been recommended or paid for the current quarter ended 30 September 2014.

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 2014.

10. Changes in contingent liabilities and assets

There were no contingent liabilities and assets for the Group as at 20 November 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 30 September 2014 increased by 9.94% or RM1.222 million as compared to the corresponding quarter in 2013. The increase in revenue was mainly due to increase in sales of racking, and steel door products.

Group profit before tax of RM1.293 million increased by 362.03% as compared to corresponding quarter in the previous year mainly due to increase in revenue and other operating income.

12. Variation of results against preceding quarter

Group revenue increased from RM17.162 million to RM13.518 million as compared to the immediate preceding quarter. Group profit before tax of RM1.293 million as compared to Group profit before tax of RM0.261 million in the immediate preceding quarter was mainly due to increase in other operating income.

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. Profit/(Loss) before taxation

	3 months ended 30 September 2014 RM'000
Profit/(Loss) before tax is arrived at :	
Depreciation and amortisation	1,206
Impairment loss on trade receivables	(20)
Loss on foreign exchange	
- realised	30
- unrealised	(50)
Gain on disposal of property, plant and equipment	-
	<u> -</u>

16. Tax expense

	3 months ended 30 September	
	2014	2013
	RM'000	RM'000
Current tax expense		
Current	68	68
Prior	-	-
Deferred tax expense		
Current	-	-
Prior	-	-
	<u> 68</u>	<u> 68</u>

The disproportionate tax charge for the year ended 30 September 2014 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 2014 RM'000
Current	
Secured	1,415
Unsecured	11,915
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	13,330
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Non-current	
Secured	1,703
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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 20 November 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/(loss) per share

The calculation of basic earnings/(loss) per share for the quarter/year end is based on the net profit/(loss) 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 September 2014 RM'000
Property, plant and equipment	
Contracted but not provided	347
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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 2014 RM'000	As at 30 June 2014 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	50,082	39,995
- Unrealised	1,470	8,780
Total share of retained earnings from an associate		
- Realised	-	1,546
- Unrealised	-	6
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	51,552	50,327
Less : Consolidation adjustments	(15,279)	(15,279)
	<hr/>	<hr/>
Total Group retained earnings as per consolidated accounts	<u>36,273</u>	<u>35,048</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 2014