

SKB SHUTTERS CORPORATION BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	(Unaudited) 30 September 2015 RM'000	(Audited) 30 June 2015 RM'000
Assets		
Property, plant and equipment	36,369	37,259
Investment properties	1,445	1,447
Prepaid lease payments	5,344	5,428
Total non-current assets	<u>43,158</u>	<u>44,134</u>
Inventories	28,501	26,116
Current tax assets	605	497
Trade and other receivables	29,066	19,162
Cash and cash equivalents	2,798	13,735
Total current assets	<u>60,970</u>	<u>59,510</u>
Total assets	<u><u>104,128</u></u>	<u><u>103,644</u></u>
Equity		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	(172)	(65)
Retained earnings	34,540	34,533
Total equity attributable to owners of the Company	<u>75,866</u>	<u>75,966</u>
Loans and borrowings	1,824	1,973
Deferred tax liabilities	1,311	1,311
Total non-current liabilities	<u>3,135</u>	<u>3,284</u>
Loans and borrowings	12,102	12,219
Current tax liabilities	4	-
Trade and other payables	13,021	12,175
Total current liabilities	<u>25,127</u>	<u>24,394</u>
Total equity and liabilities	<u><u>104,128</u></u>	<u><u>103,644</u></u>
Net assets per share (RM)	<u>1.90</u>	<u>1.90</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)

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	3 months ended		3 months ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Continuing operations				
Revenue	12,699	13,518	12,699	13,518
Result from operating activities	412	1,403	412	1,403
Interest income	23	38	23	38
Interest expense	(187)	(183)	(187)	(183)
Share of profit of an associate	-	35	-	35
Profit before taxation	248	1,293	248	1,293
Tax expense	(241)	(68)	(241)	(68)
Profit for the period/year representing comprehensive (expense)/income for the period/year attributable to owners of the Company	<u>7</u>	<u>1,225</u>	<u>7</u>	<u>1,225</u>
Basic (loss)/earning per share (sen)	<u>0.02</u>	<u>3.06</u>	<u>0.02</u>	<u>3.06</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (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 2015	40,000	1,498	(65)	34,533	75,966
Other comprehensive expense for the year	-	-	(107)	-	(107)
Profit for the year	-	-	-	7	7
Comprehensive expense for the year	-	-	(107)	7	(100)
At 30 September 2015	40,000	1,498	(172)	34,540	75,866

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (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 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 September 2014	40,000	1,498	(13)	36,273	77,758

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these condensed interim financial statements.

SKB SHUTTERS CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	3 months ended 30 September	
	2015	2014
	RM'000 (Unaudited)	RM'000 (Unaudited)
Profit before tax from continuing operations	248	1,293
Adjustments for :		
Depreciation of property, plant & equipment	1,210	1,204
Depreciation of investment properties	2	2
Gain on disposal of plant and equipment	(19)	-
Gain on disposal of investment in an associate	-	(995)
Interest expense	187	183
Interest income	(23)	(38)
Share on profit after tax of an equity accounted associate	-	(35)
Operating profit before changes in working capital	1,605	1,614
Changes in working capital:		
Inventories	(2,385)	214
Trade and other receivables	(12,557)	(778)
Trade and other payables	3,392	(515)
Cash generated from operations	(9,945)	535
Dividend received from an associate	-	-
Income tax paid	(346)	(280)
Net cash from operating activities	(10,291)	255
Cash flows from investing activities		
Purchase of plant and equipment	(91)	(344)
Proceeds from disposal of plant and equipment	19	995
Proceeds from disposal of investment property	-	1,935
Interest received	23	38
Net cash used in/(from) investing activities	(49)	2,624
Cash flows from financing activity		
Borrowings , net	(389)	975
Interest paid	(187)	(183)
Net cash used in financing activities	(576)	792
Net increase/(decrease) in cash and cash equivalents	(10,916)	3,671
Cash and cash equivalents at 1 July	10,977	3,302
Cash and cash equivalents at 30 September	61	6,973
Note :		
<u>Purchase of property, plant and equipment</u>		
Purchase of plant and equipment	235	344
Less: Acquired through finance lease	(144)	-
	91	344
<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	2,798	10,540
Bank Overdrafts	(2,737)	(3,567)
	61	6,973

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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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) 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 2015.

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 2015.

3. Seasonality or cyclicity 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 2015.

6. Dividend

No dividend has been recommended or paid for the current quarter ended 30 September 2015.

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 quarter under review.

10. Changes in contingent liabilities and assets

There were no contingent liabilities and assets for the Group as at 20 November 2015 (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 2015 reduced by 6.06% or RM0.819 million as compared to the corresponding quarter in 2014. The reduced revenue was mainly due to reduce in sales of racking products.

Group profit before tax of RM0.248 million reduced by 80.80% as compared to corresponding quarter in the previous year mainly due to reduce in revenue and reduce in sales of investment.

12. Variation of results against preceding quarter

Group revenue increased from RM8.243 million to RM12.699 million as compared to the immediate preceding quarter. Group profit before tax of RM0.248 million as compared to Group loss before tax of RM1.636 million in the immediate preceding quarter was mainly due to increase in revenue.

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 2015 RM'000
Profit/(Loss) before tax is arrived at :	
Depreciation and amortisation	1,212
Impairment loss on trade receivables	21
Gain/(Loss) on foreign exchange	
- realised	4
- unrealised	26
Gain on disposal of property, plant and equipment	19
Interest income	23

16. Tax expense

	3 months ended 30 September	
	2015 RM'000	2014 RM'000
Current tax expense		
Current	241	68
Prior	-	-
	241	68
Deferred tax expense		
Current	-	-
Prior	-	-
	-	-
	241	68

The disproportionate tax charge for the quarter ended 30 September 2015 is mainly due to certain non-deductible expenses and reversal.

17. Unquoted investments and properties

There were no disposals of unquoted investments and 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 2015 RM'000
Current	
Secured	1,346
Unsecured	10,756
	<u>12,102</u>
Non-current	
Secured	<u>1,824</u>

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 2015 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

22. Basic (loss)/earnings per share

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

23. Related parties

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

24. Authorisation for issue

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

25. Retained earnings

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

	(Unaudited) As at 30 Sept 2015 RM'000	(Audited) As at 30 June 2015 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	39,428	39,216
- Unrealised	8,950	9,155
Total share of retained earnings from an associate		
- Realised	-	-
- Unrealised	-	-
	<hr/>	<hr/>
	48,379	48,371
Less : Consolidation adjustments	(13,838)	(13,838)
	<hr/>	<hr/>
Total Group retained earnings as per consolidated accounts	<u>34,540</u>	<u>34,533</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.

BY ORDER OF THE BOARD

Sin Kheng Lee
Executive Chairman and Group Managing Director
Dated: 27th November 2015