

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2016**

	(Unaudited) 31 March 2016 RM'000	(Audited) 30 June 2015 RM'000
<b>Assets</b>		
Property, plant and equipment	35,190	37,259
Investment properties	1,442	1,447
Prepaid lease payments	5,175	5,428
<b>Total non-current assets</b>	<u>41,807</u>	<u>44,134</u>
Inventories	29,880	26,116
Current tax assets	741	497
Trade and other receivables	27,489	19,162
Cash and cash equivalents	5,110	13,735
Assets classified as held for sale	-	-
<b>Total current assets</b>	<u>63,220</u>	<u>59,510</u>
<b>Total assets</b>	<u>105,027</u>	<u>103,644</u>
<b>Equity</b>		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	(101)	(65)
Retained earnings	34,028	34,533
<b>Total equity attributable to owners of the Company</b>	<u>75,425</u>	<u>75,966</u>
Loans and borrowings	1,659	1,973
Deferred tax liabilities	1,311	1,311
<b>Total non-current liabilities</b>	<u>2,970</u>	<u>3,284</u>
Loans and borrowings	13,351	12,219
Current tax liabilities	8	-
Trade and other payables	13,273	12,175
<b>Total current liabilities</b>	<u>26,632</u>	<u>24,394</u>
<b>Total equity and liabilities</b>	<u>105,027</u>	<u>103,644</u>
<b>Net assets per share (RM)</b>	<u>1.89</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)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

	3 months ended		9 months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Continuing operations</b>				
Revenue	13,702	14,288	42,215	42,811
Result from operating activities	(679)	(140)	748	2,119
Interest income	22	64	60	166
Interest expense	(203)	(186)	(578)	(573)
Share of profit of an associate	-	-	-	-
<b>(Loss)/Profit before taxation</b>	<b>(860)</b>	<b>(262)</b>	<b>230</b>	<b>1,712</b>
Tax expense	(249)	(178)	(735)	(431)
(Loss)/Profit for the period/year representing comprehensive (expense)/income for the period/year attributable to owners of the Company	<b>(1,109)</b>	<b>(440)</b>	<b>(505)</b>	<b>1,281</b>
Basic (loss)/earning per share (sen)	(2.77)	(1.10)	(1.26)	3.20

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016 (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	-	-	(36)	-	(36)
Loss for the year	-	-	-	(505)	(505)
Comprehensive expense for the year	-	-	(36)	(505)	(541)
At 31 March 2016	40,000	1,498	(101)	34,028	75,425

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 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 2014	40,000	1,498	9	35,048	76,555
Other comprehensive expense for the year	-	-	(40)	-	(40)
Profit for the year	-	-	-	1,281	1,281
Comprehensive income for the year	-	-	(40)	1,281	1,241
At 31 March 2015	40,000	1,498	(31)	36,329	77,796

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**SKB SHUTTERS CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	9 months ended 31 March	
	2016 RM'000 (Unaudited)	2015 RM'000 (Unaudited)
<b>Profit before tax from continuing operations</b>	230	1,712
Adjustments for :		
Depreciation of property, plant & equipment	3,330	3,639
Depreciation of investment properties	5	5
Amortisation of prepaid lease payments	253	-
Gain on disposal of plant and equipment	(97)	(75)
Gain on disposal of investment in an associate	-	-
Loss on disposal of investment property	-	-
Plant and equipment written off	-	-
Interest expense	578	573
Interest income	(60)	(167)
Share on profit after tax of an equity accounted associate	-	(35)
Operating profit before changes in working capital	4,239	5,652
Changes in working capital:		
Inventories	(3,764)	2,153
Trade and other receivables	(10,980)	214
Trade and other payables	3,716	497
Cash generated from operations	(6,789)	8,516
Dividend received from an associate	-	-
Income tax paid	(972)	(749)
<b>Net cash (used in)/from operating activities</b>	(7,761)	7,767
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(397)	(1,941)
Proceeds from disposal of plant and equipment	97	138
Proceeds from disposal of investment property	-	1,935
Proceeds from disposal of investment in an associate	-	-
Interest received	60	167
<b>Net cash (used in)/from investing activities</b>	(240)	299
<b>Cash flows from financing activity</b>		
Borrowings , net	111	(1,330)
Interest paid	(578)	-
<b>Net cash used in financing activities</b>	(467)	(1,330)
Net increase/(decrease) in cash and cash equivalents	(8,468)	6,736
Cash and cash equivalents at 1 July	10,977	3,302
<b>Cash and cash equivalents at 31 March</b>	2,509	10,038
Note :		
<u>Purchase of property, plant and equipment</u>		
Purchase of plant and equipment	1,260	3,291
Less: Acquired through finance lease	(863)	(1,349)
	397	1,942
<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	5,110	12,549
Bank Overdrafts	(2,601)	(2,511)
	2,509	10,038

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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 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 31 March 2016.

6. Dividend

No dividend has been recommended or paid for the current quarter ended 31 March 2016.

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 23 May 2016 (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 March 2016 reduced by 4.10% or RM0.586 million as compared to the corresponding quarter in 2015. The reduced revenue was mainly due to reduce in sales of steel doors and racking products.

Group loss before tax of RM0.860 million increased by 227.92% as compared to corresponding quarter in the previous year mainly due to reduce in revenue and increase in cost of sales.

12. Variation of results against preceding quarter

Group revenue reduced from RM15.814 million to RM13.702 million as compared to the immediate preceding quarter. Group loss before tax of RM0.860 million as compared to Group profit before tax of RM0.842 million in the immediate preceding quarter was mainly due to reduce 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

	<b>3 months ended 31 March 2016</b>	<b>9 months ended 31 March 2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) before tax is arrived at :		
Depreciation and amortisation	1,169	3,587
Impairment loss on trade receivables	(21)	11
Gain/(Loss) on foreign exchange		
- realised	(73)	(263)
- unrealised	(83)	( 49)
Gain on disposal of property, plant and equipment	78	97
Interest income	22	60

16. Tax expense

	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>2016 RM'000</b>	<b>2015 RM'000</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
Current tax expense				
Current	249	167	735	350
Prior	-	11	-	81
	249	178	735	431
Deferred tax expense				
Current	-	-	-	-
Prior	-	-	-	-
	-	-	-	-
	249	178	735	431

The disproportionate tax charge for the quarter ended 31 March 2016 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

	<b>31 March 2016</b> <b>RM'000</b>
Current	
Secured	1,464
Unsecured	11,887
	<hr/>
	13,351
	<hr/>
Non-current	
Secured	1,659
	<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 23 May 2016 (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. 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. Capital commitments

	<b>31 March 2016</b> <b>RM'000</b>
Property, plant and equipment	
Contracted but not provided	43,924

26. Retained earnings

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

	<b>(Unaudited)</b> <b>As at</b> <b>31 March</b> <b>2016</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>As at</b> <b>31 March</b> <b>2015</b> <b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	38,841	50,138
- Unrealised	9,025	1,470
Total share of retained earnings from an associate		
- Realised	-	-
- Unrealised	-	-
	<hr/> 47,866	<hr/> 51,608
Less : Consolidation adjustments	(13,838)	(15,279)
	<hr/> 34,028	<hr/> 36,329

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: 30<sup>th</sup> May 2016