

**SKB SHUTTERS CORPORATION BERHAD****(Company No. 430362 - U)****(Incorporated in Malaysia)****AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2016**

	<b>(Unaudited)</b> <b>30 June 2016</b> <b>RM'000</b>	<b>(Audited)</b> <b>30 June 2015</b> <b>RM'000</b>
<b>Assets</b>		
Property, plant and equipment	36,178	37,259
Investment properties	1,440	1,447
Prepaid lease payments	5,091	5,428
<b>Total non-current assets</b>	<u>42,709</u>	<u>44,134</u>
Inventories	32,038	26,116
Current tax assets	720	497
Trade and other receivables	25,557	19,162
Cash and cash equivalents	6,057	13,735
<b>Total current assets</b>	<u>64,372</u>	<u>59,510</u>
<b>Total assets</b>	<u><u>107,081</u></u>	<u><u>103,644</u></u>
<b>Equity</b>		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	(135)	(65)
Retained earnings	34,110	34,533
<b>Total equity attributable to owners of the Company</b>	<u>75,473</u>	<u>75,966</u>
<b>Liabilities</b>		
Loans and borrowings	1,545	1,973
Deferred tax liabilities	983	1,311
<b>Total non-current liabilities</b>	<u>2,528</u>	<u>3,284</u>
Loans and borrowings	17,252	12,219
Current tax payable	3	-
Trade and other payables	11,825	12,175
<b>Total current liabilities</b>	<u>29,080</u>	<u>24,394</u>
<b>Total liabilities</b>	<u>31,608</u>	<u>27,678</u>
<b>Total equity and liabilities</b>	<u><u>107,081</u></u>	<u><u>103,644</u></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 30 JUNE 2016**

	3 months ended		12 months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Audited
<b>Continuing operations</b>				
Revenue	<u>13,558</u>	<u>8,243</u>	<u>55,773</u>	<u>51,156</u>
Result from operating activities	96	(1,528)	844	591
Interest income	23	84	83	250
Interest expense	(219)	(192)	(797)	(765)
<b>(Loss)/Profit before taxation</b>	<u>(100)</u>	<u>(1,636)</u>	<u>130</u>	<u>76</u>
Tax expense	182	(160)	(553)	(591)
Profit/(Loss) for the period/year representing comprehensive income/(expense) for the period/year attributable to owners of the Company	<u>82</u>	<u>(1,796)</u>	<u>(423)</u>	<u>(515)</u>
Basic earnings/(loss) per share (sen)	<u>0.21</u>	<u>(4.49)</u>	<u>(1.06)</u>	<u>(1.29)</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 CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 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	-	-	(70)	-	(70)
Loss for the year	-	-	-	(423)	(423)
Comprehensive expense for the year	-	-	(70)	(423)	(493)
At 30 June 2016	40,000	1,498	(135)	34,110	75,473

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015 (AUDITED)**

	----- 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	-	-	(74)	-	(74)
Loss for the year	-	-	-	(515)	(515)
Comprehensive expense for the year	-	-	(74)	(515)	(589)
At 30 June 2015	40,000	1,498	(65)	34,533	75,966

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 CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	12 months ended 30 June	
	2016	2015
	RM'000	RM'000
	(Unaudited)	(Unaudited)
<b>Profit before tax from continuing operations</b>	130	76
Adjustments for :		
Depreciation of property, plant & equipment	4,388	4,511
Depreciation of investment properties	7	7
Amortisation of prepaid lease payments	337	337
Gain on disposal of plant and equipment	(97)	(120)
Gain on disposal of investment in an associate	-	(1,030)
Plant and equipment written off	6	63
Interest expense	797	765
Interest income	(83)	(250)
Operating profit before changes in working capital	5,485	4,359
Changes in working capital:		
Inventories	(5,922)	1,449
Trade and other receivables	(6,462)	4,126
Trade and other payables	(350)	(1,032)
Cash generated (used in)/from operations	(7,249)	8,902
Tax paid	(1,104)	(556)
<b>Net cash (used in)/from operating activities</b>	(8,353)	8,346
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(2,180)	(2,505)
Proceeds from disposal of plant and equipment	97	120
Proceeds from disposal of investment in an associate	-	2,930
Interest received	83	250
<b>Net cash (used in)/from investing activities</b>	(2,000)	795
<b>Cash flows from financing activities</b>		
Borrowings, net	2,661	(701)
Interest paid	(797)	(765)
<b>Net cash from/(used in) financing activities</b>	1,864	(1,466)
Net (decrease)/increase in cash and cash equivalents	(8,489)	7,675
Cash and cash equivalents at 1 July	10,978	3,303
<b>Cash and cash equivalents at 30 June</b>	2,489	10,978
Note :		
<u>Purchase of property, plant and equipment</u>		
Purchase of plant and equipment	3,313	4,150
Less: Acquired through finance lease	(1,133)	(1,645)
	2,180	2,505
<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	6,057	13,735
Bank overdrafts	(3,568)	(2,757)
	2,489	10,978

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

**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 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 nature 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/year ended 30 June 2016.

6. Dividend

No dividend has been recommended or paid for the current quarter ended 30 June 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/year under review other than the following: -

SKB Trading Sdn. Bhd. ("SKBT"), a wholly-owned subsidiary of the Company was placed under the member's voluntary winding up on 1 April 2016. SKBT was incorporated in Malaysia on 22 April 1992 with an authorised share capital of RM25,000 comprising 25,000 ordinary shares of RM1 each whilst its issued and paid-up share capital of RM2 comprised 2 ordinary shares of RM1 each. SKBT has fixed its final meeting on 9 September 2016 to conclude the winding up proceedings. SKBT shall be dissolved three months from the date of lodgement of statutory return to the Registrar of Companies.

## 10. Changes in contingent liabilities and assets

There were no contingent liabilities and assets for the Group as at 22 August 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 30 June 2016 increased by 64.48% or RM5.315 million as compared to the corresponding quarter in 2015. The increased revenue was mainly due to increase in sales of shutters products.

Group loss before tax of RM0.100 million reduced by 93.88% as compared to corresponding quarter in the previous year mainly due to increase in revenue.

## 12. Variation of results against preceding quarter

Group revenue reduced from RM13.702 million to RM13.558 million as compared to the immediate preceding quarter. Group loss before tax of RM0.100 million as compared to Group loss before tax of RM0.860 million in the immediate preceding quarter was mainly due to reduced cost of sale.

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 30 June 2016</b>	<b>12 months ended 30 June 2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<hr/>		
(Loss)/Profit before tax is arrived at :		
Depreciation and amortisation	1,146	4,732
Impairment Gain on trade receivables	15	3
Loss on foreign exchange		
- realised	81	343
- unrealised	36	85
Gain on disposal of plant and equipment	-	97
Interest income	24	83
	<hr/> <hr/>	<hr/> <hr/>

16. Tax expense

	<b>3 months ended 30 June</b>		<b>12 months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<hr/>				
Current tax expense				
Current	225	319	960	669
Prior	(79)	-	(79)	81
	146	319	881	750
Deferred tax expense				
Current	(223)	(241)	(223)	(241)
Prior	(105)	82	(105)	82
	(328)	(159)	(328)	(159)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	(182)	160	553	591

The disproportionate tax charge for the quarter ended 30 June 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>30 June 2016</b> <b>RM'000</b>
Current	
Secured	1,456
Unsecured	15,796
	<hr/> <hr/> 17,252
Non-current	
Secured	<hr/> <hr/> 1,545

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 22 August 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

**30 June 2016**  
**RM'000**

Property, plant and equipment	
Contracted but not provided	43,924

---

26. Subsequent events

Subject to Section 2.3.2 of the Company's Circular to Shareholders dated 18 May 2016 in relation to the acquisition of all that piece of ninety-nine (99) years leasehold industrial land (which will be expiring on 18 October 2106) measuring 48,637 square meter held under HS(D) 241036, No. PT 9925, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor and bearing postal address No. 22, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan by SKB Shutters Manufacturing Sdn Bhd ("SKBM") from Perbadanan Kemajuan Negeri Selangor ("PKNS") for a total purchase consideration of Ringgit Malaysia Fifty Four Millions Nine Hundred Five Thousand And Two Hundred (RM54,905,200.00) only, SKBM had on 12 August 2016, paid the balance Purchase Price plus the Goods and Services Tax of RM43,924,160.00 and RM3,294,312.00 respectively to PKNS. The title has been registered in the name of SKBM on 19 July 2016. Nevertheless, as of to-date, the completion of the SPA is still subject to the fulfilment of all conditions therein.

27. Retained earnings

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

	<b>(Unaudited)</b> <b>As at</b> <b>30 June 2016</b> <b>RM'000</b>	<b>(Audited)</b> <b>As at</b> <b>30 June 2015</b> <b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	38,433	39,269
- Unrealised	9,515	9,102
	47,948	48,371
Less : Consolidation adjustments	(13,838)	(13,838)
Total Group retained earnings as per consolidated accounts	34,110	34,533

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: 29<sup>th</sup> August 2016