

**SKB SHUTTERS CORPORATION BERHAD**

(Company No. 430362 - U)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017**

	(Unaudited) 31 March 2017 RM'000	(Audited) 30 June 2016 RM'000
<b>Assets</b>		
Property, plant and equipment	36,782	36,178
Investment properties	1,434	1,440
Prepaid lease payments	61,154	5,091
<b>Total non-current assets</b>	<u>99,370</u>	<u>42,709</u>
Inventories	38,040	31,788
Current tax assets	1,129	720
Trade and other receivables	17,443	29,576
Cash and cash equivalents	6,569	6,222
<b>Total current assets</b>	<u>63,181</u>	<u>68,306</u>
<b>Total assets</b>	<u><u>162,551</u></u>	<u><u>111,015</u></u>
<b>Equity</b>		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	(219)	(134)
Retained earnings	36,714	34,109
<b>Total equity attributable to owners of the Company</b>	<u>77,993</u>	<u>75,473</u>
<b>Liabilities</b>		
Loans and borrowings	42,527	1,545
Deferred tax liabilities	983	983
<b>Total non-current liabilities</b>	<u>43,510</u>	<u>2,528</u>
Loans and borrowings	25,382	16,556
Current tax liabilities	4	3
Trade and other payables	15,662	16,455
<b>Total current liabilities</b>	<u>41,048</u>	<u>33,014</u>
<b>Total liabilities</b>	84,558	35,542
<b>Total equity and liabilities</b>	<u><u>162,551</u></u>	<u><u>111,015</u></u>
<b>Net assets per share (RM)</b>	<u><u>1.95</u></u>	<u><u>1.89</u></u>

The notes set out on pages 5 to 9 form an integral part of these condensed interim financial statements.

**SKB SHUTTERS CORPORATION BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

	3 months ended		9 months ended	
	31 March 2017 RM'000 Unaudited	31 March 2016 RM'000 Unaudited	31 March 2017 RM'000 Unaudited	31 March 2016 RM'000 Unaudited
<b>Continuing operations</b>				
Revenue	15,480	13,702	49,663	42,215
Result from operating activities	2,033	(679)	5,412	748
Interest income	35	22	74	60
Interest expense	(800)	(203)	(2,135)	(578)
<b>Profit/(loss) before taxation</b>	<b>1,268</b>	<b>(860)</b>	<b>3,351</b>	<b>230</b>
Tax expense	(260)	(249)	(746)	(735)
Profit/(loss) for the period representing comprehensive income for the period attributable to owners of the Company	<b>1,008</b>	<b>(1,109)</b>	<b>2,605</b>	<b>(505)</b>
Basic earnings per share (sen)	2.52	(2.77)	6.51	(1.26)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017 (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 2016	40,000	1,498	(135)	34,109	75,472
Other comprehensive expense for the year	-	-	(84)	-	(84)
Profit for the year	-	-	-	2,605	2,605
Comprehensive income for the year	-	-	(84)	2,605	2,521
At 31 March 2017	40,000	1,498	(219)	36,714	77,993

**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)
Profit for the year	-	-	-	(505)	(505)
Comprehensive income for the year	-	-	(36)	(505)	(541)
At 31 March 2016	40,000	1,498	(101)	34,028	75,425

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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 31 MARCH 2017**

	<b>09 months ended 31 March</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit before tax from continuing operations</b>	3,351	230
Adjustments for :		
Depreciation of property, plant & equipment	2,651	3,330
Depreciation of investment properties	6	5
Amortisation of prepaid lease payments	-	253
Gain on disposal of plant and equipment	(47)	(97)
Gain on disposal of investment company	-	-
Interest expense	2,135	578
Interest income	(74)	(60)
Tax penalty	-	-
Operating profit before changes in working capital	8,022	4,239
Changes in working capital:		
Inventories	(6,252)	(3,764)
Trade and other receivables	8,114	(10,980)
Trade and other payables	4,001	3,716
Cash generated from/(used in) operations	13,885	(6,789)
Tax paid	(1,155)	(972)
<b>Net cash from/(used in) operating activities</b>	12,730	(7,761)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(57,838)	(397)
Proceeds from disposal of plant and equipment	205	97
Interest received	74	60
<b>Net cash (used in) investing activities</b>	(57,559)	(240)
<b>Cash flows from financing activities</b>		
Borrowings, net	43,889	111
Interest paid	(2,135)	(578)
<b>Net cash from financing activities</b>	41,754	(467)
Net (decrease) in cash and cash equivalents	(3,075)	(8,468)
Cash and cash equivalents at 1 July	2,485	10,977
<b>Cash and cash equivalents at 31 March</b>	(590)	2,509
Note :		
<u>Purchase of property, plant and equipment</u>		
Purchase of plant and equipment	59,476	1,260
Less: Acquired through finance lease	(1,638)	(863)
	57,838	397
<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	6,569	5,110
Bank overdrafts	(7,159)	(2,601)
	(590)	2,509

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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 2016.

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 2016.

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 ended 31 March 2017.

6. Dividend

No dividend has been recommended or paid for the current quarter ended 31 March 2017.

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 2017 (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 2017 increased by 12.98% or RM1.778 million as compared to the corresponding quarter in 2016. The increased revenue was mainly due to increase in sales of shutters and racking products.

Group profit before tax of RM1.268 million increased by 247.46% as compared to corresponding quarter in the previous year mainly due to increase in revenue and reduce in cost of sales.

12. Variation of results against preceding quarter

Group revenue reduced from RM19.423 million to RM15.480 million as compared to the immediate preceding quarter. Group profit before tax of RM1.268 million as compared to Group profit before tax of RM1.058 million in the immediate preceding quarter was mainly due to reduce in cost of sales.

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 before taxation

	<b>3 months ended 31 March 2017</b>	<b>9 months ended 31 March 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at :		
Depreciation and amortisation	856	2657
Impairment Gain/(loss) on trade receivables	(8)	(9)
Gain/(loss) on foreign exchange		
- realised	(151)	(284)
- unrealised	214	180
Gain/(Loss) on disposal of plant and equipment	42	47
Interest income	35	74

16. Tax expense

	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>
Current tax expense				
Current	248	249	734	735
Prior	12		12	
	260	249	746	735
Deferred tax expense				
Current	-	-	-	-
Prior	-	-	-	-
	-	-	-	-
	260	249	746	735

The disproportionate tax charge for the quarter ended 31 March 2017 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 2017</b> <b>RM'000</b>
Current	
Secured	4,988
Unsecured	20,394
	<hr/>
	25,382
	<hr/>
Non-current	
Secured	42,527
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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 23 May 2017 (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 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. 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 2017</b> <b>RM'000</b>
Property, plant and equipment	
Contracted but not provided	571
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## 26. Material post balance sheet events

There were no material events subsequent to the end of the period under review which have not been reflected in this interim financial report.

## 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>31 March</b> <b>2017</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>As at</b> <b>31 March</b> <b>2016</b> <b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	41,137	38,841
- Unrealised	9,124	9,025
	<hr/> 50,261	<hr/> 47,866
Less : Consolidation adjustments	(13,546)	(13,838)
	<hr/>	<hr/>
Total Group retained earnings as per consolidated accounts	<u>36,715</u>	<u>34,028</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: 30<sup>th</sup> May 2017