

SKB SHUTTERS CORPORATION BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	(Unaudited) 31 March 2018 RM'000	(Audited) 30 June 2017 RM'000
Assets		
Property, plant and equipment	96,503	98,359
Investment properties	1,427	1,433
Total non-current assets	<u>97,930</u>	<u>99,792</u>
Inventories	29,802	38,867
Current tax assets	549	922
Trade and other receivables	20,138	23,583
Cash and cash equivalents	6,701	11,425
Total current assets	<u>57,190</u>	<u>74,797</u>
Total assets	<u><u>155,120</u></u>	<u><u>174,589</u></u>
Equity		
Share capital	41,528	41,528
Reserves	(186)	(227)
Retained earnings	38,781	36,230
Total equity attributable to owners of the Company	<u>80,123</u>	<u>77,531</u>
Liabilities		
Loans and borrowings	42,936	44,449
Deferred tax liabilities	1,040	1,040
Total non-current liabilities	<u>43,976</u>	<u>45,489</u>
Loans and borrowings	15,404	19,904
Current tax liabilities	-	-
Trade and other payables	15,617	31,665
Total current liabilities	<u>31,021</u>	<u>51,569</u>
Total liabilities	<u>74,997</u>	<u>97,058</u>
Total equity and liabilities	<u><u>155,120</u></u>	<u><u>174,589</u></u>
Net assets per share (RM)	<u>2.00</u>	<u>1.94</u>

The notes set out on pages 6 to 11 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 PERIOD ENDED 31 MARCH 2018**

	3 months ended			9 months ended		
	31 March 2018 RM'000 Unaudited	31 March 2017 RM'000 Unaudited	Changes (%)	31 March 2018 RM'000 Unaudited	31 March 2017 RM'000 Audited	Changes (%)
Continuing operations						
Revenue	14,607	15,480	-6%	49,938	49,663	1%
Result from operating activities	1,068	2,033	-47%	5,620	5,412	4%
Interest income	21	35	-40%	68	74	-8%
Interest expense	(712)	(800)	-11%	(2,251)	(2,135)	5%
Profit before taxation	377	1,268	-70%	3,437	3,351	3%
Tax expense	(261)	(260)	1%	(886)	(746)	19%
Profit attributable to owners of the Company	116	1,008	-89%	2,551	2,605	-2%
Basic earnings per share (sen)	0.29	2.52		6.38	6.51	

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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 PERIOD ENDED 31 MARCH 2018**

	Current Quarter 31 March 2018 RM'000 Unaudited	Immediate Preceding Quarter 31 December 2017 RM'000 Unaudited	Changes (%)
Continuing operations			
Revenue	<u>14,607</u>	<u>17,269</u>	-15%
Result from operating activities	1,068	1,602	-33%
Interest income	21	19	9%
Interest expense	(712)	(766)	-7%
Profit before taxation	<u>377</u>	<u>855</u>	-56%
Tax expense	(261)	(357)	-27%
Profit attributable to owners of the Company	<u>116</u>	<u>498</u>	77%
Basic earnings per share (sen)	<u>0.29</u>	<u>1.25</u>	

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SKB SHUTTERS CORPORATION BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018 (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 2017	41,528	-	(227)	36,230	77,531
Other comprehensive income for the year	-	-	41	-	41
Profit for the year	-	-	-	2,551	2,551
Comprehensive income for the year	-	-	41	2,551	2,592
At 31 March 2018	41,528	-	(186)	38,781	80,123

**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

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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 CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2018**

	9 months ended 31 March	
	2018	2017
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Profit before tax from continuing operations	3,437	3,351
Adjustments for :		
Depreciation of property, plant & equipment	3,191	2,651
Depreciation of investment properties	6	6
Amortisation of prepaid lease payments	-	-
Gain on disposal of plant and equipment	(56)	(47)
Plant and equipment written off	-	-
Interest expense	2,251	2,135
Interest income	(68)	(74)
Operating profit before changes in working capital	8,761	8,022
Changes in working capital:		
Inventories	9,065	(6,252)
Trade and other receivables	(1,569)	8,114
Trade and other payables	(10,522)	4,001
Cash generated from operations	5,735	13,885
Tax paid	(513)	(1,155)
Net cash from operating activities	5,222	12,730
Cash flows from investing activities		
Purchase of plant and equipment	(711)	(57,838)
Proceeds from disposal of plant and equipment	56	205
Interest received	68	74
Net cash (used in) investing activities	(587)	(57,559)
Cash flows from financing activities		
Borrowings, net	(5,071)	43,889
Interest paid	(2,251)	(2,135)
Net cash from/(used in) financing activities	(7,322)	41,754
Net (decrease) in cash and cash equivalents	(2,687)	(3,075)
Cash and cash equivalents at 1 July	5,418	2,485
Cash and cash equivalents at 31 March	2,731	(590)

Note :

Purchase of property, plant and equipment

Purchase of plant and equipment	1,335	59,476
Less: Acquired through finance lease	(624)	(1,638)
	711	57,838

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following :

Cash and bank balances	6,701	6,569
Bank overdrafts	(3,970)	(7,159)
	2,731	(590)

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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 2017.

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 2017.

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 2018.

6. Dividend

No dividend has been recommended or paid for the current quarter ended 31 March 2018.

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 2018 (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 2018 reduced by 5.64% or RM0.873 million as compared to the corresponding quarter in 2017. The reduce in revenue was mainly due to reduce in sales of shutters products.

Group profit before tax of RM0.377 million reduced by 70.24% as compared to corresponding quarter in the previous year mainly due to reduce in revenue.

12. Variation of results against preceding quarter

Group revenue reduced from RM17.269 million to RM14.607 million as compared to the immediate preceding quarter. Group profit before tax of RM0.377 million as compared to Group profit before tax of RM0.855 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 before taxation

	3 months ended 31 March 2018	9 months ended 31 March 2018
	RM'000	RM'000
Profit before tax is arrived at :		
Depreciation and amortisation	1,000	3,198
Impairment loss/(gain) on trade receivables	(73)	33
Loss on foreign exchange		
- realised	111	(99)
- unrealised	(77)	(105)
Gain on disposal of plant and equipment	-	56
Interest income	21	68

16. Tax expense

	3 months ended 31 March		9 months ended 31 March	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current tax expense				
Current	261	248	886	734
Prior	-	12	-	12
	261	260	886	746
Deferred tax expense				
Current	-	-	-	-
Prior	-	-	-	-
	-	-	-	-
	261	260	886	746

The disproportionate tax charge for the quarter ended 31 March 2018 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

	31 March 2018
	RM'000
Current	
Secured	1,492
-Term loan	1,336
-Finance lease liabilities	
Unsecured	
-Bank overdrafts	3,970
-Bankers' acceptances	6,084
-Foreign currency loan("FCL")	522
-Revolving credit	2,000
	<hr/>
	15,404
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Non-current	
Secured	
-Term loan	41,256
-Finance lease liabilities	1,680
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	42,936
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The above borrowings are denominated in Ringgit Malaysia other than FCL which is denominated in United States Dollar.

21. Off balance sheet financial instruments

The Group did not have any financial instruments with off balance sheet risk as at 23 May 2018 (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

	31 March 2018 RM'000
Property, plant and equipment	
Contracted but not provided	1,076

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:

	(Unaudited) As at 31 March 2018 RM'000	(Unaudited) As at 31 March 2017 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	43,244	41,137
- Unrealised	9,351	9,124
	<hr/> 52,595	<hr/> 50,261
Less : Consolidation adjustments	(13,814)	(13,546)
Total Group retained earnings as per consolidated accounts	<hr/> <hr/> 38,781	<hr/> <hr/> 36,715

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: 30th May 2018