

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	(Unaudited) 30 June 2018 RM'000	(Audited) 30 June 2017 RM'000
Assets		
Property, plant and equipment	95,990	98,359
Investment properties	1,424	1,433
Total non-current assets	<u>97,414</u>	<u>99,792</u>
Inventories	30,822	38,867
Current tax assets	664	922
Trade and other receivables	19,859	23,583
Cash and cash equivalents	7,866	11,425
Total current assets	<u>59,211</u>	<u>74,797</u>
Total assets	<u><u>156,625</u></u>	<u><u>174,589</u></u>
Equity		
Share capital	41,498	41,498
Reserves	(159)	(197)
Retained earnings	38,205	36,230
Total equity attributable to owners of the Company	<u>79,544</u>	<u>77,531</u>
Liabilities		
Loans and borrowings	42,822	44,449
Deferred tax liabilities	1,307	1,040
Total non-current liabilities	<u>44,129</u>	<u>45,489</u>
Loans and borrowings	14,090	19,904
Trade and other payables	18,862	31,665
Total current liabilities	<u>32,952</u>	<u>51,569</u>
Total liabilities	<u>77,081</u>	<u>97,058</u>
Total equity and liabilities	<u><u>156,625</u></u>	<u><u>174,589</u></u>
Net assets per share (RM)	<u><u>1.99</u></u>	<u><u>1.94</u></u>

The notes set out on pages 6 to 10 form an integral part of
 these condensed interim financial statements.

SKB SHUTTERS CORPORATION BERHAD
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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	3 months ended			12 months ended		
	30 June 2018 RM'000 Unaudited	30 June 2017 RM'000 Unaudited	Changes (%)	30 June 2018 RM'000 Unaudited	30 June 2017 RM'000 Audited	Changes (%)
Continuing operations						
Revenue	14,341	19,410	-26%	64,279	69,099	-7%
Result from operating activities	609	712	-15%	6,229	6,124	2%
Interest income	15	32	-53%	83	106	-22%
Interest expense	(697)	(810)	-14%	(2,948)	(2,945)	0%
(Loss)/Profit before taxation	(73)	(66)	11%	3,364	3,285	2%
Tax expense	(503)	(419)	20%	(1,389)	(1,165)	19%
(Loss)/Profit attributable to owners of the Company	(576)	(485)	-19%	1,975	2,120	-7%
Basic (loss)/earnings per share (sen)	(1.44)	(1.21)		4.94	5.30	

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018**

	Current Quarter 30 June 2018 RM'000 Unaudited	Immediate Preceding Quarter 31 March 2018 RM'000 Unaudited	Changes (%)
Continuing operations			
Revenue	<u>14,341</u>	<u>14,607</u>	-2%
Result from operating activities	609	1,068	-43%
Interest income	15	21	-29%
Interest expense	(697)	(712)	-2%
(Loss)/Profit before taxation	<u>(73)</u>	<u>377</u>	-119%
Tax expense	(503)	(261)	92%
(Loss)/Profit attributable to owners of the Company	<u>(576)</u>	<u>116</u>	-599%
Basic (loss)/earnings per share (sen)	<u>(1.44)</u>	<u>0.29</u>	

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018 (UNAUDITED)**

	-----Non-distributable-----		Distributable	Total equity RM'000
	Share capital RM'000	Reserves RM'000	Retained earnings RM'000	
At 1 July 2017	41,498	(197)	36,230	77,531
Other comprehensive income for the year	-	38	-	38
Profit for the year	-	-	1,975	1,975
Comprehensive income for the year	-	38	1,975	2,013
At 30 June 2018	41,498	(159)	38,205	79,544

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017 (AUDITED)**

	-----Non-distributable-----		Reserves RM'000	Distributable	Total equity RM'000
	Share capital RM'000	Share premium RM'000		Retained earnings RM'000	
At 1 July 2016	40,000	1,498	(135)	34,110	75,473
Transfer in accordance with S618(2) of the Companies Act 2016	1,498	(1,498)			-
Other comprehensive expense for the year	-	-	(62)	-	(62)
Profit for the year	-	-	-	2,120	2,120
Comprehensive (expense)/income for the year	-	-	(62)	2,120	2,058
At 30 June 2017	41,498	-	(197)	36,230	77,531

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these condensed interim financial statements.

SKB SHUTTERS CORPORATION BERHAD

(Company No. 430362 - U)

(Incorporated in Malaysia)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	RM'000	RM'000
	(Unaudited)	(Audited)
Profit before tax from continuing operations	3,364	3,285
Adjustments for :		
Depreciation of property, plant & equipment	4,214	3,652
Depreciation of investment properties	9	6
Amortisation of prepaid lease payments	-	28
Gain on disposal of plant and equipment	(56)	(126)
Loss on disposal of a subsidiary	-	17
Interest expense	2,948	2,945
Interest income	(83)	(106)
Operating profit before changes in working capital	<u>10,396</u>	<u>9,701</u>
Changes in working capital:		
Inventories	8,045	(7,079)
Trade and other receivables	3,762	(4,983)
Trade and other payables	(12,803)	15,128
Cash generated from operations	<u>9,400</u>	<u>12,767</u>
Tax paid	(864)	(1,313)
Net cash from operating activities	<u>8,536</u>	<u>11,454</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(320)	(47,418)
Proceeds from disposal of plant and equipment	56	284
Interest received	83	106
Net cash used in investing activities	<u>(181)</u>	<u>(47,028)</u>
Cash flows from financing activities		
Drawdown of term loan	-	45,000
Repayment of term loan	(3,461)	(1,120)
Repayment of borrowings, net	(3,265)	(2,820)
Interest paid	(2,948)	(2,945)
Net cash (used in)/from financing activities	<u>(9,674)</u>	<u>38,115</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,319)</u>	<u>2,541</u>
Cash and cash equivalents at 1 July	5,887	3,346
Cash and cash equivalents at 30 June	<u><u>4,568</u></u>	<u><u>5,887</u></u>
Note :		
<u>Purchase of property, plant and equipment</u>		
Purchase of property, plant and equipment	1,845	60,928
Less: Acquired through finance lease	(1,525)	(2,529)
Deposit	-	(10,981)
	<u>320</u>	<u>47,418</u>
<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	7,866	11,425
Bank overdrafts	(3,298)	(5,538)
	<u>4,568</u>	<u>5,887</u>

The notes set out on pages 6 to 10 form an integral part of these condensed interim financial statement.

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 in Malaysia*. 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 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 June 2018.

6. Dividend

No dividend has been recommended or paid for the current quarter ended 30 June 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 21 August 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 30 June 2018 decreased by 26.12% or RM5.069 million as compared to the corresponding quarter in 2017. The decreased in revenue was mainly due to decrease in sales of shutters products.

Group loss before tax of RM0.073 million increased by 10.6% as compared to corresponding quarter in the previous year mainly due to decrease in revenue.

12. Variation of results against preceding quarter

Group revenue reduced from RM14.607 million to RM14.341 million as compared to the immediate preceding quarter. Group loss before tax of RM0.073 million as compared to Group profit before tax of RM0.377 million in the immediate preceding quarter was mainly due to increased manufacturing cost.

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 June 2018 RM'000	12 months ended 30 June 2018 RM'000
Profit/(Loss) before tax is arrived at :		
Depreciation and amortisation	1,026	4,223
Impairment loss on trade receivables	95	129
Gain/(Loss) on foreign exchange		
- realised	(69)	(169)
- unrealised	116	11
Gain on disposal of plant and equipment	-	56
Interest income	15	83

16. Tax expense

	3 months ended 30 June		12 months ended 30 June	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current tax expense				
Current	195	362	1,081	1,096
Prior	41	-	41	12
	236	362	1,122	1,108
Deferred tax expense				
Current	254	36	254	36
Prior	13	21	13	21
	267	57	267	57
	503	419	1,389	1,165

The disproportionate tax charge for the quarter ended 30 June 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

	30 June 2018
	RM'000
Current	
Secured	
-Term loan	1,509
-Finance lease liabilities	1,571
Unsecured	
-Bank overdrafts	3,298
-Bankers' acceptances	4,989
-Foreign currency loan("FCL")	723
-Revolving credit	2,000
	<hr/>
	14,090
	<hr/>
Non-current	
Secured	
-Term loan	40,870
-Finance lease liabilities	1,952
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	42,822
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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 21 August 2018 (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. Capital commitments

Property, plant and equipment
Contracted but not provided

30 June 2018
RM'000

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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.

BY ORDER OF THE BOARD

Sin Kheng Lee
Executive Chairman and Group Managing Director
Dated: 28th August 2018