

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

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

	(Unaudited) 31 December 2018 RM'000	(Audited) 30 June 2018 RM'000
<b>Assets</b>		
Property, plant and equipment	95,446	95,990
Investment properties	1,420	1,424
<b>Total non-current assets</b>	96,866	97,414
Inventories	32,802	30,822
Current tax assets	911	664
Trade and other receivables	25,407	20,691
Cash and cash equivalents	5,867	7,866
<b>Total current assets</b>	64,987	60,043
<b>Total assets</b>	161,853	157,457
<b>Equity</b>		
Share capital	41,498	41,498
Reserves	(179)	(159)
Retained earnings	40,755	38,205
<b>Total equity attributable to owners of the Company</b>	82,074	79,544
<b>Liabilities</b>		
Loans and borrowings	42,044	42,855
Deferred tax liabilities	1,307	1,307
<b>Total non-current liabilities</b>	43,351	44,162
Loans and borrowings	16,848	14,057
Current tax liabilities	-	-
Trade and other payables	19,580	19,694
<b>Total current liabilities</b>	36,428	33,751
<b>Total liabilities</b>	79,779	77,913
<b>Total equity and liabilities</b>	161,853	157,457
<b>Net assets per share (RM)</b>	2.05	1.99

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)

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	3 months ended			6 months ended		
	31 December 2018 RM'000 Unaudited	31 December 2017 RM'000 Unaudited	Changes (%)	31 December 2018 RM'000 Unaudited	31 December 2017 RM'000 Unaudited	Changes (%)
<b>Continuing operations</b>						
Revenue	20,839	17,269	21%	37,378	35,331	6%
Result from operating activities	3,077	1,602	92%	4,430	4,553	-3%
Interest income	24	19	28%	50	47	7%
Interest expense	(727)	(766)	-5%	(1,453)	(1,540)	-6%
<b>Profit before taxation</b>	<b>2,374</b>	<b>855</b>	178%	<b>3,027</b>	<b>3,060</b>	-1%
Tax expense	(237)	(357)	-34%	(477)	(625)	-24%
Profit attributable to owners of the Company	<b>2,137</b>	<b>498</b>	329%	<b>2,550</b>	<b>2,435</b>	5%
Basic earnings per share (sen)	5.34	1.25		6.37	6.09	

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	<b>Current Quarter 30 December 2018 RM'000 Unaudited</b>	<b>Immediate Preceding Quarter 30 September 2018 RM'000 Unaudited</b>	<b>Changes (%)</b>
<b>Continuing operations</b>			
Revenue	<u>20,839</u>	<u>16,539</u>	26%
Result from operating activities	3,077	1,353	127%
Interest income	24	26	-7%
Interest expense	(727)	(726)	0%
Profit before taxation	<u>2,374</u>	<u>653</u>	264%
Tax expense	(237)	(240)	-1%
Profit attributable to owners of the Company	<u>2,137</u>	<u>413</u>	417%
Basic earnings per share (sen)	<u>5.34</u>	<u>1.03</u>	

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 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 2018	41,498	-	(159)	38,205	79,544
Other comprehensive expense for the year	-	-	(20)	-	(20)
Profit for the year	-	-	-	2,550	2,550
Comprehensive (expense)/income for the year	-	-	(20)	2,550	2,530
At 31 December 2018	41,498	-	(179)	40,755	82,074

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 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 2017	41,528	-	(227)	36,230	77,531
Other comprehensive income for the year	-	-	22	-	22
Profit for the year	-	-	-	2,435	2,435
Comprehensive income for the year	-	-	22	2,435	2,457
At 31 December 2017	41,528	-	(205)	38,665	79,988

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**SKB SHUTTERS CORPORATION BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	<b>6 months ended 31 December</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Profit before tax from continuing operations</b>	3,027	3,060
Adjustments for :		
Depreciation of property, plant & equipment	1,709	2,193
Depreciation of investment properties	4	3
Amortisation of prepaid lease payments	346	-
Gain on disposal of plant and equipment	(85)	(56)
Interest expense	1,453	1,540
Interest income	(50)	(47)
Operating profit before changes in working capital	<u>6,404</u>	<u>6,693</u>
Changes in working capital:		
Inventories	(1,980)	6,118
Trade and other receivables	(5,548)	(2,251)
Trade and other payables	698	(10,635)
Cash generated used in operations	<u>(426)</u>	<u>(75)</u>
Tax paid	(723)	(384)
<b>Net cash used in operating activities</b>	<u>(1,149)</u>	<u>(459)</u>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(557)	(540)
Proceeds from disposal of plant and equipment	85	56
Interest received	50	47
<b>Net cash used in investing activities</b>	<u>(422)</u>	<u>(437)</u>
<b>Cash flows from financing activities</b>		
Drawdown of term loan	993	-
Repayment of term loan	(1,730)	-
Borrowings, net	2,712	(3,650)
Interest paid	(1,453)	(1,540)
<b>Net cash from/(used in) financing activities</b>	<u>522</u>	<u>(5,190)</u>
Net decrease in cash and cash equivalents	<u>(1,049)</u>	<u>(6,086)</u>
Cash and cash equivalents at 1 July	4,567	5,418
<b>Cash and cash equivalents at 30 June</b>	<u><u>3,518</u></u>	<u><u>(668)</u></u>
Note :		
<u>Purchase of property, plant and equipment</u>		
Purchase of plant and equipment	1,511	1,164
Less: Acquired through finance lease	(954)	(624)
	<u><u>557</u></u>	<u><u>540</u></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	5,867	5,291
Bank overdrafts	(2,349)	(5,959)
	<u><u>3,518</u></u>	<u><u>(668)</u></u>

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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 2018.

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 2018.

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 December 2018.

6. Dividend

No dividend has been recommended or paid for the current quarter ended 31 December 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 20 February 2019 (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 December 2018 increased by 20.67% or RM3.570 million as compared to the corresponding quarter in 2017. The increased in revenue was mainly due to increase in sales of shutters products.

Group profit before tax of RM2.374 million increased by 177.5% as compared to corresponding quarter in the previous year mainly due to increase in revenue.

12. Variation of results against preceding quarter

Group revenue increased from RM16.539 million to RM20.839 million as compared to the immediate preceding quarter. Group profit before tax of RM2.374 million as compared to Group profit before tax of RM0.653 million in the immediate preceding quarter was mainly due to increase 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 December 2018 RM'000</b>	<b>6 months ended 31 December 2018 RM'000</b>
Profit/(Loss) before tax is arrived at :		
Depreciation and amortisation	1,028	2,059
Impairment loss on trade receivables	-	-
Gain/(Loss) on foreign exchange		
- realised	85	48
- unrealised	(35)	112
Gain on disposal of plant and equipment	-	85
Interest income	24	50

16. Tax expense

	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2018 RM'000</b>	<b>2017 RM'000</b>	<b>2018 RM'000</b>	<b>2017 RM'000</b>
Current tax expense				
Current	237	357	477	625
Prior	-	-	-	-
	237	357	477	625
Deferred tax expense				
Current	-	-	-	-
Prior	-	-	-	-
	-	-	-	-
	237	357	477	625

The disproportionate tax charge for the quarter ended 31 December 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

	<b>31 December 2018</b>
	<b>RM'000</b>
Current	
Secured	
-Term loan	1,545
-Finance lease liabilities	1,607
Unsecured	
-Bank overdrafts	2,349
-Bankers' acceptances	8,713
-Foreign currency loan("FCL")	634
-Revolving credit	2,000
	<hr/>
	16,848
	<hr/>
Non-current	
Secured	
-Term loan	40,097
-Finance lease liabilities	1,947
	<hr/>
	42,044
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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 20 February 2019 (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

**31 December 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: 27<sup>th</sup> February 2019