

**SKB SHUTTERS CORPORATION BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

	(Unaudited) 31 March 2019 RM'000	(Audited) 30 June 2018 RM'000
<b>Assets</b>		
Property, plant and equipment	95,346	95,990
Investment properties	1,418	1,424
<b>Total non-current assets</b>	<u>96,764</u>	<u>97,414</u>
Inventories	35,301	30,822
Current tax assets	1,010	664
Trade and other receivables	18,631	20,691
Cash and cash equivalents	9,237	7,866
<b>Total current assets</b>	<u>64,179</u>	<u>60,043</u>
<b>Total assets</b>	<u><u>160,943</u></u>	<u><u>157,457</u></u>
<b>Equity</b>		
Share capital	41,498	41,498
Reserves	(173)	(159)
Retained earnings	40,063	38,205
<b>Total equity attributable to owners of the Company</b>	<u>81,388</u>	<u>79,544</u>
<b>Liabilities</b>		
Loans and borrowings	42,031	42,855
Deferred tax liabilities	1,307	1,307
<b>Total non-current liabilities</b>	<u>43,338</u>	<u>44,162</u>
Loans and borrowings	17,863	14,057
Current tax liabilities	-	-
Trade and other payables	18,354	19,694
<b>Total current liabilities</b>	<u>36,217</u>	<u>33,751</u>
<b>Total liabilities</b>	<u>79,555</u>	<u>77,913</u>
<b>Total equity and liabilities</b>	<u><u>160,943</u></u>	<u><u>157,457</u></u>
<b>Net assets per share (RM)</b>	<u>2.03</u>	<u>1.99</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)

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2019**

	3 months ended			9 months ended		
	31 March 2019 RM'000 Unaudited	31 March 2018 RM'000 Unaudited	Changes (%)	31 March 2019 RM'000 Unaudited	31 March 2018 RM'000 Unaudited	Changes (%)
<b>Continuing operations</b>						
Revenue	<u>11,979</u>	<u>14,607</u>	-18%	<u>49,357</u>	<u>49,938</u>	-1%
Result from operating activities	251	1,068	-76%	4,681	5,620	-17%
Interest income	24	21	15%	74	68	9%
Interest expense	(703)	(712)	-1%	(2,156)	(2,251)	-4%
<b>(Loss)/Profit before taxation</b>	<u>(428)</u>	<u>377</u>	-213%	<u>2,599</u>	<u>3,437</u>	-24%
Tax expense	(264)	(261)	1%	(741)	(886)	-16%
(Loss)/Profit attributable to owners of the Company	<u>(692)</u>	<u>116</u>	-697%	<u>1,858</u>	<u>2,551</u>	-27%
Basic (loss)/earnings per share (sen)	<u>(1.73)</u>	<u>0.29</u>		<u>4.64</u>	<u>6.38</u>	

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2019**

	Current Quarter 31 March 2019 RM'000 Unaudited	Immediate Preceding Quarter 31 December 2018 RM'000 Unaudited	Changes (%)
<b>Continuing operations</b>			
Revenue	11,979	20,839	-43%
Result from operating activities	251	3,077	-92%
Interest income	24	24	-1%
Interest expense	(703)	(727)	-3%
(Loss)/Profit before taxation	<b>(428)</b>	<b>2,374</b>	-118%
Tax expense	(264)	(237)	11%
(Loss)/Profit attributable to owners of the Company	<b>(692)</b>	<b>2,137</b>	-132%
Basic (loss)/earnings per share (sen)	(1.73)	5.34	

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2019 (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	-	-	(14)	-	(14)
Profit for the year	-	-	-	1,858	1,858
Comprehensive (expense)/income for the year	-	-	(14)	1,858	1,844
At 31 March 2019	41,498	-	(173)	40,063	81,388

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR 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

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**SKB SHUTTERS CORPORATION BERHAD**

(Company No. 430362 - U)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2019**

	<b>9 months ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit before tax from continuing operations</b>	2,599	3,437
Adjustments for :		
Depreciation of property, plant & equipment	2,575	3,191
Depreciation of investment properties	7	6
Amortisation of prepaid lease payments	518	-
Gain on disposal of plant and equipment	(152)	(56)
Plant and equipment written off	9	-
Interest expense	2,156	2,251
Interest income	(74)	(68)
Operating profit before changes in working capital	<u>7,638</u>	<u>8,761</u>
Changes in working capital:		
Inventories	(4,479)	9,065
Trade and other receivables	1,228	(1,569)
Trade and other payables	(523)	(10,522)
Cash generated from operations	<u>3,864</u>	<u>5,735</u>
Tax paid	(1,086)	(513)
<b>Net cash from operating activities</b>	<u>2,778</u>	<u>5,222</u>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(512)	(711)
Proceeds from disposal of plant and equipment	260	56
Interest received	74	68
<b>Net cash used in investing activities</b>	<u>(178)</u>	<u>(587)</u>
<b>Cash flows from financing activities</b>		
Drawdown of term loan	1,473	-
Repayment of term loan	(2,596)	-
Borrowings, net	1,681	(5,071)
Interest paid	(2,156)	(2,251)
<b>Net cash used in financing activities</b>	<u>(1,598)</u>	<u>(7,322)</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,002</u>	<u>(2,687)</u>
Cash and cash equivalents at 1 July	4,567	5,418
<b>Cash and cash equivalents at 31 March</b>	<u><u>5,569</u></u>	<u><u>2,731</u></u>
Note :		
<u>Purchase of property, plant and equipment</u>		
Purchase of plant and equipment	2,567	1,335
Less: Acquired through finance lease	(2,055)	(624)
	<u>512</u>	<u>711</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	9,237	6,701
Bank overdrafts	(3,668)	(3,970)
	<u>5,569</u>	<u>2,731</u>

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**SKB SHUTTERS CORPORATION BERHAD**  
**(Company No.430362-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 March 2019.

6. Dividend

No dividend has been recommended or paid for the current quarter ended 31 March 2019.

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 22 May 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 March 2019 decreased by 17.99% or RM2.628 million as compared to the corresponding quarter in 2018. The decreased in revenue was mainly due to decrease in sales of steel door products.

Group loss before tax of RM0.428 million decreased by 213.25% as compared to corresponding quarter in the previous year mainly due to decrease in revenue.

12. Variation of results against preceding quarter

Group revenue decreased from RM20.839 million to RM11.979 million as compared to the immediate preceding quarter. Group loss before tax of RM0.428 million as compared to Group profit before tax of RM2.374 million in the immediate preceding quarter was mainly due to decrease 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 March 2019 RM'000</b>	<b>9 months ended 31 March 2019 RM'000</b>
Profit/(Loss) before tax is arrived at :		
Depreciation and amortisation	1,041	3,100
Impairment loss on trade receivables	-	-
Gain/(Loss) on foreign exchange		
- realised	(15)	30
- unrealised	84	196
Gain on disposal of plant and equipment	67	152
Interest income	24	74

16. Tax expense

	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>2019 RM'000</b>	<b>2018 RM'000</b>	<b>2019 RM'000</b>	<b>2018 RM'000</b>
Current tax expense				
Current	235	261	712	886
Prior	29	-	29	-
	264	261	741	886
Deferred tax expense				
Current	-	-	-	-
Prior	-	-	-	-
	-	-	-	-
	264	261	741	886

The disproportionate tax charge for the quarter ended 31 March 2019 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 2019</b>
	<b>RM'000</b>
Current	
Secured	1,559
-Term loan	1,839
-Finance lease liabilities	
Unsecured	
-Bank overdrafts	3,668
-Bankers' acceptances	8,510
-Foreign currency loan("FCL")	287
-Revolving credit	2,000
	<hr/>
	17,863
	<hr/>
Non-current	
Secured	
-Term loan	39,697
-Finance lease liabilities	2,334
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	42,031
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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 22 May 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 March 2019**  
**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: 29<sup>th</sup> May 2019