

**SKB SHUTTERS CORPORATION BERHAD**

Registration No. 199701014865 (430362 - U)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	(Unaudited) 30 June 2021 RM'000	(Audited) 30 June 2020 RM'000
<b>Assets</b>		
Property, plant and equipment	32,519	32,950
Right-of-use assets	59,441	60,292
Investment properties	1,398	1,406
Deferred tax assets	627	-
<b>Total non-current assets</b>	<u>93,985</u>	<u>94,648</u>
Inventories	37,507	36,968
Trade and other receivables	16,401	19,964
Current tax assets	227	141
Cash and cash equivalents	17,806	7,107
<b>Total current assets</b>	<u>71,941</u>	<u>64,180</u>
<b>Total assets</b>	<u><u>165,926</u></u>	<u><u>158,828</u></u>
<b>Equity</b>		
Share capital	45,818	41,498
Reserves	(193)	(189)
Retained earnings	45,447	40,423
<b>Total equity attributable to owners of the Company</b>	<u>91,072</u>	<u>81,732</u>
<b>Liabilities</b>		
Loans and borrowings	38,077	40,170
Lease liabilities	307	465
Deferred tax liabilities	1,191	827
<b>Total non-current liabilities</b>	<u>39,575</u>	<u>41,462</u>
Loans and borrowings	15,204	16,582
Lease liabilities	159	153
Trade and other payables	19,916	18,899
<b>Total current liabilities</b>	<u>35,279</u>	<u>35,634</u>
<b>Total liabilities</b>	<u>74,854</u>	<u>77,096</u>
<b>Total equity and liabilities</b>	<u><u>165,926</u></u>	<u><u>158,828</u></u>
<b>Net assets per share (RM)</b>	<u>2.07</u>	<u>2.04</u>

The notes on pages 6 to 11 are an integral part of these condensed interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2021**

	3 months ended			12 months ended		
	30 June 2021 RM'000 Unaudited	30 June 2020 RM'000 Unaudited	Changes (%)	30 June 2021 RM'000 Unaudited	30 June 2020 RM'000 Audited	Changes (%)
<b>Continuing operations</b>						
Revenue	15,013	10,188	47%	64,407	66,558	-3%
Result from operating activities	2,153	(2,152)	200%	7,479	2,507	198%
Interest income	40	18	122%	129	83	55%
Interest expense	(457)	(557)	-18%	(1,918)	(2,566)	-25%
Profit/(Loss) before taxation	1,736	(2,691)	165%	5,690	24	23609%
Tax expense	24	(216)	111%	(666)	(983)	-32%
Profit/(Loss) for the period/year	1,760	(2,907)	161%	5,024	(959)	624%
Other comprehensive expense, net of tax Item that is or may reclassified subsequently to profit or loss Foreign currency transaction differences for foreign operation	(4)	(3)	33%	(4)	(3)	33%
Total comprehensive income/(expense) for the period/year attributable to owners of the Company	1,756	(2,910)		5,020	(962)	
Basic earnings/(loss) per share (sen)	4.40	(7.27)		12.56	(2.40)	

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these condensed interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2021**

	<b>Current Quarter 30 June 2021 RM'000 Unaudited</b>	<b>Immediate Preceding Quarter 31 March 2021 RM'000 Unaudited</b>	<b>Changes (%)</b>
<b>Continuing operations</b>			
Revenue	<u>15,013</u>	<u>13,264</u>	13%
Result from operating activities	2,153	1,406	53%
Interest income	40	36	11%
Interest expense	(457)	(449)	2%
Profit for the period	<u>1,736</u>	<u>993</u>	75%
Tax expense	24	(231)	110%
Profit for the period	<u>1,760</u>	<u>762</u>	131%
Other comprehensive expense ,net of tax Item that is or may reclassified subsequently to profit or loss Foreign currency transaction differences for foreign operation	(4)	(3)	33%
Total comprehensive income for the period attributable to owners of the Company	<u>1,756</u>	<u>759</u>	
Basic earnings per share (sen)	<u>4.40</u>	<u>1.90</u>	

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021 (UNAUDITED)**

	----- Non-distributable -----		Distributable	Total equity RM'000
	Share capital RM'000	Reserves RM'000	Retained earnings RM'000	
At 1 July 2020	41,498	(189)	40,423	81,732
Other comprehensive expense for the year	-	(4)	-	(4)
Profit for the year	-	-	5,024	5,024
Total comprehensive (expense)/income for the year	-	(4)	5,024	5,020
Issuance of ordinary shares pursuant to private placement	4,320	-	-	4,320
At 30 June 2021	45,818	(193)	45,447	91,072

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020 (AUDITED)**

	----- Non-distributable -----		Distributable	Total equity RM'000
	Share capital RM'000	Reserves RM'000	Retained earnings RM'000	
At 1 July 2019	41,498	(186)	41,382	82,694
Other comprehensive expense for the year	-	(3)	-	(3)
Loss for the year	-	-	(959)	(959)
Total comprehensive expense for the year	-	(3)	(959)	(962)
At 30 June 2020	41,498	(189)	40,423	81,732

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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 30 JUNE 2021**

	12 months ended 30 June	
	2021	2020
	RM'000	RM'000
	(Unaudited)	(Audited)
<b>Profit before tax from continuing operations</b>	5,690	24
Adjustments for :		
Depreciation of property, plant & equipment	3,216	3,283
Depreciation of investment properties	8	9
Depreciation of right-of-use assets	851	835
(Gain)/Loss on disposal of plant and equipment	(353)	2
Plant and equipment written off	-	5
Interest expense	1,918	2,566
Interest income	(129)	(83)
Unrealised gain on foreign exchange	-	(47)
Inventories written down	-	1,867
Net impairment loss on financial assets	42	991
Operating profit before changes in working capital	11,243	9,452
Changes in working capital:		
Inventories	(539)	(2,405)
Trade and other receivables	3,518	3,109
Trade and other payables	1,017	(3,785)
Cash generated from operations	15,239	6,371
Tax paid	(1,015)	(422)
<b>Net cash from operating activities</b>	14,224	5,949
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(1,177)	(1,051)
Proceeds from disposal of plant and equipment	1,138	104
Interest received	129	83
<b>Net cash from/(used in) investing activities</b>	90	(864)
<b>Cash flows from financing activities</b>		
Repayment of hire purchase creditors	(2,374)	(1,861)
Repayment of term loan	(1,335)	(917)
Repayment of lease liabilities	(153)	(134)
Changes in other borrowings, net	(3,282)	2,996
Proceeds from issuance of ordinary shares pursuant to private placement	4,320	-
Interest paid	(1,918)	(2,566)
<b>Net cash used in financing activities</b>	(4,742)	(2,482)
Net increase in cash and cash equivalents	9,572	2,603
Effect of exchange rate fluctuation on cash and cash equivalents	-	1
Cash and cash equivalents at 1 July 2020/2019	5,472	2,868
<b>Cash and cash equivalents at 30 June</b>	15,044	5,472
Note :		
<u>Purchase of plant and equipment</u>		
Purchase of plant and equipment	3,570	1,823
Less: Acquired by means of hire purchase arrangements	(2,393)	(772)
	1,177	1,051
<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	17,806	7,107
Bank overdrafts	(2,714)	(1,587)
Fixed deposits pledged	(48)	(48)
	15,044	5,472

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**SKB SHUTTERS CORPORATION BERHAD (Draft Copy)**

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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 *MFRS 134, 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 2020.

(b) Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 30 June 2020,

For the adoption of new and revised MFRSs and IC Interpretations below that are relevant and came into effect for accounting periods beginning on or after 1 January 2020 and 1 June 2020 did not have any significant impact to the unaudited consolidated financial statements upon their initial application:

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019***

- Amendments to MFRS 3, *Business Combinations-Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

**MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020**

- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions*

## **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 2020.

There were no changes in estimates of amounts reported in the prior financial periods that have a material effect in the current quarter.

## **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 financial period to-date other than on 30 June 2021, the Company undertook a private placement and issued 4,000,000 ordinary shares at an issued price of RM1.08 per share.

## **6. Dividend**

No dividend was paid for the current quarter and period to-date.

## **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 carrying amount 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 and financial period to-date.

## **10. Changes in contingent liabilities and assets**

The Company has issued corporate guarantees to financial institutions for banking facilities and suppliers of certain subsidiaries up to a limit of RM71.2 million of which RM55.7 million has been utilised as at 30 June 2021, no material changes as compared to 30 June 2020.

## **11. Review of Group performance**

Group revenue for the quarter ended 30 June 2021 increase by 47.36% or RM4.825 million as compared to the corresponding quarter in 2020. The increase in revenue was mainly due to increase in sales of shutters, steel doors and racking products.

Group profit before tax of RM1.736 million increased 164.51% as compared to corresponding quarter in the previous year was mainly due to increase in revenue, decrease in other operating expense and finance costs.

## **12. Variation of results against preceding quarter**

Group revenue increase from RM13.264 million to RM15.013 million as compared to the immediate preceding quarter. Group profit before tax of RM1.736 million as compared to Group profit before tax of RM0.993 million in the immediate preceding quarter was mainly due to increase in revenue.

## **13. Current year prospects**

The current and oncoming quarters will see continuous increase in the prices of raw materials specifically steel, aluminium, and cooper. The Board is expecting profitability to be likely impacted from the situation in the short-term due to the lag time between offer and award of contracts.

Barring unforeseen circumstances, the Directors anticipate that the Group continues to strive to enhance the financial performance by practicing prudent cost management and concentrate on the Group's core activities which are the manufacturing and sale of roller shutters, steel doors, racking and storage systems.

Also, product quality improvement and development of new product innovation is also the key step forward 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 30 June 2021 RM'000</b>	<b>12 months ended 30 June 2021 RM'000</b>
Profit before tax is arrived at :		
Depreciation and amortisation	1,051	4,065
Impairment loss on trade receivables	42	42
Loss on foreign currency exchange		
- realised	(14)	(111)
- unrealised	11	(49)
Gain on disposal of plant and equipment	108	353
Interest income	40	129

## 16. Tax expense

	<b>3 months ended 30 June</b>		<b>12 months ended 30 June</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>Current tax expense</b>				
- Current year	238	214	926	946
- Prior year	1	2	3	37
	239	216	929	983
<b>Deferred tax expense</b>				
- Current year	(283)	-	(283)	(196)
- Prior year	20	-	20	196
	(263)	-	(263)	-
	(24)	216	666	983

The disproportionate tax charge for the quarter ended 30 June 2021 was mainly due to recognition of deferred tax assets by a subsidiary in the Group.

## 17. Unquoted investments and properties

There were no disposal of unquoted investments and properties for the quarter under review and the financial period to-date.

## 18. Quoted investments

There were no purchase 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>30 June 2021</b>
	<b>RM'000</b>
<b>Current</b>	
<i>Secured</i>	
- Term loan	2,257
- Hire purchase creditors	1,208
<i>Unsecured</i>	
- Bank overdrafts	2,714
- Bankers' acceptances	5,970
- Foreign currency loan ("FCL")	1,055
- Revolving credits	2,000
	<hr/> <hr/> 15,204
<b>Non-current</b>	
<i>Secured</i>	
- Term loan	36,346
- Hire purchase creditors	1,731
	<hr/> <hr/> 38,077

The above borrowings are denominated in Ringgit Malaysia other than FCL which is denominated in U.S. Dollar.

## 21. Off balance sheet financial instruments

The Group did not have any financial instruments with off balance sheet risk as at 22 September 2021 (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 and year is based on the profit/(loss) for the quarter and year attributable to ordinary shareholders at the weighted average number of ordinary shares during the quarter and year of 40,043,956 (2020 : 40,000,000) and 40,010,959 (2020 : 40,000,000) respectively.

## 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>30 June 2021</b> <b>RM'000</b>
Property, plant and equipment Contracted but not provided	<u>82</u>

**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  
Date: 29 September 2021