

**SKB SHUTTERS CORPORATION BERHAD**

Registration No. 199701014865 (430362 - U)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

|   | (Unaudited)<br>31 December 2021<br>RM'000 | (Audited)<br>30 June 2021<br>RM'000 |
|---|---|-------------------------------------|
| <b>Assets</b>   |   |                                     |
| Property, plant and equipment                             | 31,436                                    | 32,519                              |
| Right-of-use assets                                       | 59,017                                    | 59,441                              |
| Investment properties                                     | 1,393                                     | 1,398                               |
| Deferred tax assets                                       | 627                                       | 627                                 |
| <b>Total non-current assets</b>                           | <u>92,473</u>                             | <u>93,985</u>                       |
| Inventories   | 42,903                                    | 37,507                              |
| Trade and other receivables                               | 23,610                                    | 16,519                              |
| Current tax assets  | 270                                       | 227                                 |
| Cash and cash equivalents                                 | 13,970                                    | 17,848                              |
| <b>Total current assets</b>                               | <u>80,753</u>                             | <u>72,101</u>                       |
| <b>Total assets</b>                                       | <u><u>173,226</u></u>                     | <u><u>166,086</u></u>               |
| <b>Equity</b>   |   |                                     |
| Share capital   | 45,818                                    | 45,818                              |
| Reserves  | (192)                                     | (193)                               |
| Retained earnings   | 47,796                                    | 45,447                              |
| <b>Total equity attributable to owners of the Company</b> | <u>93,422</u>                             | <u>91,072</u>                       |
| <b>Liabilities</b>  |   |                                     |
| Loans and borrowings                                      | 36,611                                    | 38,072                              |
| Lease liabilities   | 225                                       | 307                                 |
| Deferred tax liabilities                                  | 1,191                                     | 1,191                               |
| <b>Total non-current liabilities</b>                      | <u>38,027</u>                             | <u>39,570</u>                       |
| Loans and borrowings                                      | 13,551                                    | 14,606                              |
| Lease liabilities   | 162                                       | 159                                 |
| Trade and other payables                                  | 28,064                                    | 20,679                              |
| <b>Total current liabilities</b>                          | <u>41,777</u>                             | <u>35,444</u>                       |
| <b>Total liabilities</b>                                  | <u>79,804</u>                             | <u>75,014</u>                       |
| <b>Total equity and liabilities</b>                       | <u><u>173,226</u></u>                     | <u><u>165,086</u></u>               |
| <b>Net assets per share (RM)</b>                          | <u><u>2.12</u></u>                        | <u><u>2.07</u></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 31 DECEMBER 2021**

|  | 3 months ended                          |   |                | 6 months ended                          |   |                |
|--|---|---|----------------|---|---|----------------|
|  | 31 December 2021<br>RM'000<br>Unaudited | 31 December 2020<br>RM'000<br>Unaudited | Changes<br>(%) | 31 December 2021<br>RM'000<br>Unaudited | 31 December 2020<br>RM'000<br>Unaudited | Changes<br>(%) |
| <b>Continuing operations</b>   |   |   |                |   |   |                |
| Revenue  | 18,411                                  | 18,702                                  | -2%            | 33,746                                  | 36,130                                  | -7%            |
| Result from operating activities   | 2,140                                   | 1,955                                   | 9%             | 3,571                                   | 3,920                                   | -9%            |
| Interest income  | 62                                      | 28                                      | 121%           | 124                                     | 54                                      | 130%           |
| Interest expense   | (438)                                   | (496)                                   | -12%           | (901)                                   | (1,012)                                 | -11%           |
| Profit before taxation   | 1,764                                   | 1,487                                   | 19%            | 2,794                                   | 2,962                                   | -6%            |
| Tax expense  | (208)                                   | (238)                                   | -13%           | (445)                                   | (460)                                   | -3%            |
| Profit for the period/year   | 1,556                                   | 1,249                                   | 25%            | 2,349                                   | 2,502                                   | -6%            |
| Other comprehensive income, net of tax<br>Item that is or may reclassified subsequently to<br>profit or loss |   |   |                |   |   |                |
| Foreign currency transaction differences for<br>foreign operation  | 1                                       | 8                                       | -88%           | 1                                       | 8                                       | -88%           |
| Total comprehensive income for the period/year<br>attributable to owners of the company                      | 1,557                                   | 1,257                                   |                | 2,350                                   | 2,510                                   |                |
| Basic earnings per share (sen)   | 3.53                                    | 3.12                                    |                | 5.34                                    | 6.26                                    |                |

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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 31 DECEMBER 2021**

|  | <b>Current Quarter<br/>31 December 2021<br/>RM'000<br/>Unaudited</b> | <b>Immediate<br/>Preceding Quarter<br/>30 September 2021<br/>RM'000<br/>Unaudited</b> | <b>Changes<br/>(%)</b> |
|--|--|---|------------------------|
| <b>Continuing operations</b>   |  |   |                        |
| Revenue  | <u>18,411</u>  | <u>15,335</u>   | 20%                    |
| Result from operating activities   | 2,140  | 1,431   | 50%                    |
| Interest income  | 62   | 62  | 0%                     |
| Interest expense   | (438)  | (463)   | -5%                    |
| Profit for the period  | <u>1,764</u>   | <u>1,030</u>  | 71%                    |
| Tax expense  | (208)  | (237)   | -12%                   |
| Profit for the period  | <u>1,556</u>   | <u>793</u>  | 96%                    |
| Other comprehensive income, net of tax<br>Item that is or may reclassified subsequently to<br>profit or loss |  |   |                        |
| Foreign currency transaction differences for<br>foreign operation  | 1  | 4   | -75%                   |
| Total comprehensive income for the period<br>attributable to owners of the company                           | <u>1,557</u>   | <u>797</u>  |                        |
| Basic earnings per share (sen)   | <u>3.53</u>  | <u>1.80</u>   |                        |

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021 (UNAUDITED)**

|   | ----- Non-distributable ----- |                    | Distributable                  | Total<br>equity<br>RM'000 |
|---|-------------------------------|--------------------|--------------------------------|---------------------------|
|   | Share<br>capital<br>RM'000    | Reserves<br>RM'000 | Retained<br>earnings<br>RM'000 |                           |
| At 1 July 2021                          | 45,818                        | (193)              | 45,447                         | 91,072                    |
| Other comprehensive income for the year | -                             | 1                  | -                              | 1                         |
| Profit for the year                     | -                             | -                  | 2,349                          | 2,349                     |
| Total comprehensive income for the year | -                             | 1                  | 2,349                          | 2,350                     |
| At 31 December 2021                     | 45,818                        | (192)              | 47,796                         | 93,422                    |

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020 (UNAUDITED)**

|   | ----- Non-distributable ----- |                    | Distributable                  | Total<br>equity<br>RM'000 |
|---|-------------------------------|--------------------|--------------------------------|---------------------------|
|   | Share<br>capital<br>RM'000    | Reserves<br>RM'000 | Retained<br>earnings<br>RM'000 |                           |
| At 1 July 2020                          | 41,498                        | (189)              | 40,423                         | 81,732                    |
| Other comprehensive income for the year | -                             | 8                  | -                              | 8                         |
| Profit for the year                     | -                             | -                  | 2,502                          | 2,502                     |
| Comprehensive income for the year       | -                             | 8                  | 2,502                          | 2,510                     |
| At 31 December 2020                     | 41,498                        | (181)              | 42,925                         | 84,242                    |

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

|   | <b>6 months ended 31 December</b> |                      |
|---|-----------------------------------|----------------------|
|   | <b>2021</b>                       | <b>2020</b>          |
|   | <b>RM'000</b>                     | <b>RM'000</b>        |
|   | <b>(Unaudited)</b>                | <b>(Unaudited)</b>   |
| <b>Profit before tax from continuing operations</b>   | 2,794                             | 2,962                |
| Adjustments for :   |                                   |                      |
| Depreciation of property, plant & equipment   | 2,046                             | 1,899                |
| Depreciation of investment properties   | 4                                 | 4                    |
| Depreciation of right-of-use assets   | 79                                | 79                   |
| Effect movement of forex exchange   | 49                                | -                    |
| (Gain)/Loss on disposal of plant and equipment  | -                                 | (170)                |
| Interest expense  | 901                               | 1,012                |
| Interest income   | (124)                             | (54)                 |
| Unrealised loss/(gain) on foreign exchange  | (99)                              | -                    |
| Operating profit before changes in working capital  | <u>5,650</u>                      | <u>5,732</u>         |
| Changes in working capital:   |                                   |                      |
| Inventories   | (5,396)                           | 5,352                |
| Trade and other receivables   | (7,210)                           | 253                  |
| Trade and other payables  | 8,246                             | (749)                |
| Cash generated from operations  | <u>1,290</u>                      | <u>10,588</u>        |
| Tax paid  | (489)                             | (519)                |
| <b>Net cash from operating activities</b>   | <u>801</u>                        | <u>10,069</u>        |
| <b>Cash flows from investing activities</b>   |                                   |                      |
| Purchase of plant and equipment   | (616)                             | (985)                |
| Proceeds from disposal of plant and equipment   | -                                 | 955                  |
| Interest received   | 124                               | 54                   |
| <b>Net cash (used in)/from investing activities</b>   | <u>(492)</u>                      | <u>24</u>            |
| <b>Cash flows from financing activities</b>   |                                   |                      |
| Repayment of hire purchase creditors  | (669)                             | (1,194)              |
| Repayment of term loan  | (1,730)                           | (865)                |
| Repayment of lease liabilities  | (79)                              | (76)                 |
| Changes in other borrowings, net  | 1,192                             | (2,264)              |
| Interest paid   | (901)                             | (1,012)              |
| <b>Net cash (used in) financing activities</b>  | <u>(2,187)</u>                    | <u>(5,411)</u>       |
| Net increase in cash and cash equivalents   | <u>(1,878)</u>                    | <u>4,682</u>         |
| Cash and cash equivalents at 1 July 2021/2020   | 15,044                            | 5,520                |
| <b>Cash and cash equivalents at 31 December</b>   | <u><u>13,166</u></u>              | <u><u>10,202</u></u> |
| Note :  |                                   |                      |
| <u>Purchase of plant and equipment</u>  |                                   |                      |
| Purchase of plant and equipment   | 616                               | 2,245                |
| Less: Acquired by means of hire purchase arrangements   | -                                 | (1,260)              |
|   | <u>616</u>                        | <u>985</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  | 13,970                            | 13,371               |
| Bank overdrafts   | (804)                             | (3,169)              |
|   | <u>13,166</u>                     | <u>10,202</u>        |

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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 *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 2021.

### (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 2021.

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 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 2021.

**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, customers and suppliers of certain subsidiaries up to a limit of RM72 million of which RM51.6 million has been utilized as at 31 December 2021, no material changes as compared to 31 December 2020.

**11. Review of Group performance**

The Group registered a revenue of RM18.411 million for the current quarter under review as compared to RM18.702 million for the corresponding quarter in the preceding year, representing a decrease of RM0.290 million of 1.55% due to lower sales during

the quarter as the Group's manufacturing activity was disrupted during the Movement Control Order imposed by the Government.

The Group's profit before tax for the quarter ended 31 December 2021 is RM1.764 million against RM1.487 million for the corresponding quarter in the preceding year, representing an increase of 18.63% was mainly due to the decrease in cost of sales.

## 12. Variation of results against preceding quarter

For the current quarter ended 31 December 2021, the Group registered a revenue of RM18.411 million as compared to the immediate preceding quarter of RM15.335 million, representing an increase of RM3.077 million or 20.07%. The increase is mainly due to increase in sales recorded.

During the current quarter, the Group recorded group profit before tax of RM1.764 million as compared to RM1.030 million in the immediate preceding quarter, representing an increase of RM0.733 million or 71.20%. The increase is mainly due to increase in revenue.

## 13. Current year prospects

The Group takes cautious approach in view of the volatile raw material costs and freight costs. 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<br/>31 December 2021<br/>RM'000</b> | <b>6 months ended<br/>31 December 2021<br/>RM'000</b> |
|--|---|---|
| Profit before tax is arrived at :                |   |   |
| Depreciation and amortisation                    | 1,064   | 2,129   |
| Profit/(Loss) on foreign<br>currency<br>exchange |   |   |
| - realised                                       | (20)  | (144)   |
| - unrealised                                     | (2)   | 99  |
| Interest income                                  | 62  | 124   |



## 16. Tax expense

|                      | 3 months ended<br>31 December |                | 6 months ended<br>31 December |                |
|----------------------|-------------------------------|----------------|-------------------------------|----------------|
|                      | 2021<br>RM'000                | 2020<br>RM'000 | 2021<br>RM'000                | 2020<br>RM'000 |
| Current tax expense  |                               |                |                               |                |
| Current              | 208                           | 238            | 445                           | 460            |
| Prior                | -                             | -              | -                             | -              |
|                      | 208                           | 238            | 445                           | 460            |
| Deferred tax expense |                               |                |                               |                |
| Current              | -                             | -              | -                             | -              |
| Prior                | -                             | -              | -                             | -              |
|                      | -                             | -              | -                             | -              |
|                      | 208                           | 238            | 445                           | 460            |

The disproportionate tax charge for the quarter ended 31 December 2021 was mainly due to utilization of tax incentive by the subsidiaries.

## 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

On 16 February 2022, the Company had made an announcement on the completion of the following corporate proposals: -

- (i) bonus issue of 88,000,000 new ordinary shares in the Company on the basis of two (2) bonus shares for every one (1) existing ordinary share held by the shareholders (“Proposed Bonus Issue of Shares”); and
- (ii) free warrants issue of up to 66,000,000 free warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held by the shareholders after the completion of the Proposed Bonus Issue of Shares.

Apart from the above, there are no other corporate proposals announced by the Company but not completed as of the date of this report.

## 20. Loans and borrowings

|                                 | <b>31 December<br/>2021<br/>RM'000</b> |
|---------------------------------|--|
| <b>Current</b>                  |  |
| <i>Secured</i>                  |  |
| - Term loan                     | 2,196                                  |
| - Hire purchase creditors       | 948                                    |
| <i>Unsecured</i>                |  |
| - Bank overdrafts               | 804                                    |
| - Bankers' acceptances          | 6,619                                  |
| - Foreign currency loan ("FCL") | 984                                    |
| - Revolving credits             | 2,000                                  |
|                                 | <hr/> <hr/> 13,551                     |
| <b>Non-current</b>              |  |
| <i>Secured</i>                  |  |
| - Term loan                     | 35,290                                 |
| - Hire purchase creditors       | 1,321                                  |
|                                 | <hr/> <hr/> 36,611                     |

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 18 February 2022 (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 end of 44,000,000 (2020/2021: 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**

|  | <b>31 December<br/>2021<br/>RM'000</b> |
|--|--|
| Property, plant and equipment<br>Contracted but not provided | <u>130</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: 25 February 2022