

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 2022**

	(Unaudited) 30 June 2022 RM'000	(Audited) 30 June 2021 RM'000
Assets		
Property, plant and equipment	32,376	32,519
Right-of-use assets	58,696	59,441
Investment properties	260	1,398
Deferred tax assets	-	627
Total non-current assets	<u>91,332</u>	<u>93,985</u>
Inventories	52,812	37,507
Trade and other receivables	18,538	16,519
Current tax assets	242	227
Cash and cash equivalents	16,760	17,848
Total current assets	<u>88,352</u>	<u>72,101</u>
Total assets	<u><u>179,684</u></u>	<u><u>166,086</u></u>
Equity		
Share capital	45,818	45,818
Reserves	(219)	(193)
Retained earnings	55,043	45,447
Total equity attributable to owners of the Company	<u>100,642</u>	<u>91,072</u>
Liabilities		
Loans and borrowings	36,824	38,072
Lease liabilities	227	307
Deferred tax liabilities	1,558	1,191
Total non-current liabilities	<u>38,609</u>	<u>39,570</u>
Loans and borrowings	13,113	14,606
Current tax liabilities	322	-
Lease liabilities	185	159
Trade and other payables	26,813	20,679
Total current liabilities	<u>40,433</u>	<u>35,444</u>
Total liabilities	<u>79,042</u>	<u>75,014</u>
Total equity and liabilities	<u><u>179,684</u></u>	<u><u>166,086</u></u>
Net assets per share (RM)	<u><u>0.76</u></u>	<u><u>0.69</u></u>

The notes on pages 6 to 12 are an integral part of these condensed interim financial statements.

SKB SHUTTERS CORPORATION BERHAD

Registration No. 199701014865 (430362 - U)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022**

	3 months ended			12 months ended		
	30 June 2022	30 June 2021	Changes (%)	30 June 2022	30 June 2021	Changes (%)
	RM'000 Unaudited	RM'000 Unaudited		RM'000 Unaudited	RM'000 Audited	
Revenue	24,515	15,013	63%	74,490	64,407	16%
Results from operating activities	6,135	2,153	185%	13,801	7,479	85%
Interest income	74	40	85%	251	129	95%
Interest expense	(438)	(457)	-4%	(1,761)	(1,918)	-8%
Profit before taxation	5,771	1,736	232%	12,291	5,690	116%
Tax expense	(1,622)	24	6858%	(2,695)	(666)	305%
Profit for the period/year	4,149	1,760	136%	9,596	5,024	91%
Other comprehensive loss, net of tax Item that is or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operation	(26)	(4)	550%	(26)	(4)	550%
Total comprehensive income for the period/year attributable to owners of the Company	4,123	1,756		9,570	5,020	
Basic earnings per share (sen)	3.14	1.46		7.27	4.19	
Diluted earnings per share (sen)	N/A	N/A		6.81	N/A	

The notes set out on pages 6 to 12 form an integral part of
these condensed interim financial statements.

SKB SHUTTERS CORPORATION BERHAD

Registration No. 199701014865 (430362 - U)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 June 2022**

	Current Quarter 30 June 2022 RM'000 Unaudited	Immediate Preceding Quarter 31 March 2022 RM'000 Unaudited	Changes (%)
Continuing operations			
Revenue	<u>24,515</u>	<u>16,229</u>	51%
Result from operating activities	6,135	4,095	50%
Interest income	74	53	40%
Interest expense	(438)	(422)	4%
Profit for the period	<u>5,771</u>	<u>3,726</u>	55%
Tax expense	(1,622)	(628)	158%
Profit for the period	<u>4,149</u>	<u>3,098</u>	34%
Other comprehensive expense, net of tax Item that is or may reclassified subsequently to profit or loss			
Foreign currency transaction differences for foreign operation	(26)	(6)	333%
Total comprehensive income for the period attributable to owners of the company	<u>4,123</u>	<u>3,092</u>	
Basic earnings per share (sen)	<u>3.14</u>	<u>2.35</u>	
Diluted earnings per share (sen)	<u>N/A</u>	<u>2.12</u>	

The notes on pages 6 to 12 are an integral part of
these condensed interim financial statements.

SKB SHUTTERS CORPORATION BERHAD

Registration No. 199701014865 (430362 - U)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022 (UNAUDITED)**

	<i>Share capital</i> RM'000	<i>Non- distributable Reserves</i> RM'000	<i>Distributable Retained earnings</i> RM'000	<i>Total equity</i> RM'000
At 1 July 2021	45,818	(193)	45,447	91,072
Other comprehensive expense for the year	-	(26)	-	(26)
Profit for the year	-	-	9,596	9,596
Total comprehensive (expense)/income for the year	-	(26)	9,596	9,570
At 30 June 2022	45,818	(219)	55,043	100,642

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

	<i>Share capital</i> RM'000	<i>Non- distributable Reserves</i> RM'000	<i>Distributable Retained earnings</i> RM'000	<i>Total equity</i> 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

The notes on pages 6 to 12 are an integral part of
these condensed interim financial statements.

SKB SHUTTERS CORPORATION BERHAD

Registration No. 199701014865 (430362 - U)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	12 months ended 30 June	
	2022	2021
	RM'000	RM'000
	(Unaudited)	(Audited)
Profit before tax	12,291	5,690
Adjustments for :		
Depreciation of property, plant & equipment	3,312	3,215
Depreciation of investment properties	9	9
Depreciation of right-of-use assets	856	850
Gain on disposal of plant and equipment	(1)	(353)
Gain on disposal of investment properties	(3,027)	-
Interest expense	1,761	1,918
Interest income	(251)	(129)
Unrealised (gain)/loss on foreign exchange	(223)	59
Inventories written down	296	613
Net impairment gain on financial assets	(90)	(371)
Operating profit before changes in working capital	<u>14,933</u>	<u>11,501</u>
Changes in working capital:		
Inventories	(15,601)	(1,151)
Trade and other receivables	(2,048)	3,742
Trade and other payables	6,499	1,791
Cash generated from operations	<u>3,783</u>	<u>15,883</u>
Tax paid	(1,394)	(1,015)
Net cash from operating activities	<u>2,389</u>	<u>14,868</u>
Cash flows from investing activities		
Purchase of plant and equipment	(3,169)	(1,172)
Proceeds from disposal of plant and equipment	1	1,134
Proceeds from disposal of investment properties	4,156	-
Interest received	251	129
Net cash from investing activities	<u>1,239</u>	<u>91</u>
Cash flows from financing activities		
Repayment of hire purchase creditors	(1,206)	(2,375)
Repayment of term loans	(490)	(1,336)
Repayment of lease liabilities	(165)	(153)
Changes in other borrowings, net	(362)	(3,281)
Proceeds from issuance of ordinary shares pursuant to private placement	-	4,320
Interest paid	(1,761)	(1,918)
Net cash used in financing activities	<u>(3,984)</u>	<u>(4,743)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(356)</u>	<u>10,216</u>
Effect of exchange rate fluctuation on cash and cash equivalents	-	(2)
Cash and cash equivalents at 1 July 2021/2020	15,686	5,472
Cash and cash equivalents at 30 June	<u><u>15,330</u></u>	<u><u>15,686</u></u>
Note :		
<u>Purchase of plant and equipment</u>		
Purchase of plant and equipment	3,169	3,565
Less: Acquired by means of hire purchase arrangements	-	(2,393)
	<u><u>3,169</u></u>	<u><u>1,172</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	16,760	17,847
Bank overdrafts	(1,430)	(2,113)
Fixed deposits pledged	-	(48)
	<u><u>15,330</u></u>	<u><u>15,686</u></u>

The notes on pages 6 to 12 are an integral part of these condensed interim financial statement.

SKB SHUTTERS CORPORATION BERHAD

Registration No. 199701014865 (430362-U)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

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 2021.

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 2022 and 1 January 2023 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 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

1. Basis of preparation (continued)

(b) Significant accounting policies (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts - Initial application of MFRS 17 and MFRS 9 - Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

2. Auditors' qualification

The auditors' report on the audited financial statements for the year ended 30 June 2021 was not qualified.

3. Seasonality or cyclicity 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 period-to-date under review.

5. Changes in 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.

6. Debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities for the period/year ended 30 June 2022 other than subdivision of every one (1) existing ordinary share of the Company into two (2) ordinary shares whereby 44,000,000 ordinary shares of the Company were subdivided into 132,000,000 ordinary shares on 16 February 2022.

7. Dividend

No dividend was paid and/or declared/proposed for the current quarter and period to-date.

8. Operating segments

The Group is principally engaged in the manufacture and sale of roller shutters, racking systems, storage system and related steel products 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.

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 and changes in material litigation

There were no contingent liabilities and assets at the end of the reporting period.

Neither the Company nor any subsidiaries is engaged in any material litigation, either as plaintiff or defendant and the Director are not aware of any proceedings pending or threatened, against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company or any of its subsidiaries, financially or otherwise.

11. Review of Group performance

The Group registered a revenue of RM74.490 million for period-to-date under review as compared to RM64.407 million for the corresponding financial year, representing an increase of RM10.083 million of 15.66% due to increase in sale of shutters and racking products.

The Group's profit before tax for the year ended 30 June 2022 is RM12.291 million against RM5.690 million for the corresponding period-to-date, representing an increase of 116.01% mainly due to the increase in revenue and gain on disposal of investment properties.

12. Variation of results against preceding quarter

For the current quarter ended 30 June 2022, the Group registered a revenue of RM24.515 million as compared to the immediate preceding quarter of RM16.229 million, representing an increase of RM8.286 million or 51.06%. The increase was mainly due to increase in sale of shutters and racking products.

12. Variation of results against preceding quarter (continued)

During the current quarter, the Group recorded profit before tax of RM5.771 million as compared to RM3.726 million in the immediate preceding quarter, representing an increase of RM2.045 million or 54.88%. The increase was mainly due to increase in revenue.

13. Current year prospects

The Board expects the business environment to remain challenging and competitive in view of the rising inflation on costs of materials, labor and logistics which will impact the Group's profitability. The Group is positioning itself to improve on performance in view of the overall economic environment in Malaysia and the region, and continue to take appropriate measures and strategies to mitigate the business risks and enhance operational efficiencies.

Continuous product quality improvement, manufacturing facilities enhancement and new product innovation are also the key steps forward to increase market share, 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

	3 months ended 30 June 2022 RM'000	12 months ended 30 June 2022 RM'000
Profit before tax is arrived at :		
Depreciation and amortisation	1,000	4,177
Gain/(Loss) on foreign currency exchange		
- realised	(96)	(245)
- unrealised	132	223
Gain on disposal of investment properties	45	3,028
Interest income	74	251

16. Tax expense

	3 months ended 30 June		12 months ended 30 June	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax expense				
Current period	628	238	1,689	926
Prior period	-	1	12	3
	628	239	1,701	929
Deferred tax expense				
Current period	994	(283)	994	(283)
Prior period	-	20	-	20
	994	(263)	994	(263)
	1,622	(24)	2,695	666

17. Quoted investments

There were no purchase of quoted shares for the quarter under review and the financial period to-date.

18. Status of corporate proposals

Not applicable.

19. Loans and borrowings

	30 June 2022 RM'000
Current	
<i>Secured</i>	
- Term loan	2,280
- Hire purchase creditors	740
<i>Unsecured</i>	
- Bank overdrafts	1,430
- Bankers' acceptances	5,863
- Foreign currency loan ("FCL")	800
- Revolving credits	2,000
	<u>13,113</u>
Non-current	
<i>Secured</i>	
- Term loan	35,833
- Hire purchase creditors	991
	<u>36,824</u>

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

20. Earnings per share

Basic earnings per ordinary share

The calculation of basic earnings per share for the quarter end was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows :

	3 months ended 30 June		12 months ended 30 June	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit for the period attributable to ordinary shareholders	4,148,936	1,759,472	9,595,369	5,024,349
	3 months ended 30 June		12 months ended 30 June	
	2022	2021	2022	2021
Issued ordinary shares at 1 July	44,000,000	40,000,000	44,000,000	40,000,000
Weighted average number of ordinary shares	-	44,444	-	10,959
Effect of bonus issue	88,000,000	80,088,888	88,000,000	80,021,918
Weighted average number of ordinary shares at 30 June	132,000,000	120,133,332	132,000,000	120,032,877
	3 months ended 30 June		12 months ended 30 June	
	2022	2021	2022	2021
Basic earnings per ordinary share (sen)	3.14	1.46	7.27	4.19

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows :

	3 months ended 30 June		12 months ended 30 June	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit for the period/year attributable to ordinary shareholders	4,148,936	1,759,472	9,595,369	5,024,349

20. Earnings per share (continued)

Diluted earnings per ordinary share (continued)

	3 months ended 30 June		12 months ended 30 June	
	2022	2021	2022	2021
Weighted average number of ordinary shares	132,000,000	120,133,332	132,000,000	120,032,877
Effect of warrants	*	-	8,835,788	-
Weighted average number of ordinary shares (diluted)	<u>132,000,000</u>	<u>120,133,332</u>	<u>140,835,788</u>	<u>120,032,877</u>
	3 months ended 30 June		12 months ended 30 June	
	2022	2021	2022	2021
Diluted earnings per ordinary share (sen)	<u>N/A*</u>	<u>N/A</u>	<u>6.81</u>	<u>N/A</u>

* The effect of the assumed exercise of Warrants for the current quarter under review has not been considered as the exercise price of the Warrants is higher than the average market price of the Company's shares.

21. Capital commitments

	30 June 2022 RM'000
Property, plant and equipment - Contracted but not provided for	<u>972</u>

22. Material post balance sheet events

On 29 July 2022, a wholly-owned subsidiary, SKB Shutters Manufacturing Sdn. Bhd. ("SKBSM") accepted an offer from Paragon Pinnacle Sdn. Bhd. ("PPSB") to acquire a parcel of land located at Bandar Puncak Alam for an indicative offer price of RM36 million which will be settled via cash. SKBSM has paid an earnest deposit of 2% of the indicative offer price of RM720,000.

BY ORDER OF THE BOARD

Sin Kheng Lee
Executive Chairman and Group Managing Director
Date: 29 August 2022