

**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 2022**

	(Unaudited) 31 December 2022 RM'000	(Audited) 30 June 2022 RM'000
<b>Assets</b>		
Property, plant and equipment	32,620	32,376
Right-of-use assets	58,260	58,696
Investment properties	256	260
<b>Total non-current assets</b>	<u>91,136</u>	<u>91,332</u>
Inventories	54,039	52,812
Trade and other receivables	24,800	18,312
Current tax assets	249	242
Cash and cash equivalents	18,557	16,760
<b>Total current assets</b>	<u>97,645</u>	<u>88,126</u>
<b>Total assets</b>	<u><u>188,781</u></u>	<u><u>179,458</u></u>
<b>Equity</b>		
Share capital	45,818	45,818
Reserves	(252)	(219)
Retained earnings	61,970	55,043
<b>Total equity attributable to owners of the Company</b>	<u>107,536</u>	<u>100,642</u>
<b>Liabilities</b>		
Loans and borrowings	36,561	36,896
Lease liabilities	131	247
Deferred tax liabilities	1,558	1,558
<b>Total non-current liabilities</b>	<u>38,250</u>	<u>38,701</u>
Loans and borrowings	15,036	13,041
Current tax liabilities	313	322
Lease liabilities	189	165
Trade and other payables	27,457	26,587
<b>Total current liabilities</b>	<u>42,995</u>	<u>40,115</u>
<b>Total liabilities</b>	<u>81,245</u>	<u>78,816</u>
<b>Total equity and liabilities</b>	<u><u>188,781</u></u>	<u><u>179,458</u></u>
<b>Net assets per share (RM)</b>	<u>0.81</u>	<u>0.76</u>

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

**SKB SHUTTERS CORPORATION BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	3 months ended			06 months ended		
	31 December 2022	31 December 2021	Changes (%)	31 December 2022	31 December 2021	Changes (%)
	RM'000 Unaudited	RM'000 Unaudited		RM'000 Unaudited	RM'000 Unaudited	
<b>Continuing operations</b>						
Revenue	29,489	18,411	60%	51,694	33,746	53%
Result from operating activities	5,310	2,140	148%	8,485	3,571	138%
Interest income	85	62	37%	159	124	28%
Interest expense	(557)	(438)	27%	(1,068)	(901)	19%
Profit before taxation	4,838	1,764	174%	7,576	2,794	171%
Tax expense	(384)	(208)	85%	(649)	(445)	46%
Profit for the period/year	4,454	1,556	186%	6,927	2,349	195%
Other comprehensive loss, net of tax Item that is or may be reclassified subsequently to profit or loss						
Foreign currency transaction differences for foreign operation	(34)	1	-3400%	(34)	1	-3400%
Total comprehensive income for the period attributable to owners of the company	4,421	1,557		6,894	2,350	
Basic earnings per share (sen)	3.37	1.18		5.25	1.78	
Diluted earnings per share (sen)	N/A	N/A		N/A	N/A	

The notes set out on pages 6 to 12 form 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 2022**

	<b>Current Quarter 31 December 2022 RM'000 Unaudited</b>	<b>Immediate Preceding Quarter 30 September 2022 RM'000 Unaudited</b>	<b>Changes (%)</b>
<b>Continuing operations</b>			
Revenue	29,489	22,205	33%
Result from operating activities	5,310	3,175	67%
Interest income	85	74	16%
Interest expense	(557)	(511)	9%
Profit for the period	4,838	2,738	77%
Tax expense	(384)	(265)	45%
Profit for the period	4,454	2,473	80%
Other comprehensive expense, net of tax Item that is or may reclassified subsequently to profit or loss			
Foreign currency transaction differences for foreign operation	(34)	(22)	50%
Total comprehensive income for the period attributable to owners of the company	4,421	2,451	
Basic earnings per share (sen)	3.37	1.87	
Diluted earnings per share (sen)	N/A	N/A	

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022 (UNAUDITED)**

	----- Non-distributable -----		Distributable	Total equity RM'000
	Share capital RM'000	Reserves RM'000	Retained earnings RM'000	
At 1 July 2022	45,818	(219)	55,043	100,642
Other comprehensive expense for the year	-	(33)	-	(33)
Profit for the year	-	-	6,927	6,927
Total comprehensive (expense)/income for the y	-	(33)	6,927	6,894
At 31 December 2022	45,818	(252)	61,970	107,536

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

	----- Non-distributable -----		Distributable	Total equity RM'000
	Share capital RM'000	Reserves RM'000	Retained earnings 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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>06 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit before tax from continuing operations</b>	7,576	2,794
Adjustments for :		
Depreciation of property, plant & equipment	1,619	2,046
Depreciation of investment properties	4	4
Depreciation of right-of-use assets	436	79
Effect movement of forex exchange	-	49
Interest expense	1,068	901
Interest income	(159)	(124)
Unrealised (gain)/loss on foreign exchange	(297)	(99)
Operating profit before changes in working capital	<u>10,247</u>	<u>5,650</u>
Changes in working capital:		
Inventories	(1,227)	(5,396)
Trade and other receivables	(6,265)	(7,210)
Trade and other payables	909	8,246
Cash generated from operations	<u>3,664</u>	<u>1,290</u>
Tax paid	(666)	(489)
<b>Net cash from operating activities</b>	<u>2,998</u>	<u>801</u>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(443)	(616)
Proceeds from disposal of plant and equipment	-	-
Interest received	159	124
<b>Net cash used in investing activities</b>	<u>(284)</u>	<u>(492)</u>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase creditors	(457)	(669)
Repayment of term loan	(1,074)	(1,730)
Repayment of lease liabilities	(92)	(79)
Changes in other borrowings, net	904	1,192
Interest paid	(1,068)	(901)
<b>Net cash used in financing activities</b>	<u>(1,787)</u>	<u>(2,187)</u>
Net increase/(decrease) in cash and cash equivalents	<u>927</u>	<u>(1,878)</u>
Cash and cash equivalents at 1 July 2022/2021	15,330	15,044
<b>Cash and cash equivalents at 31 December</b>	<u><u>16,257</u></u>	<u><u>13,166</u></u>
Note :		
<u>Purchase of plant and equipment</u>		
Purchase of plant and equipment	1,862	616
Less: Acquired by means of hire purchase arrangements	(1,419)	-
	<u>443</u>	<u>616</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	18,557	13,970
Bank overdrafts	(2,300)	(804)
	<u>16,257</u>	<u>13,166</u>

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these condensed interim financial statement.

# 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 2022.

### (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 2022.

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 2022 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 2022.

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 ended 31 December 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 RM51.694 million for period-to-date under review as compared to RM33.746 million for the corresponding financial year, representing an increase of RM17.948 million of 53.19% due to increase in sale of shutters and racking products.

The Group's profit before tax for the period ended 31 December 2022 is RM7.576 million against RM2.794 million for the corresponding period-to-date, representing an increase of 171.15% mainly due to the increase in revenue.

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

For the current quarter ended 31 December 2022, the Group registered a revenue of RM29.489 million as compared to the immediate preceding quarter of RM22.205 million, representing an increase of RM7.284 million or 32.80%. The increase was mainly due to increase in sale of shutters and racking products.

During the current quarter, the Group recorded profit before tax of RM4.838 million as compared to RM2.738 million in the immediate preceding quarter, representing an increase of RM2.100 million or 76.73%. The increase was mainly due to increase in revenue.

### 13. Current year prospects

With business environment is gradually progressing towards pre-pandemic normalcy, the global economy remains volatile with the heightened inflationary pressure which may potentially lead to global recession.

The Group strives to remain resilient during this time of economic uncertainty and continues to place strong emphasis on improving operational efficiency and cost rationalisation to achieve improved profitability and sustainable business growth.

The Group remain cautious on the business outlook and financial performance of the Group for the remaining quarters for FYE 30 June 2023.

### 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 31 December 2022 RM'000</b>	<b>6 months ended 31 December 2022 Rm'000</b>
Profit before tax is arrived at :		
Depreciation and amortisation	1,070	2,059
Gain/(Loss) on foreign currency exchange		
- realised	(327)	(619)
- unrealised	198	297
Interest income	85	159

### 16. Tax expense

	<b>3 months ended 31 December 2022</b>		<b>6 months ended 31 December 2022</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense				
Current period	384	208	649	445
Prior period	-	-	-	-
	384	208	649	445
Deferred tax expense				
Current period	-	-	-	-
Prior period	-	-	-	-
	-	-	-	-
	384	208	649	445

### 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

	<b>31 December 2022 RM'000</b>
<b>Current</b>	
<i>Secured</i>	
- Term loan	2,156
- Hire purchase creditors	1,014
<i>Unsecured</i>	
- Bank overdrafts	2,300
- Bankers' acceptances	7,566
- Foreign currency loan ("FCL")	-
- Revolving credits	2,000
	<u>15,036</u>
<b>Non-current</b>	
<i>Secured</i>	
- Term loan	34,883
- Hire purchase creditors	1,678
	<u>36,561</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:

	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit for the period attributable to ordinary shareholders	4,454,302	1,555,391	6,926,258	2,348,601

## 20. Earnings per share (continued)

### *Basic earnings per ordinary share (continued)*

	3 months ended 31 December		6 months ended 31 December	
	2022	2021	2022	2021
Issued ordinary shares at 1 July	44,000,000	44,000,000	44,000,000	44,000,000
Weighted average number of ordinary shares	-	-	-	-
Effect of bonus issue	88,000,000	88,000,000	88,000,000	88,000,000
Weighted average number of ordinary shares at 30 June	<u>132,000,000</u>	<u>132,000,000</u>	<u>132,000,000</u>	<u>132,000,000</u>
	3 months ended 31 December		6 months ended 31 December	
	2022	2021	2022	2021
Basic earnings per ordinary share (sen)	<u>3.37</u>	<u>1.18</u>	<u>5.25</u>	<u>1.78</u>

### *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 31 December		6 months ended 31 December	
	2022	2021	2022	2021
	RM	RM	RM	RM
Profit for the period/year attributable to ordinary shareholders	<u>4,454,302</u>	<u>1,555,391</u>	<u>6,926,258</u>	<u>2,348,601</u>
	3 months ended 31 December		6 months ended 31 December	
	2022	2021	2022	2021
Weighted average number of ordinary shares	132,000,000	132,000,000	132,000,000	132,000,000
Effect of warrants	*	-	-	-
Weighted average number of ordinary shares (diluted)	<u>132,000,000</u>	<u>132,000,000</u>	<u>132,000,000</u>	<u>132,000,000</u>

## 20. Earnings per share (continued)

### *Diluted earnings per ordinary share (continued)*

	3 months ended		6 months ended	
	31 December		31 December	
	2022	2021	2022	2021
Diluted earnings per ordinary share (sen)	N/A*	N/A	N/A	N/A

\* 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

	31 December 2022 RM'000
Property, plant and equipment - Contracted but not provided for	<u>Nil</u>

BY ORDER OF THE BOARD

Sin Kheng Lee  
Executive Chairman and Group Managing Director  
Date: 28 February 2023