

SKB SHUTTERS CORPORATION BERHAD

Registration No. 199701014865 (430362 - U)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	(Unaudited) 30 September 2023 RM'000	(Audited) 30 June 2023 RM'000
Assets		
Property, plant and equipment	31,945	32,420
Right-of-use assets	93,953	94,286
Investment properties	251	253
Trade receivables	5,309	5,198
Total non-current assets	<u>131,458</u>	<u>132,157</u>
Inventories	49,927	51,238
Trade and other receivables	16,935	19,432
Current tax assets	60	20
Cash and cash equivalents	31,897	24,326
Total current assets	<u>98,819</u>	<u>95,016</u>
Total assets	<u><u>230,277</u></u>	<u><u>227,173</u></u>
Equity		
Share capital	45,818	45,818
Reserves	(305)	(303)
Retained earnings	72,763	70,038
Total equity attributable to owners of the Company	<u>118,276</u>	<u>115,553</u>
Liabilities		
Loans and borrowings	62,805	64,053
Lease liabilities	492	536
Deferred tax liabilities	626	626
Total non-current liabilities	<u>63,923</u>	<u>65,215</u>
Loans and borrowings	19,058	15,951
Lease liabilities	176	174
Trade and other payables	27,875	29,295
Current tax liabilities	969	985
Total current liabilities	<u>48,078</u>	<u>46,405</u>
Total liabilities	<u>112,001</u>	<u>111,620</u>
Total equity and liabilities	<u><u>230,277</u></u>	<u><u>227,173</u></u>
Net assets per share (RM)	<u><u>0.90</u></u>	<u><u>0.88</u></u>

The notes on pages 6 to 12 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 SEPTEMBER 2023**

	3 months ended			3 months ended		
	30 September 2023	30 September 2022	Changes	30 September 2023	30 September 2022	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
	Unaudited	Unaudited		Unaudited	Audited	
Continuing operations						
Revenue	24,745	22,205	11%	24,745	22,205	11%
Result from operating activities	4,051	3,175	28%	4,051	3,175	28%
Interest income	198	74	168%	198	74	168%
Interest expense	(615)	(511)	20%	(615)	(511)	20%
Profit before taxation	3,634	2,738	33%	3,634	2,738	33%
Tax expense	(909)	(265)	243%	(909)	(265)	243%
Profit for the period/year	2,725	2,473	10%	2,725	2,473	10%
Other comprehensive loss, net of tax Item that is or may reclassified subsequently to profit or loss Foreign currency transaction differences for foreign operation	(2)	(22)	-91%	(2)	(22)	-91%
Total comprehensive income for the period attributable to owners of the company	2,723	2,451		2,723	2,451	
Basic earnings per share (sen)	2.06	1.87		2.06	1.87	
Diluted earnings per share (sen)	N/A	N/A		N/A	N/A	

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	Current Quarter 30 September 2023 RM'000 Unaudited	Immediate Preceding Quarter 30 June 2023 RM'000 Unaudited	Changes (%)
Continuing operations			
Revenue	24,745	34,467	-28%
Result from operating activities	4,051	6,265	-35%
Interest income	198	132	50%
Interest expense	(615)	(591)	4%
Profit for the period	3,634	5,806	-37%
Tax expense	(909)	(857)	6%
Profit for the period	2,725	4,949	-45%
Other comprehensive expense, net of tax Item that is or may reclassified subsequently to profit or loss			
Foreign currency transaction differences for foreign operation	(2)	(84)	-98%
Total comprehensive income for the period attributable to owners of the company	2,723	4,865	
Basic earnings per share (sen)	2.06	3.75	
Diluted earnings per share (sen)	N/A	N/A	

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023 (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	(303)	70,038	115,553
Other comprehensive expense for the year	-	(2)	-	(2)
Profit for the year	-	-	2,725	2,725
Total comprehensive (expense)/income for the year	-	(2)	2,725	2,723
At 30 September 2023	45,818	(305)	72,763	118,276

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 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	-	(22)	-	(22)
Profit for the year	-	-	2,473	2,473
Total comprehensive (expense)/income for the year	-	(22)	2,473	2,451
At 30 September 2022	45,818	(241)	57,516	103,093

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	3 months ended 30 September	
	2023	2022
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Profit before tax from continuing operations	3,634	2,738
Adjustments for :		
Depreciation of property, plant & equipment	1,162	768
Depreciation of investment properties	2	2
Depreciation of right-of-use assets	45	218
(Gain)/Loss on disposal of plant and equipment	(8)	-
Interest expense	615	511
Interest income	(198)	(74)
Unrealised (gain)/loss on foreign exchange	(357)	(100)
Operating profit before changes in working capital	<u>4,895</u>	<u>4,063</u>
Changes in working capital:		
Inventories	1,311	(3,476)
Trade and other receivables	1,717	(4,162)
Trade and other payables	(397)	(1,266)
Cash generated from operations	<u>7,526</u>	<u>(4,841)</u>
Tax paid	(966)	(355)
Net cash from/(used in) operating activities	<u>6,560</u>	<u>(5,196)</u>
Cash flows from investing activities		
Purchase of plant and equipment	(401)	(257)
Proceeds from disposal of plant and equipment	10	-
Interest received	198	74
Net cash used in investing activities	<u>(193)</u>	<u>(183)</u>
Cash flows from financing activities		
Repayment of hire purchase creditors	(280)	(216)
Repayment of term loan	(733)	(543)
Repayment of lease liabilities	(43)	(46)
Changes in other borrowings, net	1,587	2,455
Interest paid	(615)	(511)
Net cash (used in)/from financing activities	<u>(84)</u>	<u>1,139</u>
Net increase/(decrease) in cash and cash equivalents	<u>6,283</u>	<u>(4,240)</u>
Cash and cash equivalents at 1 July 2023/2022	23,910	15,330
Cash and cash equivalents at 30 September	<u><u>30,193</u></u>	<u><u>11,090</u></u>
Note :		
<u>Purchase of plant and equipment</u>		
Purchase of plant and equipment	401	257
Less: Acquired by means of hire purchase arrangements	-	-
	<u><u>401</u></u>	<u><u>257</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	31,897	12,891
Bank overdrafts	(1,704)	(1,801)
	<u><u>30,193</u></u>	<u><u>11,090</u></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 *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 2023.

(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 2023.

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 2024 did not have any significant impact to the unaudited consolidated financial statements upon their initial application:

MFRSs and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendment to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures - Supplier Finance Agreements*

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 2023 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 2023.

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 30 September 2023.

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 RM24.745 million for period-to-date under review as compared to RM22.205 million for the corresponding financial year, representing an increase of RM2.540 million of 11.44% due to increase in sale of shutters and steel door products.

The Group's profit before tax for the year ended 30 September 2023 is RM3.634 million against RM2.738 million for the corresponding financial year, representing an increase of 32.72% mainly due to the increase in revenue.

12. Variation of results against preceding quarter

For the current quarter ended 30 September 2023, the Group registered a revenue of RM24.745 million as compared to the immediate preceding quarter of RM34.467 million, representing a decrease of RM9.722 million or 28.21%. The decrease was mainly due to decrease in sale of steel door products.

During the current quarter, the Group recorded profit before tax of RM3.634 million as compared to RM5.806 million in the immediate preceding quarter, representing an decrease of RM2.172 million or 37.41%. The decrease was mainly due to decrease in revenue.

13. Current year prospects

The Group expects to benefit from the continuous recovery of the domestic construction sector and services sector, especially logistics and digital economy segment.

However, with the volatility in raw materials prices and operational costs, the Group shall continue to place strong emphasis on operational efficiency and cost rationalization to improve profitability and sustainable business growth.

The Group remains cautious on the business outlook and financial performance of the Group for the upcoming quarters.

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 September 2023 RM'000
Profit before tax is arrived at :	
Depreciation and amortisation	1,209
Impairment loss on trade receivables	-
Gain/(Loss) on foreign currency exchange	
- realised	(329)
- unrealised	357
Gain on disposal of plant and equipment	8
Interest income	198

16. Tax expense

	3 months ended 30 September	
	2023 RM'000	2022 RM'000
Current tax expense		
Current period	909	265
Prior period	-	-
	909	265
Deferred tax expense		
Current period	-	-
Prior period	-	-
	-	-
	909	265

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 September 2023 RM'000
Current	
<i>Secured</i>	
- Term loans	4,133
- Hire purchase creditors	976
<i>Unsecured</i>	
- Bank overdrafts	1,704
- Bankers' acceptances	10,245
- Revolving credits	2,000
	<u>19,058</u>
Non-current	
<i>Secured</i>	
- Term loans	61,090
- Hire purchase creditors	1,715
	<u>62,805</u>

The above borrowings are denominated in Ringgit Malaysia.

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 September	
	2023 RM'000	2022 RM'000
Profit for the period/year attributable to ordinary shareholders	2,725	2,472

	3 months ended 30 September	
	2023 RM'000	2022 RM'000
Issued ordinary shares at 1 July	132,000	44,000
Effect of bonus issue	-	88,000
Weighted average number of ordinary shares at 30 June	132,000	132,000

	3 months ended 30 September	
	2023	2022
Basic earnings per ordinary share (sen)	2.06	1.87

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 September	
	2023 RM'000	2022 RM'000
Profit for the period/year attributable to ordinary shareholders	2,725	2,472

20. Earnings per share (continued)

	3 months ended 30 September	
	2023 RM'000	2022 RM'000
Weighted average number of ordinary shares	132,000	132,000
Effect of warrants	*	*
	<hr/>	
Weighted average number of ordinary shares (diluted)	132,000	132,000
	<hr/>	
	3 months ended 30 September	
	2023	2022
Diluted earnings per ordinary share (sen)	N/A*	N/A*
	<hr/>	

* The effect of the assumed exercise of Warrants for the quarters/current year under review have 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 September 2023 RM'000
Property, plant and equipment	
- Contracted but not provided for	<hr/> Nil

22. 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.

23. Capitalisation of borrowing costs

The Group's property, plant and equipment includes borrowing costs arising from term loan. During the financial year, the borrowing costs of Rm354,289.72 was capitalized as cost of capital work-in-progress.

BY ORDER OF THE BOARD

Sin Kheng Lee
Executive Chairman
Date: 28 November 2023