

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 2024**

	(Unaudited) 30 June 2024 RM'000	(Audited) 30 June 2023 RM'000
Assets		
Property, plant and equipment	32,248	32,420
Right-of-use assets	92,951	94,286
Investment properties	245	253
Deferred tax assets	590	-
Trade receivables	5,225	5,198
Total non-current assets	<u>131,259</u>	<u>132,157</u>
Inventories	51,250	51,238
Trade and other receivables	22,168	19,432
Current tax assets	48	20
Short term deposits with financial institutions	38,015	-
Cash and cash equivalents	5,390	24,326
Total current assets	<u>116,871</u>	<u>95,016</u>
Total assets	<u><u>248,130</u></u>	<u><u>227,173</u></u>
Equity		
Share capital	46,321	45,818
Reserves	(315)	(303)
Retained earnings	86,408	70,038
Total equity attributable to owners of the Company	<u>132,414</u>	<u>115,553</u>
Liabilities		
Loans and borrowings	59,937	64,053
Lease liabilities	379	536
Deferred tax liabilities	122	626
Total non-current liabilities	<u>60,438</u>	<u>65,215</u>
Loans and borrowings	21,877	15,951
Lease liabilities	157	174
Trade and other payables	32,523	29,295
Current tax liabilities	721	985
Total current liabilities	<u>55,278</u>	<u>46,405</u>
Total liabilities	<u>115,716</u>	<u>111,620</u>
Total equity and liabilities	<u><u>248,130</u></u>	<u><u>227,173</u></u>
Net assets per share (RM)	<u><u>0.99</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.

SKB SHUTTERS CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2024

	3 months ended			12 months ended		
	30 June 2024 RM'000 Unaudited	30 June 2023 RM'000 Unaudited	Changes (%)	30 June 2024 RM'000 Unaudited	30 June 2023 RM'000 Audited	Changes (%)
Revenue	31,226	34,467	-9%	115,731	112,136	3%
Result from operating activities	7,351	6,265	17%	23,494	20,192	16%
Interest income	315	132	139%	1,060	408	160%
Interest expense	(701)	(591)	19%	(2,569)	(2,237)	15%
Profit before taxation	6,965	5,806	20%	21,985	18,363	20%
Tax expense	(572)	(857)	-33%	(5,615)	(3,368)	67%
Profit for the period	6,393	4,949	29%	16,370	14,995	9%
Other comprehensive loss, net of tax Item that is or may reclassified subsequently to profit or loss Foreign currency transaction differences for foreign operation	(12)	(84)	-86%	(12)	(84)	-86%
Total comprehensive income for the period attributable to owners of the company	6,381	4,865		16,358	14,911	
Basic earnings per share (sen)	4.84	3.75		12.40	11.36	
Diluted earnings per share (sen)	4.19	N/A		11.16	N/A	

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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 2024**

	Current Quarter 30 June 2024 RM'000 Unaudited	Immediate Preceding Quarter 31 March 2024 RM'000 Unaudited	Changes (%)
Revenue	<u>31,226</u>	<u>30,721</u>	2%
Result from operating activities	7,351	6,430	14%
Interest income	315	307	3%
Interest expense	(701)	(623)	13%
Profit for the period	<u>6,965</u>	<u>6,114</u>	14%
Tax expense	(572)	(2,241)	-74%
Profit for the period	<u>6,393</u>	<u>3,873</u>	65%
Other comprehensive expense, net of tax Item that is or may reclassified subsequently to profit or loss Foreign currency transaction differences for foreign operation	(12)	(18)	167%
Total comprehensive income for the period attributable to owners of the company	<u>6,381</u>	<u>3,855</u>	
Basic earnings per share (sen)	<u>4.84</u>	<u>2.93</u>	
Diluted earnings per share (sen)	<u>4.19</u>	<u>2.63</u>	

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024 (UNAUDITED)**

	Share capital RM'000	Non-distributable Reserves RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 July 2023	45,818	(303)	70,038	115,553
Other comprehensive expense for the year	-	(12)	-	(12)
Profit for the year	-	-	16,370	16,370
Total comprehensive (expense)/income for the year	-	(12)	16,370	16,358
Warrants exercise	503			503
At 30 June 2024	46,321	(315)	86,408	132,414

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023 (AUDITED)**

	Share capital RM'000	Non-distributable Reserves RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 July 2022	45,818	(219)	55,043	100,642
Other comprehensive expense for the year	-	(84)	-	(84)
Profit for the year	-	-	14,995	14,995
Total comprehensive (expense)/income for the year	-	(84)	14,995	14,911
At 30 June 2023	45,818	(303)	70,038	115,553

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	12 months ended 30 June	
	2024	2023
	RM'000	RM'000
	(Unaudited)	(Audited)
Profit before tax from continuing operations	21,985	18,363
Adjustments for :		
Depreciation of property, plant & equipment	4,639	3,346
Depreciation of investment properties	7	7
Depreciation of right-of-use assets	180	876
Gain on disposal of plant and equipment	(106)	(76)
Plant and equipment written off	-	6
Interest expense	2,569	2,236
Interest income	(1,060)	(408)
Unrealised (gain)/loss on foreign exchange	(497)	(146)
Inventories written down	187	33
Net impairment loss/(gain) on financial assets	171	132
Gain on derecognition of right-of-use assets	-	(7)
Gain on forfeiture of non-refundable deposits received	-	(55)
Operating profit before changes in working capital	28,075	24,307
Changes in working capital:		
Inventories	(199)	1,539
Trade and other receivables	(3,602)	(6,394)
Trade and other payables	4,383	2,511
Cash generated from operations	28,657	21,963
Tax paid	(7,003)	(3,415)
Net cash from operating activities	21,654	18,548
Cash flows from investing activities		
Purchase of plant and equipment	(2,109)	(1,164)
Purchase of right-of-use asset	-	(35,974)
Proceeds from disposal of plant and equipment	109	76
Deposit placement with financial institutions	(38,015)	-
Interest received	1,060	408
Net cash used in investing activities	(38,955)	(36,654)
Cash flows from financing activities		
Drawdown of term loan	-	29,977
Repayment of hire purchase creditors	(1,067)	(986)
Repayment of term loan	(3,832)	(2,133)
Repayment of lease liabilities	(174)	(187)
Changes in other borrowings, net	3,650	1,995
Interest paid	(2,569)	(2,237)
Proceeds from warrants exercised	503	-
Net cash (used in)/from financing activities	(3,489)	26,429
Net (decrease)/increase in cash and cash equivalents	(20,790)	8,323
Effect of exchange rate fluctuation on cash and cash equivalents	-	257
Cash and cash equivalents at 1 July 2023/2022	23,910	15,330
Cash and cash equivalents at 30 June	3,120	23,910
Note :		
<u>Purchase of plant and equipment</u>		
Purchase of plant and equipment	3,314	3,391
Less: Acquired by means of hire purchase arrangements	(1,205)	(2,227)
	2,109	1,164
<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	5,390	24,326
Bank overdrafts	(2,270)	(416)
	3,120	23,910

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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.

The adoption of new and revised accounting standards, interpretations and amendments of MFRS Accounting Standards below that are relevant and coming into effect for accounting periods beginning on or after 1 January 2024 is not expected to have any significant impact to the Group upon their initial application:

MFRS Accounting Standards, interpretations 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*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on 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 June 2024 except the issuance of 1,117,400 new ordinary shares arising from the exercise of warrants.

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 except for SKB Shutters Industries Sdn Bhd that is currently in the process of being struck off.

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 RM115.731 million for period-to-date under review as compared to RM112.136 million for the corresponding financial year, representing an increase of RM3.595 million of 3.21% due to increase in sale of shutters products.

The Group's profit before tax for the year ended 30 June 2024 is RM21.985 million against RM18.363 million for the corresponding financial year, representing an increase of 19.72% mainly due to the increase in revenue and reduce in manufacturing cost

12. Variation of results against preceding quarter

For the current quarter ended 30 June 2024, the Group registered a revenue of RM31.226 million as compared to the immediate preceding quarter of RM30.721 million, representing a increase of RM0.505 million or 1.64%. The increase was mainly due to increase in sale of shutters products.

During the current quarter, the Group recorded profit before tax of RM6.965 million as compared to RM6.114 million in the immediate preceding quarter, representing an increase of RM0.851 million or 13.92%. The increase was mainly due to increase in revenue and reduce in manufacturing cost.

13. Current year prospects

The Group's outlook remains cautious due to the persistent volatility in raw material prices and currency fluctuations. The global economic landscape has been marked by significant uncertainties, influenced by geopolitical tensions, supply chain disruptions, and varying recovery speeds across regions. These factors have led to unpredictable swings in the cost of raw materials, impacting our production expenses and profit margins. Additionally, currency fluctuations continue to pose challenges, especially in our international operations, affecting the cost of imports and exports. In response, the Group shall continue to place strong emphasis on operational efficiency and cost rationalization to improve profitability and sustainable business growth.

Amidst these challenges, we are optimistic on the recovery in the construction sector, focusing on industrial and digital infrastructure segments. This resurgence is expected to drive demand for our innovative and high-quality building materials, positioning us well to capitalize on emerging opportunities.

Our commitment to sustainability and innovation aligns perfectly with the requirements of these sectors, allowing us to offer cutting-edge solutions that enhance energy efficiency and reduce environmental impact.

In conclusion, while we remain vigilant about the external economic pressures, we are confident in our ability to navigate these challenges and leverage the recovery in key sectors. Our strategic initiatives, focus on sustainability, and dedication to quality and safety will continue to drive our growth and solidify our position as a leader in the building materials industry.

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 2024 RM'000	12 months ended 30 June 2024 RM'000
Profit before tax is arrived at :		
Depreciation and amortisation	1,210	4,826
Impairment loss on trade receivables	171	171
Gain on foreign currency exchange		
- realised	(3)	(463)
- unrealised	(15)	497
Gain on disposal of plant and equipment	5	106
Interest income	315	1060

16. Tax expense

	3 months ended 30 June		12 months ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense				
Current period	1,667	1,788	6,400	4,081
Prior period	-	-	310	218
	1,667	1,788	6,710	4,299
Deferred tax expense				
Current period	(907)	(373)	(907)	(373)
Prior period	(188)	(558)	(188)	(558)
	(1,095)	(931)	(1,095)	(931)
	572	857	5,615	3,368

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 2024
	RM'000
Current	
<i>Secured</i>	
- Term loans	4,208
- Hire purchase creditors	1,091
<i>Unsecured</i>	
- Bank overdrafts	2,270
- Bankers' acceptances	10,255
- Revolving credits	4,053
	<hr/> <hr/> 21,877
Non-current	
<i>Secured</i>	
- Term loans	57,918
- Hire purchase creditors	2,019
	<hr/> <hr/> 59,937

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		12 months ended	
	30 June		30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to ordinary shareholders	6,393	4,949	16,370	14,995

20. Earnings per share (continued)

	3 months ended		12 months ended	
	30 June		30 June	
	2024	2023	2024	2023
	'000	'000	'000	'000
Issued ordinary shares at beginning of the period	132,035	132,000	132,000	132,000
Effect of warrants exercised	94	-	48	-
Weighted average number of ordinary shares at 30 June	132,129	132,000	132,048	132,000
	3 months ended		12 months ended	
	30 June		30 June	
	2024	2023	2024	2023
Basic earnings per ordinary share (sen)	4.84	3.75	12.40	11.36

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		12 months ended	
	30 June		30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year attributable to ordinary shareholders	6,393	4,949	16,370	14,995
	3 months ended		12 months ended	
	30 June		30 June	
	2024	2023	2024	2023
	'000	'000	'000	'000
Weighted average number of ordinary shares	132,129	132,000	132,048	132,000
Effect of warrants	20,347	-	14,575	-
Weighted average number of ordinary shares (diluted)	152,476	132,000	146,623	132,000
	3 months ended		12 months ended	
	30 June		30 June	
	2024	2023	2024	2023
Diluted earnings per ordinary share (sen)	4.19	N/A	11.16	N/A

The effect of the assumed exercise of warrants for the quarter/previous year to-date 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 June 2024
RM'000

Property, plant and equipment
- Contracted but not provided for

975

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 RM1,389,505 was capitalized as cost of capital work-in-progress classified under property, plant and equipment.