

SKB SHUTTERS CORPORATION BERHAD

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

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MAR 2010

	(Unaudited) At 31 Mar 2010	(Audited) At 30 June 2009
	RM'000	RM'000
Assets		
Property, plant and equipment	42,069	43,246
Prepaid lease payments	8,471	8,768
Investment properties	1,980	1,993
Interest in associate	1,757	1,312
Total non-current assets	<u>54,277</u>	<u>55,319</u>
Inventories	31,328	27,326
Trade and other receivables	13,990	17,885
Current tax assets	1,673	1,378
Cash and cash equivalents	6,128	4,706
Total current assets	<u>53,119</u>	<u>51,295</u>
Total assets	<u>107,396</u>	<u>106,614</u>
Equity		
Share capital	40,000	40,000
Share premium	1,498	1,498
Reserves	2,450	2,450
Retained earnings	24,685	25,958
Total equity attributable to owners of the Company	<u>68,633</u>	<u>69,906</u>
Liabilities		
Loans and borrowings	13,409	13,201
Deferred tax liabilities	3,505	3,505
Total non-current liabilities	<u>16,914</u>	<u>16,706</u>
Trade and other payables	7,201	7,699
Loans and borrowings	14,648	12,303
Total current liabilities	<u>21,849</u>	<u>20,002</u>
Total equity and liabilities	<u>107,396</u>	<u>106,614</u>
Net assets per share (RM)	<u>1.72</u>	<u>1.75</u>

The notes set out on pages 5 to 9 form an integral part of, and, should be read in conjunction with, this interim financial report.

SKB SHUTTERS CORPORATION BERHAD**(Company No. 430362 - U)****(Incorporated in Malaysia)****AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MAR 2010 (UNAUDITED)**

	3 months ended		9 months ended	
	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	<u>9,866</u>	<u>14,601</u>	<u>34,948</u>	<u>48,671</u>
Operating (loss)/ profit	(501)	1,537	502	5,178
Interest expense	(276)	(441)	(916)	(1,486)
Share of profit of associates	123	207	446	538
(Loss)/ Profit before taxation	<u>(654)</u>	<u>1,303</u>	<u>32</u>	<u>4,230</u>
Tax expense	(32)	(196)	(105)	(465)
(Loss)/ Profit after taxation	<u>(686)</u>	<u>1,107</u>	<u>(73)</u>	<u>3,766</u>
Minority interest	-	-	-	-
(Loss)/ Profit for the period	<u>(686)</u>	<u>1,107</u>	<u>(73)</u>	<u>3,766</u>
Basic earnings per share (sen)	<u>(1.72)</u>	<u>2.77</u>	<u>(0.18)</u>	<u>9.41</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MAR 2010 (UNAUDITED)**

	----- Non-distributable -----		Distributable	
	Share capital	Reserves	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
At 1 July 2009	40,000	3,948	25,958	69,906
Loss for the period	-	-	(73)	(73)
Dividend paid	-	-	(1,200)	(1,200)
At 31 Mar 2010	<u>40,000</u>	<u>3,948</u>	<u>24,685</u>	<u>68,633</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAR 2009 (UNAUDITED)**

	----- Non-distributable -----		Distributable	
	Share capital	Reserves	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
At 1 July 2008	40,000	3,948	24,349	68,297
Profit for the period	-	-	3,766	3,766
Dividend paid	-	-	(900)	(900)
At 31 Mar 2009	<u>40,000</u>	<u>3,948</u>	<u>27,214</u>	<u>71,162</u>

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SKB SHUTTERS CORPORATION BERHAD

(Company No. 430362 - U)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MAR 2010 (UNAUDITED)**

	9 months ended 31 Mar	
	2010	2009
	RM'000	RM'000
Profit before tax from continuing operations	32	4,230
Adjustments for :		
Non-cash items	3,810	3,784
Non-operating items	268	441
Operating profit before changes in working capital	4,110	8,455
Changes in working capital:		
Net changes in current assets	(107)	3,679
Net changes in current liabilities	(500)	(2,641)
Dividend received	-	248
Taxes paid	(400)	(752)
Net cash from operating activities	3,103	8,989
Cash flows from investing activities		
- Purchase of property, plant and equipment	(1,082)	(618)
- Proceeds from disposal of property, plant and equipment	165	-
Net cash used in investing activities	(917)	(618)
Cash flows from financing activities		
-Borrowings	761	(7,022)
-Dividend paid	(1,200)	(900)
Net cash used in financing activities	(439)	(7,922)
Net increase in cash and cash equivalents	1,747	449
Cash and cash equivalents at 1 July	4,097	2,209
Cash and cash equivalents at 31 Mar	5,844	2,657
Note :		
<u>Purchase of property, plant and equipment</u>		
Additions of property, plant and equipment	2,933	2,010
Less: Hire purchase obligations	(1,851)	(1,391)
	1,082	618
<u>Cash and cash equivalents</u>		
Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following :		
Cash and bank balances	6,128	3,848
Overdrafts	(284)	(1,191)
	5,844	2,657

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SKB SHUTTERS CORPORATION BERHAD
(Company No.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 Listing Requirements of the Bursa Malaysia Securities Berhad and *FRS134, Interim Financial Reporting*. 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 2009.

2. Significant accounting policies

(a) Changes in accounting policies

The accounting policies and the methods of computation adopted by SKB Shutters Corporation Berhad., its subsidiaries and associate (“the Group”) in this interim financial report are consistent with those adopted in the financial statements for the year ended 30 June 2009 other than the adoption of FRS 8 - Operating Segments which became effective for financial periods beginning on and after 1 July 2009.

3. 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 2009.

4. Seasonality or cyclicity of operations

The business of the Group was not affected by any significant seasonal or cyclical factors in the quarter under review.

5. Exceptional and extraordinary items

There were no material exceptional and extraordinary items for the period under review.

6. Change in debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities for the financial period-to-date.

7. Dividends

No dividends have been recommended or paid for the quarter ended 31 Mar 2010.

8. 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 *FRS 8* is not presented.

9. Valuation of property, plant and equipment

The valuation of land and buildings has been brought forward without amendments from the previous annual report.

10. Subsequent events

No subsequent events for the quarter ended 31 Mar 2010.

11. Changes in Group's composition

There were no changes in the composition of the Group during the current quarter ended 31 Mar 2010.

12. Changes in contingent liabilities and assets

There were no contingent liabilities and assets for the Group as at 20 May 2010 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

13. Review of Group performance

Group revenue for the quarter ended 31 Mar 2010 dropped by 32.43% or RM4.735 million as compared to the corresponding quarter in 2009. The drop in revenue was mainly due to lower sales for racking , furniture, shutters , roller door and steel door products.

Group loss before taxation of RM0.654 million was down by 150% as compared to the corresponding quarter in the previous year due to lower sales demand as a result of the global economic downturn and higher administrative expenses.

14. Variation of results against preceding quarter

Group revenue decreased from RM12.203 million to RM9.866 million as compared to the immediate preceding quarter. Group loss before taxation of RM0.654 million was down by 281% as compared to the immediate preceding quarter mainly due to lower sales demand and higher administrative and distribution costs.

15. Current year prospects

Barring unforeseen circumstances, the Directors anticipate that the Group will continue to strive to enhance the financial performance by practicing prudent cost management and to continue to concentrate on the Group's core activities which are the manufacturing and dealing of roller shutters, steel door, racking, and storage systems. Also, the Group will continuously strive to improve quality of products and developing new innovative products to increase its market share, sales revenue and profitability.

16. 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.

17. Tax expense

	3 months ended 31 Mar		9 months ended 31 Mar	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax expense				
Current	31	196	105	465

The disproportionate tax charge for the period ended 31 Mar 2010 is mainly due to tax loss position of certain subsidiary in the current quarter.

18. Unquoted investments and properties

There were no disposals of unquoted investments and/or properties for the quarter under review and the financial period to-date.

19. Quoted investments

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

20. Status of corporate proposals

Not applicable.

21. Loans and borrowings

	31 Mar 2010 RM'000
Current	
Secured	6,433
Unsecured	8,215
	<hr/> <u>14,648</u>
Non-current	
Secured	13,409
	<hr/>

The above borrowings are denominated in Ringgit Malaysia.

22. Off balance sheet financial instruments

The Group did not have any financial instruments with off balance sheet risk as at 20 May 2010 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

23. Material litigation

Kuala Lumpur High Court
Suit No. S3-23-75-2006
SKB Shutters Manufacturing Sdn Bhd
-v- Standard Chartered Bank Malaysia Berhad “(SCB)”

On 14th August 2006, SKB Shutters Manufacturing Sdn Bhd served a WRIT, Civil Suit No.S3-23-75-2006 on the solicitors for the defendant, Messrs Shearn Delamore & Co demanded for general damages not less than RM250,000 to be paid by Standard Chartered Bank Malaysia Berhad.

23. Material litigation (Cont'd)

On 2nd October 2006, SCB had filed their defence, denying liabilities.

An additional affidavit was filed by Messrs Michael Chow Advocates & Solicitors (who had taken over the services of Messrs Gunaseelan and Associates) to include SKB Storage Industries Sdn Bhd as additional plaintiff.

Kuala Lumpur High Court on 29th July 2009 dismissed SKB Shutters Manufacturing Sdn Bhd's appeal to amend the Statement of Claim with costs.

The case has yet to be fixed for mentioned as at 20 May 2010 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

24. Basic earnings per share

The calculation of basic earnings per share for the quarter is based on the net profit attributable to ordinary shareholders of RM0.33 million and the weighted average number of ordinary shares outstanding during the quarter of 40,000,000.

25. Capital commitments

No capital commitments for the quarter ended 31 Mar 2010.

26. Related parties

There were no non-recurring related party transactions during the quarter under review and financial period to-date.

BY ORDER OF THE BOARD

Sin Kheng Lee
Executive Chairman and Group Managing Director
Dated: 27th May 2010