

SKB SHUTTERS CORPORATION BERHAD

199701014865 (430362-U)

Building a Sustainable Future



25th Annual General Meeting



25th day, November 2022 (Friday)





The Olive, Level 6, Olive Tree Hotel Penang 76, Jalan Mahsuri, Bandar Sunway Tunas, 11950 Bayan Lepas, Penang

www.skb-shutters.com



Contents

02 Man	agement Discussio	n and Analysis
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- **04** Corporate Structure
- 05 Corporate Information
- 06 Directors' Profile / Key Senior Management
- Og Corporate Governance Overview Statement
- 16 Other Information
- **17** Sustainability Report
- Statement on Risk Management and Internal Control
- 22 Audit Committee Report
- **24** Directors' Report
- 29 Statements of Financial Position
- 30 Statements of Profit or Loss and Other Comprehensive Income
- 32 Consolidated Statement of Changes In Equity
- 33 Statement of Changes In Equity
- **34** Statements of Cash Flows
- **38** Notes to the Financial Statements
- Statement by Directors

 Pursuant to Section 251(2) of
 - Pursuant to Section 251(2) of the Companies Act 2016
- Statutory Declaration
 Pursuant to Section 251(1)
 - Pursuant to Section 251(1)(b) of the Companies Act 2016
- 87 Independent Auditors' Report
- **91** List of Properties
- **92** Analysis of Shareholdings
- **94** Analysis of Warrant Holdings
- 96 Notice of Annual General Meeting
- **100** Administrative Details

Proxy Form

Annexure



Management Discussion And Analysis

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

SKB Shutters Corporation Berhad ("SKBC") specializes in manufacturing of roller shutters, steel doors and storage and handling system and is listed on the Main Market of Bursa Malaysia Securities Berhad since 28 March 2001. SKB Shutters Manufacturing Sdn. Bhd. and SKB Storage Industries Sdn. Bhd. are main subsidiaries of the Group.

Following the Group's listing on the stock exchange, its main objective has led to the expansion in its regional coverage, product innovation, manufacturing capability and capacity. The Group strives to achieve the vision of being recognized as the largest roller shutter and storage system manufacturer in South East Asia.

For the financial year ending 2023, the Group's mission is to be the preferred supplier of roller shutters, steel doors and storage system products in the industry and to enhance shareholders' value. In pursuing our mission, we strategize our journey by providing the highest-quality products, with sales and delivery services that continuously exceed customers' expectations and providing opportunities for employees to excel and be rewarded. Therefore, research and development and product testing for roller shutters to meet local regulatory requirements, engineered storage racking systems to earthquake-prone regions and many more will always be carried out by our team.

PERFORMANCE OF THE GROUP FOR THE FINANCIAL YEAR ENDED ("FYE") 30 JUNE 2022

	FYE 30 June 2022 RM'000	FYE 30 June 2021 RM'000	Changes (%)
Revenue	74,492	64,407	15.66
Result From Operating Activities	13,804	7,479	84.57
Interest Income	248	129	92.25
Interest Expense	(1,761)	(1,918)	(8.19)
Profit before Tax	12,291	5,690	116.01
Tax Expense	(2,695)	(666)	305.26
Profit after Tax	9,596	5,024	90.97
Basic Earnings Per Ordinary Share (sen)	7.27	4.19*	

^{*} Earnings per ordinary share for the previous financial year has been adjusted to reflect the effect of the bonus issue of two (2) bonus shares for every one (1) existing ordinary share held which was completed on 5 January 2022.

FINANCIAL RESULTS

The challenging economic environment had not deter SKBC from charting a double-digit growth, as revenue grew by 15.66% from RM64.41 million in FYE 30 June 2021 to RM74.49 million in the financial year under review. The growth was mainly due to the increase in sales for Roller Shutters, Steel Doors and Racking Systems. While the economy is transitioning to endemic phase, the logistic and industrial sector seems recovering, which in turn contributing to the growth of revenue of the Company.

Together with stricter costs control and effective procurement strategies, the Group recorded profit before tax of RM12.291 million for the current financial year as compared to RM5.690 million for the FYE 30 June 2021. This increase was attributed by the gain on disposal of investment properties of RM3.027 million and increase in revenue of RM10.085 million during the year under review

With improved earnings, the Group's financial position was further strengthened with total equity increased to RM100.642 million as at 30 June 2022. The Group's total assets for FYE 2022 had increased to RM179.458 million from RM166.086 million in FYE 2021.

OPERATIONS REVIEW

During the FYE 2022, there were a few business and operational development activities undertaken by the Group: -

1) Renewable Energy Generation

As part of the Group's direction in adopting green energy, Solar PV panels were installed. With the installation, the estimated annual electricity generation is approximately 770,412kwH. This would allow the Group to benefit from reduced energy costs, which will contribute positively to the Group. In addition, the Group will also benefit from the substantial tax benefits, such as capital allowance and Green Investment Tax Allowance ("GITA") approved by MIDA.

The installation works had been completed and pending for the endorsement by Energy Commission for the system to go live. This is in line with the Group's Environmental, Social and Governance ("ESG") initiative to a cleaner, sustainable and green future.



Management Discussion And Analysis

OPERATIONS REVIEW (continued)

2) Issuance of Ordinary Shares and Warrants

During the year, SKBC had carried out the following corporate exercises in line with the Group's strategic financial plan: -

- a. a bonus issue of 88,000,000 new ordinary shares on the basis of two (2) new ordinary shares for every one (1) existing ordinary share held at no consideration and without any capitalisation of the Company's reserves. The bonus issue was completed on 5 January 2022;
- b. issuance of 65,999,996 free warrants ("Warrants") on the basis of one (1) Warrant for every two (2) existing ordinary shares held. The issuance of Warrants was completed on 16 February 2022.

3) Obtaining fire certificate for Fire Door with Electronic Mortise Lock

With the continuous research and development over the past 3 years, a wholly-owned subsidiary of the Company, SKB Shutters Manufacturing Sdn. Bhd. had successfully obtain the Fire Certificate for its fire door paired with Electronic Mortise Lock. This would further strengthen the Group's position in obtaining larger market share in the fire door segment, especially with the demand of such products are commonly used by multinational companies specializing in electronics component manufacturing and highly confidential storage facilities.

BUSINESS RISKS

The key risks that the Group currently faces in its business operations include among others market competition and rising manufacturing costs. The management of the material key risks are as below:

Market competition

Market competition risk is caused by increased competition which may have an adverse impact on the Group, in terms of customer growth, revenue and profitability. To mitigate this risk, the Group is continuously exploring and implementing effective ways in customer engagement to deliver customer's expectation and add value in the customer relationship. The Group is also working on expanding its customer base, including focus on the expanding export market, in order to entrench its position as one of the largest market players in the industry.

Rising manufacturing costs

The steel industry was not spared from the supply chain disruption arising from the pandemic and global geopolitical risks, leading to volatility in the raw material prices. The industry sector is also facing labour shortage, which results in higher overtime costs in meeting delivery timelines. With the implementation of Minimum Wage Order on 1 May 2022, the costs of labour had resulted in further increase in manufacturing costs.

The Group will continue to monitor the price fluctuations of input costs and exercise prudence to ensure stability of our finance and business operations.

FORWARD LOOKING STATEMENT

While ASEAN countries have mostly relaxed Covid-19 restrictions, the uncertainty of an oncoming recession has prompted the Group to continue to stay vigilant and resilient on rising costs including raw materials, labour cost and utilities. The Group remains very cautious with economic condition, both local and export markets, to adapt responsively in anticipation of a slow-down or weak sentiment in the building & construction segment. Additionally, the Group is eager to launch multiple Research & Development projects focusing on ESG initiatives. It is expected that the success of these projects will be beneficial to the Building & Construction sector and more importantly, adds to the list of ESG Building Materials that is facing limited options and choices for adoption in current times.

These strategic initiatives helmed by the Group aim to create value and growth in times that remains challenging and uncertain:

- i. To improve our internal competency;
- ii. Grow our key businesses; and
- iii. Transform our organization to become adaptive and sensitive to our operating environment.

The Group continues to position itself as a solution provider over a manufacturer-cum-supplier role. With increasing integration of automation and complementary products that can come under the Group's umbrella and/or partnering closely with industry experts, clients are able to receive comprehensive industry solution rather than consolidating different products into one system or set up.



Corporate Structure



SKB SHUTTERS CORPORATION BERHAD

Registration No.: 199701014865 (430362-U)

Investment Holding



100%





SKB Shutters Manufacturing Sdn. Bhd.

Registration No.: 197701001003 (31982-W)

Manufacture and sale of roller shutters, racking systems, storage system and related steel products

SKB Storage Industries Sdn. Bhd.

Registration No.: 200101022164 (557922-U)

Manufacture and sale of roller shutters, racking systems, storage system and related steel products

SKB Shutters Industries Sdn. Bhd.

Registration No.: 199501032539 (368833-K)

Manufacturing and providing of repair services for motor components

SKB Shutters (S) Pte. Ltd.

Registration No.: 200909146H

Trading of roller shutters, racking systems and storage systems

Corporate Information

Sin Kheng Lee

(Executive Chairman and Group Managing Director)

Sin Ching San

(Executive Director)

BOARD OF DIRECTORS

Chou Lee Sin

(Executive Director)

Sin Siew Huey

(Executive Director)

Sin Tze Yi

(Executive Director)

Ng Swee Weng

(Independent Non-Executive Director)

Lai Lan Man @ Lai Shuk Mee

(Independent Non-Executive Director)

Mohd Arif bin Mastol

(Independent Non-Executive Director)

Amnah Apasra Emir Binti Moehamad Izat Emir

(Independent Non-Executive Director)

COMPANY SECRETARY

Chin Lee Phing

(SSM PC No.: 202008000049)

(MAICSA 7057836)

REGISTERED OFFICE

2nd Floor, Wisma Penang Garden 42, Jalan Sultan Ahmad Shah 10050 Penang

Tel. no.: (604) 2266 862 Fax no.: (604) 2272 391

PRINCIPAL BANKERS

Malayan Banking Berhad

Registration No.: 196001000142 (3813-K)

• Ambank (M) Berhad

Registration No.: 196901000166 (8515-D)

Hong Leong Bank Berhad

Registration No.: 193401000023 (97141-X)

AUDIT COMMITTEE

- Ng Swee Weng (Chairman)
- Lai Lan Man @ Lai Shuk Mee
- Mohd Arif bin Mastol

NOMINATING COMMITTEE

- Mohd Arif bin Mastol (Chairman)
- Ng Swee Weng
- Lai Lan Man @ Lai Shuk Mee

REGISTRAR

AGRITEUM Share Registration Services Sdn Bhd Registration No.: 200201010810 (578473-T) 2nd Floor, Wisma Penang Garden 42, Jalan Sultan Ahmad Shah

10050 Penang

Tel. no.: (604) 228 2321 Fax no.: (604) 227 2391

AUDITORS

KPMG PLT (Firm No. LLP0010081-LCA & AF 0758) Chartered Accountants Level 18, Hunza Tower 163E, Jalan Kelawei 10250 Penang

PRINCIPAL PLACE OF BUSINESS

Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan

Website: www.skb-shutters.com Tel. no.: 603-6157 2277 Fax no.: 603-6157 2211

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities")

Directors' Profile / Key Senior Management

SIN KHENG LEE

Age: 65 | M

Executive Chairman and Group Managing Director

Key Senior Management

Mr Sin Kheng Lee was appointed to the Board of SKB on 10 February 2001. He holds a Diploma in Mechanical Engineering in 1979 from the Taipei Institute of Technology in Taiwan. Upon graduation, he started his career with Sin Kean Boon Industries Sdn. Bhd. for 13 years until his resignation in May 1992. During his tenure in the company, he was the Director-in-charge of the Kuala Lumpur branch from the year 1982 till May 1992.

He subsequently pursued his career in manufacturing roller shutters where he was appointed Managing Director of SKB Shutters Manufacturing Sdn. Bhd. ("SKBM") on the 25 June 1992 and SKB Storage Industries Sdn. Bhd. ("STO") on 4 September 2001 respectively. He is currently responsible for the overall developments of products and businesses in SKBM and STO, including overseeing manufacturing, administrative and operating functions of the Group. With his vast experience of more than 30 years in the roller shutters industry, he has successfully brought about the rapid expansion, modernization and diversification of the Group's manufacturing activities, hence provided the necessary guidance and contribution towards management activities of the Group. He also sits on the Board of all subsidiaries of SKB and several other private companies.

He was appointed as a committee member of the Malaysia Fire Protection Association from 2009 till 2011. Mr Sin was awarded Successful CEOs by BrandLaureate Brandpreneur Award in 2016, Most Outstanding Alumni by the National Taiwan University of Technology in 2017 and 2019, the Modal Entrepreneur Award from the National Innovation and Entrepreneurship Association, R.O.C. (Taiwan) in 2022.

SIN CHING SAN

Age: 54 | M Executive Director Key Senior Management

Mr Sin Ching San was appointed to the Board of SKB on 10 February 2001. He began his career shortly after completing his secondary education and Diploma studies in Taiwan. He has over 25 years of experience and exposure in the roller shutters and steel-work industry. He was appointed to the Board of SKBM on 25 June 1992. He also sits on Board of a few subsidiaries of SKB and several other private companies. He heads the Research and Development Department of the Group, whereby his responsibilities include improvement of productivities and quality of roller shutters and other related steel-work products through innovation.

CHOU LEE SIN

Age: 63 | F Executive Director

Ms Chou Lee Sin was appointed to the Board of SKB on 10 February 2001. She obtained a Diploma in Synthetic Commerce from Taipei, Taiwan. She started her career in Malaysia in 1982 whereby she was attached to Sin Kean Boon Metal Industries Sdn. Bhd.. She was stationed in the Kuala Lumpur branch office and was responsible for the overall administration and financial matters. In May 1992 she joined SKBM as the General Manager and was subsequently appointed as a Director of SKBM on 26 June 1997. With her experience of over 30 years in the roller shutters and steel-work industry, Ms Chou oversees administration and financial matters within the Group. She also sits on the Board of a few subsidiaries of SKB and several other private companies. Ms Chou was awarded Outstanding Business Women in Malaysia by China Press in 2018.



Directors' Profile / Key Senior Management

SIN SIEW HUEY

Age: 40 | F Executive Director Key Senior Management

Ms Sin Siew Huey was appointed to the Board on 15 July 2009. She graduated from Swinburne University of Technology in Melbourne with a Master in Accounting in 2005 and Bachelor in Business, majoring in Economics and Finance from RMIT University in 2004. Upon graduation, she started her career in KPMG Malaysia as an Auditor in the field of banking and finance, and Corporate Finance much later. She is a member of the CPA Australia. She is responsible for the overall administration and financial matters of SKB Group. She also sits on the Board of all subsidiaries of SKB and several other private companies. In 2019, Ms Sin is appointed as Committee Member of the Malaysian Fire Protection Association.

SIN TZE YI

Age: 35 | F Executive Director

Ms Sin Tze Yi was appointed to the Board on 29 February 2016. She resigned on 28 November 2017 and was re-appointed on 4 December 2017. A Master of Applied Finance graduate of Monash University Melbourne, Ms Sin also holds a Bachelor of Commerce (Accounting & Finance) degree from University of Melbourne. A member of CPA Australia, she began her career at KPMG Consulting in Financial Risk Management specialising in operational risk in the banking and finance sector. She is responsible for the overall business development of SKB Group. She also sits on the Board of all subsidiaries of SKB and several other private companies.

NG SWEE WENG

Age: 65 | M Independent Non-Executive Director

Mr Ng Swee Weng was appointed to the Board on 2 March 2021. He is also the Chairman of Audit Committee and member of Nominating Committee.

He was articled with KPMG in 1977 and qualified as a member of the Malaysian Institute of Certified Public Accountants (MICPA) in 1981. He is also member of the Malaysian Institute of Accountants (MIA) and CPA Australia.

Mr Ng Swee Weng is currently a Senior Advisor at BDO Tax Services Sdn Bhd ("BDO").

Prior to joining BDO, he was an Audit Partner at KPMG Malaysia for 23 years before he retired in 2012 as the Partner in charge of the Penang office. He was also formerly a member of KPMG's Audit and Accounting Committee, which provided directives and consultative support on technical issues. Mr Ng was also a former Project Director of the Malaysian Accounting Standards Board.

Mr Ng Swee Weng is also the Board member and Audit Committee Chairman of Boilermech Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

LAI LAN MAN @ LAI SHUK MEE

Age: 67 | F

Independent Non-Executive Director

Ms Lai Lan Man was appointed to the Board of SKB on 10 February 2001. She is a member of the Audit Committee and was appointed as member of the Nominating Committee on 29 August 2013.

She obtained her first degree in B.A. (Econs) from University of Malaya in 1978 and thereafter worked in personnel management for six and a half years. She later completed her LLB through the University of London External Programme and was called to the English bar in July 1988 and then to the Malaysian Bar in 1989.

In 1990 she set-up legal practice which is now known as Messrs Lai, Yoong & Rita.



Directors' Profile / Key Senior Management

MOHD ARIF BIN MASTOL

Age: 68 | M Independent Non-Executive Director

En Mohd Arif was appointed to the Board of SKB on 28 June 2002. He is a member of the Audit Committee and was appointed as Chairman of the Nominating Committee on 29 August 2013.

He started work after completing his Diploma in Accountancy in 1977. He then obtained his Degree in Accountancy in 1984. With that he was admitted as Member of Malaysian Institute of Accountants in 1998. He has accumulated more than 30 years of experience in Accounts, Finance & Administration with Manufacturing, Local Authority, Telecommunication and Development Company. He is also an Independent Non-Executive Director of Leader Steel Holding Berhad and Federal International Holdings Berhad.

AMNAH APASRA EMIR BINTI MOEHAMAD IZAT EMIR

Age: 57 | F

Independent Non-Executive Director

Puan Amna A Emir was appointed to the Board of SKB on 15 July 2022.

She is a qualified architect from the Architectural Association School of Architecture, London, UK, with 28 years of experience in the architectural and real estate development industry.

She is an honorary advisor to the Malaysian Structural Steel Association, having recently retired as its honorary secretary-general after 23 years of service in promoting the use of constructional steel.

Amna is CEO of Neuformation Architects Sdn Bhd, a company specializing in Transport Architecture, urban regeneration and Industrialized Building Systems. Amna has been responsible for projects of diverse architectural typologies and complexities. Amna has provided strategic advice to government-linked companies in the area of urban regeneration on localities ranging from greenfield to brownfield, with roles to include lead consultant for Khazanah Penang in the preparation of the Georgetown Transformation Plan and Komtar Business Improvement District Scheme (BIDS) for Think City. Amna has also provided advice for Think Citys Small Grants scheme, a GLC effort focusing on urban regeneration.

The key principles in Amna's design approach is Adaptability and Innovation to promote flexibility in response to the changing dynamics in social, cultural, political and environmental landscape.

Amna has served as external lecturer with University Southern California Summer Schools in collaboration with University Malaya & University Technology Petronas and as external juror on Crit Panels for both public and private institutions such as UM, USM, UPM, UKM & UITM, Taylors University and Limkokwing University of Creative Technology, amongst others.

Notes

All the Directors are Malaysian except for Chou Lee Sin who is a Taiwanese.

None of the Directors has any conflict of interest with SKB, or any personal interest in any business arrangement involving SKB other than as disclosed in the Directors' Report and Notes to the Financial Statements.

None of the Directors had been convicted for any offences within the past 5 years (except for traffic offences, if any) and have no public sanction or penalty imposed by the relevant regulatory bodies during the financial year under review.

Details of the Directors' attendance at Board meetings for the financial year ended 30 June 2022 are set out in the Corporate Governance Overview Statement of this Annual Report.

None of the Directors has any family relationship with any Director and/or major shareholder of SKB other than:

- Chou Lee Sin is the spouse of Sin Kheng Lee whilst Sin Ching San and Sin Kheng Lee are brothers.
- Sin Kheng Lee and Sin Ching San have interest in SKB Glory Sdn. Bhd., a substantial shareholder of SKB.
- Sin Siew Huey and Sin Tze Yi are the daughters of Sin Kheng Lee and Chou Lee Sin.

None of the Directors has any other directorship in public companies except Mr Ng Swee Weng and En Mohd Arif Bin Mastol whose directorships have been shown as above.



This Corporate Governance ("CG") Overview Statement is presented in accordance with the requirements under Paragraph 15.25(1) and the provisions in Practice Note 9 of the Main Market Listing Requirement ("MMLR"). The Statement highlights the applications of the key corporate governance practices of the Group during the financial year under the principles of (a) Board Leadership and Effectiveness; (b) Effective Audit and Risk Management; as well as (c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Board has also provided specific disclosures on the application of each Practice in its Corporate Governance Report ("CG Report"). Shareholders may obtain the CG Report by accessing the website at www.skb-shutters.com for further details.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD COMPOSITION

During the financial year, the Board has nine (9) members comprising an Executive Chairman cum Group Managing Director, four (4) Executive Directors and four (4) Independent Non-Executive Directors. The Executive Chairman and Executive Directors are responsible for the Group's business operations. In contrast, the Non-Executive and Independent Directors play a check and balance role by bringing objective judgment and views into the Board's deliberation and decision-making processes.

In discharging its governance responsibilities, the Board has collectively:

- Conducted periodic reviews of the interim and annual financial results and ensured that the financial statements of the Company and Group were fairly stated and conformed to the relevant regulations and acceptable accounting policies;
- Strengthened the Company's cash flows to cope with the current business environment;
- Defined its Charter and Schedule of Key Matters setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed;
- Established its Board Committees, namely Audit and Nominating Committees, to assist the Board in
 discharging its duties and responsibilities and reviewed the Board Committees reports and approved the
 recommendation, if any, proposed by the Board Committees;
- Observed the regulatory requirements when disseminating information and making disclosures in consultation with the Company Secretary;
- Ensured the implementation of Group anti-corruption framework, anti-bribery and gratification guidelines,
 Code of Conduct and Ethics and Whistleblowing Policy; and
- Maintained appropriate and adequate internal control systems to manage key risks in the Group.

Presently, the roles of Board Chairman and Group Managing Director are held by the same director. Combining these roles helps the Board align the management mindset with the Board. Nonetheless, with four Independent Non-Executive Directors, the Board feels its current composition is sufficient to ensure the balance of power and authority.

The Independent Directors have distinguished credentials and some of them also acted as Independent Directors in other public listed companies. The Board could rely on their extensive experience and knowledge to ensure that there is independence of judgement.

On 15 July 2022, the Board appointed a new Independent Non-Executive Director, Puan Amnah Apasra Emir, following the retirement of the Deputy Chairman, Dato Moehamad Izat on 30 June 2022. Although Puan Amnah Apasra Emir was recommended by the existing Board member, and she is the daughter of the former Deputy Chairman of the Board, the Nominating Committee considered her qualification, knowledge and work experience and assessed her based on the fit and proper criteria of the Board. It was concluded that Puan Amnah Apasra Emir is suitable for the nature of the Group's business and the required mix of skill sets and gender for the Board.

The current composition of the Board constitutes members with diverse skills, experience, age and cultural backgrounds. Also, more than half of the Board members are female directors. The profile of each director is presented on pages 6 to 8 of this Annual Report.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(I) BOARD COMPOSITION (continued)

All Independent Directors conducted a self-assessment and declared that they had met the criteria for independence set out in Chapter 1 of the MMLR. They continue to exercise independent judgement and act in the Company's best interest despite their long service on the Board. A resolution was put to the vote in the last AGM to retain namely Ms Lai Lan Man @ Lai Shuk Mee and Encik Mohd Arif Bin Mastol, who have served on the Board for more than nine (9) years. These Directors were retained based on the result of the two-tier voting process. In any case, Ms Lai Lan Man @ Lai Shuk Mee and Encik Mohd Arif Bin Mastol have indicated their intention to step down in the coming AGM and will not seek re-election as Independent Non-Executive Directors.

All Board members have unrestricted access to the advice and services of the Company Secretary for the Board's affairs and the business. The appointment and removal of the Company Secretary of the Board is the prerogative of the Board as a whole.

Presently, the Board is assisted by a qualified and competent Company Secretary who is a member of The Malaysia Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretary supports the Board in carrying out its fiduciary duties and stewardship role and plays an advisory role to the Board, particularly regarding compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices. The Company Secretary is responsible for ensuring that Board procedures are followed, the applicable rules and regulations for the conduct of the affairs of the Board are complied with, and minutes are duly entered into the books for all resolutions and proceedings of the Board and Board Committees.

The Company Secretary and management ensure that the Board is given sufficient information and time to prepare for Board meetings. When external advice is necessary, Board Members may notify and seek the Board for approval.

The underlying factors of Directors' commitment to the Group are the devotion of time and continuous improvement of knowledge and skill sets. The Board meets at least every quarter and on other occasions, as and when necessary, to review the performance of the Company and its operating subsidiaries and other business development matters.

During the financial year, 4 Board meetings were held. The attendance of the existing Directors (except Puan Amnah Apasra Emir, who was appointed after the financial year) is as follows:

Directors	No. of meetings attended by Directors
Sin Kheng Lee (Executive Chairman & Group Managing Director)	4
Sin Ching San (Executive Director)	4
Chou Lee Sin (Executive Director)	4
Sin Siew Huey (Executive Director)	4
Sin Tze Yi (Executive Director)	4
Ng Swee Weng (Independent Non-Executive Director)	4
Lai Lan Man @ Lai Shuk Mee (Independent Non-Executive Director)	3
Mohd Arif Bin Mastol (Independent Non-Executive Director)	4

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(I) BOARD COMPOSITION (continued)

Matters requiring Board decisions during the intervals between the Board meetings are circulated and approved through circular resolutions.

Following are the trainings and briefings attended by Board members during the financial year.

Director	Training Attended
Sin Siew Huey (Executive Director)	MIA Webinar on SME's Transfer Pricing Planning and Management for Trading and Manufacturing
Ng Swee Weng (Independent Non-Executive Director)	MIA Annual Conference Securities Commission Malaysia - Conversation between Audit Oversight Board and Audit Committee
Mohd Arif Bin Mastol (Independent Non-Executive Director)	 Briefing on amendments in Main Market Listing Requirements ("MMLR") in relation to public security holding spread requirement Briefing on MCCG 2021 Securities Commission Malaysia - Conversation between Audit Oversight Board and Audit Committee

The Directors are updated by the Company Secretary and the Internal Auditors on any changes to the governance and regulatory requirements relating to the Directors' duties and responsibilities. The External Auditors would also brief the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

The Board will stay abreast and consult the sustainability subject matter experts, when needed in discharging their new sustainability responsibilities. All Board Members will attend training on sustainability, within the financial year ending 2023.

(II) BOARD AUTHORITY AND BOARD COMMITTEES

The Board has defined its Board Charter, setting out the roles, duties and responsibilities of the Board, including remu responsibilities, the principles and practices of corporate governance to be followed as well as the key matters reserved for the Board's approval.

To assist the Board in discharging its function, it has delegated specific oversight responsibilities to Audit Committee and Nominating Committee. These Committees provide greater objectivity and independence in the deliberations of specific agendas. The respective Chairpersons of the Board Committees report and recommend to the Board on matters discussed and require Board's approval.

The Board has defined the Corporate Code of Conduct and Ethics and posted it on the Company's website at www.skb-shutters.com. This Code guides the directors, officers and staff in preventing abuse of power, corruption, insider trading and money laundering.

(III) CORPORATE CULTURE: INTEGRITY, TRANSPARENCY AND FAIRNESS

To protect the confidentiality of information and identity of whistleblowers, the Board has assigned the whistleblowing reporting channel and administration to the Internal Auditor. Stakeholders who know of or suspect a violation of the Code of Conduct and Ethics may report the incident to the Audit Committee Chairman by emailing skb@whistleblower. com.my or posting to PO Box #911, L2-08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur.

During the financial year, the Board did not receive notifications of complaints from whistleblowers.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(IV) SUSTAINABILITY CONSIDERATION

The current key sustainability consideration of the Company when developing and implementing company strategies, business plans, and risk management are the employees' wellbeing, health and safety, compliance, governance, energy consumption, product safety and durability, underprivileged communities, and water and material waste impacts.

The Company's sustainability core values and initiatives are communicated to all stakeholders under the Sustainability Report.

The Company will commission a formal sustainability materiality assessment to enhance the identification and prioritisation of material sustainability matters. Upon completing this exercise, the sustainability performance evaluation criteria will be defined for the Board and management.

Nominating Committee ("NC")

The NC comprises of 3 members, all of whom are Independent Non-Executive Director. The present composition of the Nominating Committee is as follows:

Chairman: En. Mohd. Arif Bin Mastol (Independent Non-Executive Director)

Member: Lai Lan Man @ Lai Shuk Mee (Independent Non-Executive Director)

Ng Swee Weng (Independent Non-Executive Director)

The Terms of Reference for NC are available at the Company's website www.skb-shutters.com.

The NC meets as and when required and at least once every financial year. During the financial year under review, the NC met on 29 September 2021 and was attended by all members of the Board Committee.

The activities undertaken by the NC for the financial year ended 30 June 2022 were as follows: -

- i. Evaluated the:
 - a. Current Board structure, size and composition;
 - b. Contribution of each Director and effectiveness of Board and Committees; and
 - Character, experience, integrity and competence of directors and ensure they have time to discharge their roles;
- ii. Reviewed the character, experience, integrity and competence of the Group Managing Director and the Chief Financial Officer and the time they devoted:
- iii. Reviewed the Directors' retirement;
- iv. Reviewed the retention of Independent Non-Executive Directors;
- v. Reviewed the term of office and performance of the Audit Committee and each of its members; and
- vi. Reviewed the disclosure of NC's activities in the annual report.

(V) BOARD'S PERFORMANCE ASSESSMENT

Annually, the NC, comprising wholly independent directors, evaluates the effectiveness of the Board, the Board Committees and each Director. Based on the directors' self-performance assessment results, the Board is satisfied with the performance, contribution and effectiveness of each Director, the Board Committees and the present board structure, size and composition.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(VI) REMUNERATION

The Board did not form Remuneration Committee. Accordingly, the remuneration of Directors comes under the purview of the Board collectively. The Board will conduct a private meeting to deliberate the remuneration of its board members. Respective Directors would abstain from the Board's deliberation and discussion of their remuneration.

The Board has adopted a Remuneration Policy. This Policy is incorporated in the Board Charter. Executive Directors are remunerated based on Group's performance, while Non-Executive Directors' remuneration is determined by the level of responsibilities assumed. The Policy further provides that the directors' remuneration shall be determined by considering:

- The complexity of the company's business nature
- Directors' responsibilities and performance
- Business strategy and long-term objectives of the Group
- Merit, qualification, and competence
- The Group's operating results and market comparisons
- Result of annual performance appraisal conducted and reported by the Nominating Committee.

The number of Directors whose annual income falls within the following bands is set out as follows:

Remuneration From:	Remuneration Bands	Current Directors		
		Executive (ED)	Non-Executive (NED)	
Company	RM50,000 and below	5	4	
	RM300,001 – RM350,000	-	-	
	RM350,001 – RM400,000	-	-	
	RM450,001 – RM500,000	-	-	
	RM650,001 - RM700,000	-	-	
	Total	5	4	
Subsidiaries	RM50,000 and below	-	-	
	RM400,001 – RM450,000	1	-	
	RM500,001 – RM550,000	2	-	
	RM550,001 – RM600,000	1	-	
	RM750,001 – RM800,000	1	-	
	Total	5	-	

The aggregated annual remuneration paid to all Directors of the Company is further categorised into the following components:

Remuneration Components		d Receivable Company	Received and Receivable from Subsidiaries		Total	
	ED RM'000	NED RM'000	ED RM'000	NED RM'000	ED RM'000	NED RM'000
Fees*	200	100	-	-	200	100
Salaries	-	-	1,980	-	1,980	-
Bonuses	-	-	544	-	544	-
EPF	-	-	303	-	303	-
Benefit-in-Kind	-	-	11	-	11	-
Total	200	100	2,838	-	3,038	100

^{*} The directors' fees paid are related to the financial year 2022.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(VI) REMUNERATION (continued)

Under Section 230(1) of the Companies Act, 2016, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries will be presented for shareholders' approval in the annual general meeting.

Details of the remuneration of each Director on a named basis are not disclosed due to security reasons. The Board is also concerned with the impact of the disclosure, which may be prejudicial to the Company's interest.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(VII) AUDIT COMMITTEE

The Board has established an effective and independent Audit Committee. The Audit Committee members comprise fully Independent Non-Executive Directors. The Audit Committee members are financially literate and are able to understand matters under their purview, including the financial reporting process.

The Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee Chairman can access all Executive Directors, Senior Management, and External and Internal Auditors. The review of the terms of office and performance of the Audit Committee and its members are carried out annually.

Details of the Audit Committee's composition, functions and activities are set out separately under Audit Committee Report in this Annual Report.

Annually, the Audit Committee reviews the External Auditors' appointment, performance, and remuneration. Upon review, the Audit Committee will recommend to the Board for proposing a resolution to Shareholders for the reappointment of external auditors in the AGM.

The Audit Committee will convene meetings with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group if needed to allow the Auditors to exchange their views freely with the Audit Committee.

(VIII) RISK MANAGEMENT AND INTERNAL CONTROL

The Board as a whole is responsible for the overall oversight of risk management in the Group, covering the system of risk management and internal control for financial, operational and compliance, while the Executive Directors, together with the senior management team, are primarily responsible for managing risks in the Group.

During the financial year, the risk of economic uncertainty remains owing to the Russia-Ukraine War and the escalation of conflict between China and the USA. These phenomena have increased energy costs, food security risks, and inflation hindering the pace of global economic recovery. In addition, local businesses are facing labour shortage, weakening of the Ringgit, inflation, and political uncertainty due to the upcoming election.

To manage these risks, uncertainties and challenges, the Group continues to strengthen and enhance its business strategies by:

- i. Offering comprehensive industry solutions through the integration of automation and complementary products and industry experts partnership;
- ii. Expanding customer base and export market;
- iii. Engaging and adding value in the customer relationship and deliveries; and
- iv. Improving product quality, innovation and cost competitiveness.

The Group has also adopted and implemented its Anti-Bribery & Corruption ("ABC") Policy in conjunction with the introduction of the corporate liability provision under Section 17A of the MACC Act 2009. This Policy describes the principles and guidelines to employees and business associates regarding avoidance of improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

The Board is satisfied with the effectiveness and adequacy of the current level of systems of risk management and internal control. Further details of the Group's systems of risk management and internal control are reported in the Statement on Risk Management and Internal Control in this Annual Report.

The Internal Audit Function is outsourced to IA Essential Sdn Bhd, an internal audit consulting firm. The Internal Auditors have performed its work concerning the principles of the International Professional Practice Framework of the Institute of Internal Auditors, covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders. The Audit Committee will review the internal audit engagement to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

Further details of the internal audit function are disclosed in the Audit Committee Report in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

(IX) COMMUNICATION WITH STAKEHOLDERS

Regular communication with stakeholders is important for enhancing their appreciation and understanding of the Group's business and activities. Following are the ways Board communicates with stakeholders:

- Financial results of the Group are published quarterly via the website of Bursa Securities at www.bursamalaysia.com;
- Corporate information is provided on its corporate website at www.skb-shutters.com under the "Investor Relations" link for the interest of the general public;
- The information disclosed in the Annual Report complies with the disclosure requirements by the listing requirements and the approved accounting standards; and
- Shareholders' interaction during the general meetings.

(X) CONDUCT OF GENERAL MEETINGS

As the physical meeting was allowed in 2021 after the Movement Control Order ("MCO") was lifted, the Company has conducted its Annual General Meeting in a hotel in Penang. Notice of the AGM is sent to shareholders at least twenty-eight (28) days before the meeting.

In the general meeting, shareholders can participate in the question-and-answer session where they can raise questions regarding the proposed resolutions and matters relating to the Group's businesses and affairs. Not all Directors attended the Company's AGM in 2021. Despite this, the Board and Board Committee Chairmen were present in the meeting and availed themselves to answer questions, if any, raised by the shareholders.

All resolutions set out in the Notice of AGM were voted by poll. The Company had appointed an independent scrutineer to validate the vote cast in the last AGM. The Minutes of the previous Annual and Extraordinary General Meetings were published on the Company's website and accessible at the link at https://www.skb-shutters.com/investor-relations/general-meeting within 30 days after the meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

- (i) The annual audited financial statements of the Group and the Company are drawn up according to the applicable Malaysian Financial Reporting Standards and the provisions of the Companies Act 2016 to give a true and fair view of the state of affairs of the Group and of the Company for the financial year, and
- (ii) Proper accounting and other records are kept, which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 30 June 2022, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in preparing the financial statements.

This CG Overview Statement is made by a resolution of the Board on 28 October 2022.

Other Information

Utilisation of proceeds

On 30 June 2021, the Company undertook a private placement exercise whereby RM4.32 million were raised from the issuance of 4,000,000 ordinary shares at an issue price of RM1.08 per share. The status of utilisation of the proceeds as at reporting date is append below:

Description	Proceeds raised RM'000	Actual utilization as at 30 June 2022 RM'000	Balance unutilized RM'000
Working capital	4,223	4,223	-
Expenses relating to the Private Placement	97	97	-
Total	4,320	4,320	-

Material contracts

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Directors and major shareholders of SKB.

Audit / Non-audit fees

The amount of audit and non-audit fees paid to the external auditors and its affiliates by the Company and the Group for the financial year are as follows:

	Company (RM)	Group (RM)
Audit fees	31,000.00	132,000.00
Non-audit fees	4,900.00	31,800.00

Share buybacks

During the year, there were no share buybacks by the Company.

Options, warrants or convertible securities

No options, warrants or convertible securities were exercised by the Company during the year.

Imposition of sanctions/penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or management by the relevant bodies.

Profit estimate, forecast or projection

There was no significant variance between the results for the financial year and the unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projections for the financial year.

Profit guarantee

During the year, there were no profit guarantees given by the Company.

Sustainability Report

Sustainability Statement

The Group has demonstrated improved performance with the recovery of across sectors in light of the Covid-19 pandemic. This was made possible with committed business management focusing on cost efficiency and research and development that has brought the Group to launch new products and niche market targeting. The current landscape has also led us to integrate and incorporate ESG practices into our day-to-day operation flow and forward vision planning. The Group is committed to establishing a meaningful and sustainable environment, whether it is via produced goods and services, employee and external stakeholders' performance and activity, and social cause and responsibility.

Small & medium scale manufacturing has been left behind in many instances with ESG implementation as the capital investment for impactful initiatives can be high and deprioritized over business growth. While business and organization growth are important to sustain the continuity of the Group, the Board of Directors are also in view that increased emphasis in planning and investment dollars for ESG initiatives should be considered whenever possible.

In FY2022, the Group has seen the implementation of environmental-led initiatives executed in completion, namely the Waste Water Treatment Module and Energy Saving Solar Panel for energy harvesting and utilisation. These initiatives were driven by the Management and well supported by the Board to not only embark on more impactful ESG practices, but to set an example to our employees and peers in the industry to act on the same intent and benchmark for improvement in the near-future.

Report Scope & Period

This statement includes SKB's business division across the Board including both SKB Storage Industries Sdn. Bhd. and SKB Shutters Manufacturing Sdn. Bhd. and its Kota Damansara manufacturing plant. The sustainability statement is published annually with reporting period for the statement from 1 July 2021 to 30 June 2022.

Sustainability Management Core Values

1. Integrity and ethics

The principles of integrity and ethics translate into continuously carrying our duties in an honest, fair and responsible approach. Establishing and sustaining the business on the foundation of honesty and integrity goes a long way into building a strong, trusting relationship with employees, stakeholders, and customers. A truthful conduct on everyone's part will then create a strong, credible reputation of the company in the market, which is beneficial for everyone's interests.

2. Innovation

Innovation is seen in many perspectives of SKB where the focus lies in sustaining the business, care for the environment and carrying out our social responsibility to the community. Apart from being ahead of our peers via innovation in new products, delivery of our service and creating better value for our business as a whole; we believe innovation is integral in encouraging the organisation within to proactively act responsibly towards achieving near zero-waste practices whenever and wherever possible. This also includes being innovative in ways and approaches to motivate passion and selfless attitude across the organisation in giving back to the society not limited to fund-raising, sponsorship, labour effort and other local community initiatives.

3. Respectful

Sustainability refers to creating a sustainable environment to work together, to share resources, to enrich one another and ultimately to provide for all with no limits of religion, belief, race, ethnicity, nationality, gender or physical disability. This begins with respect for one another, from stakeholders such as our employees, suppliers, customers, vendors and external environment who may not necessarily be directly related to the organisation e.g. communities, charitable causes and non-profit organisations aligned to our values and purpose.

Sustainability Governance

1. SKB Shutters Corporation Berhad defines sustainability as the strategies and activities the management has adopted in relation to our stakeholders, the environment, ethics and the community for a better economic and social performance. Commitment to sustainability management efforts is driven from the top with Board of Directors and Management being the facilitators in driving the organisation in its sustainability management initiatives. Sustainability oversight by the board of directors is increasingly integrated across companies and its employees. The Board emphasises business management shall be an integration of striving business performance while exercising social responsibility in the best effort possible. Management being a cross functional body engages leadership across business units and functions provides further oversight and strategic guidance.

Sustainability Report

Stakeholder's Engagement

Stakeholders	Sustainability Topics Type of Engagement			
Customers	 Product quality and performance Sustaining long term relationship 	 Sustaining long term relationship Customer satisfaction survey On-site visits Customer audit Exhibition & Roadshows 		
Employees	 Communication and engagement Working environment Career development and training Business performance review 	 Volunteer Program Training and development Formal meeting and discussion Employee Suggestion Program Appraisal and performance review 		
Suppliers	Forging strategic partnershipSupplier-performance reviewProduct quality	 Supplier selection via pre-qualification Regular meetings and correspondence Whistle blowing policy 		

Economics

Corporate Governance and Compliance

The Group emphasises on the importance of adopting good corporate governance and the principles set out in the Malaysian Code on Corporate Governance to ensure that high standards of good corporate governance are implemented and practiced within the Group. It aims to safeguard shareholders' assets and relevant stakeholders' interest as well as enhancing shareholders' value.

Over the year, the Group has remained resilient and observed no abnormalities that would compromise the interested of our shareholders and stakeholders. The Group has also introduced the group-wide Anti-Bribery and Corruption Policy since FYE2020.

Industry Development

The fire safety prevention and protection are an ever-evolving subject that place the public safety with utmost priority. With regulation updated or sometimes more stringent to suit changing landscapes and human behaviour, the Group in the perspective that it has the responsibility to educate and develop products that would be aligned to current and future regulatory concerns.

The Group regularly participates in regional fire & safety research and conferences to receive and facilitate knowledge sharing with industry professionals and exclusive research groups. This includes new and ongoing research on new materials, construction and code developments that can be adopted across the region.

SKB also actively participates in industry-specific product solutioning including working with government entities or ministries to develop products that are suited for its intended purpose such as insulated fire shutters, sand-storm roller shutters, ATM security roller shutters, seismic storage racking systems and many more. This not only reveals new opportunities for the Group for a requirement that is met with purpose-design solutions but also encourage in-house innovation that would develop talent upgrading as well as industry recognition.

Environment

Workplace & Immediate Environment

The Kota Damansara plant was planned and built based on a number of energy-saving initiatives including rainwater storage, optimum light penetration and crane-operated lifting and hoisting on production floor and more. With substantial roof coverage over the production plant, rainwater storage is deployed to collect rainwater to be used for general factory cleaning and sanitary purposes. The production plant is also designed to maximise light penetration onto factory floor to reduce energy consumption on lightings during the day. Skylight panels are installed in intermediate roofing and scheduled to be maintained on an annual basis to remove debris and dust. On top of that, the production floor is installed with LED lights to reduce energy consumption when lightings are activated during low-light conditions.

The *Leave-No-Trash-Behind* initiative is adopted by all employees to ensure rubbish is segregated -recyclables, non-recyclables and organic waste and to be disposed by each individual by the end of work day. This encourage employees to adapt to simple practices that may hopefully also be implemented in their household.



Sustainability Report

Environment (continued)

Workplace & Immediate Environment (continued)

The Group regularly works with a paper & plastic recycle vendor who collects recyclable waste on a monthly basis for charitable efforts. Proceeds from the waste program are being channelled to charitable causes nominated by the vendor.

In FY 2022, the Group completed two key exercises aimed at promoting sustainable energy and social responsibility in clean water initiative. The Kota Damansara plant has completed installation for solar panels at the roof platforms covering 5,200m² of the plant and is expected to generate approximately 605kW per hour.

Additionally, the Plant has also executed the exercise for waste water treatment process that would neutralise waste water before discharging externally. The contaminated water as a result of fabrication and treatment process is treated and filtered to acceptable levels to minimise damage that may bring rise to social and environmental concerns.

Product Design & Material Sourcing

The Group prioritises its product design and material sourcing with three key elements taken into consideration, although not restricted and limited to but highly encouraged to adopt – recyclability, source of material and its scarcity, long-lastingness. One example of the sustainable elements we have standardised across all products is the powder-coat finishing that emphasise on using organic ingredients, free of TGIC and heavy metal and no harmful volatile matter.

Social

Community Development and Commitment

The Group emphasises on social responsibility efforts that are free of religion, race, belief, ethnicity, nationality and gender. Over the years, the Group has participated in social and community development projects that lean towards adopting in-house resources in lending a hand in these causes such as product sponsor to community halls, government-funded schools, senior caring homes and more.

In FYE2022, the Group prioritised the health and safety of our employees. Covid-19 has hit hard on the community and several new 'normal' practices has been implemented. These includes:

- Launched the Office & Plant-wide Covid-19 Protocol for prompt deployment of resources;
- Reaching out to employees affected by Covid-19 e.g. resource and financial support;
- Participated in Community Townhall via FMM to act and be informed on latest updates of community infection, emergency response, new regulations and restrictions and more.

Statement On Risk Management And Internal Control

The Board of Directors of SKB Shutters Corporation Berhad is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 30 June 2022.

The disclosure in this Statement is presented pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guideline").

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility in maintaining a sound system of internal control and risk management procedures within the Group. The Board also recognises that reviewing of the Group's system of risk management and internal control system is a continuous process in managing the risk of failure in the implementation of appropriate strategies to manage these risks for the Group to safeguard the shareholders' investment and the Group's assets.

The Board understands the principal risks of the business that the Group involves and recognises that business decisions require balancing of risk, cost management, shareholders' interests and return. Functionally, risk management implementation is the responsibility of all Executive Directors and Heads of Departments, while the Board derives its comfort in the state of risk management and internal control implementation in the Group from the following avenues:

- Quarterly reviews of the financial performance of the Company and the Group;
- Briefing by Management during the Board Meetings on significant business and operational performance and outlooks;
- Reviews of audit findings presented by External Auditors;
- Independent assessments and reports of the internal control systems, anti-corruption preventive measures and governance practices by the Internal Auditors; and
- Annual management assurance that the Group's risk management and internal control systems are adequate and
 effective in all material respects.

RISK MANAGEMENT

The Group's risk management and internal control systems are driven by the Executive Directors. The Executive Directors and Heads of Departments are accountable to the Board for identifying, evaluating, monitoring and managing significant risks; taking and implementing appropriate and timely actions and controls; and providing assurance to the Board that these controls have been carried out adequately and effectively to manage risks.

While the Board is pleased that the Group has achieved commendable sales and profit results during the financial year, the risk of economic uncertainty remains owing to the Russia-Ukraine War and the escalation of conflict between China and the USA. These phenomena have increased energy costs, food security risks and inflation hindering the pace of global economic recovery. In addition, local businesses are facing labour shortage, weakening of the Ringgit, inflation, and political uncertainty due to the upcoming election.

To manage these risks, uncertainties and challenges, the Group continues to strengthen and enhance its business strategies by:

- i. Offering comprehensive industry solutions through the integration of automation and complementary products and industry experts partnership;
- ii. Expanding customer base and export market;
- iii. Engaging and adding value in the customer relationship and deliveries; and
- iv. Improving product quality, innovation and cost competitiveness.

INTERNAL CONTROL

The following are the key control procedures in the Group which are embedded in and continue to be the fundamentals of the management control framework of the Group.

- i. Management organisation structure defining the management's responsibilities and hierarchical structure of reporting lines and accountability;
- ii. Periodic management meetings, departmental meetings and performance reporting for monitoring and ensuring that the business operations are progressed as per the objectives and targets;
- iii. Standard operating procedures guiding staff members in carrying out their functions effectively;
- iv. Provision of trainings to employees for strengthening their skill sets and capabilities;



Statement On Risk Management And Internal Control

INTERNAL CONTROL (continued)

- v. Review of insurance coverage for fire, consequential loss, money, product liability, burglary, fidelity guarantee and public liability risks;
- vi. Quality management systems ISO 9001:2015 are adopted in the key subsidiaries forming the principal guides for the operation procedures;
- vii. Implementation of Anti-Bribery & Corruption ("ABC") Policy to provide principles and guidelines to employees and business associates with regards to avoidance of improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business; and
- viii. Implementation of Whistleblowing Policy for encouraging all personnel and business associates to report suspicious activities and, simultaneously, provide protection and ensure confidentiality of the whistleblower.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa Malaysia Securities Berhad ("Bursa Securities")' Guidelines, Management is responsible for identifying risks, implementing and maintaining sound systems of risk management and internal control, monitoring and reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objectives and performance.

In producing this Statement, the Board has received assurance from the Executive Chairman/ Group Managing Director and Executive Director/Chief Finance Officer that, to the best of their knowledge, the Group's risk management and internal control systems are adequate and effective for the Group's operation.

BOARD ASSURANCE

The disclosure in this Statement is presented pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Securities and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

The Board acknowledges that it is a continuous process to identify, evaluate and manage significant risks faced by the Group. The Board is in view that the existing internal control and risk management systems are adequate and effective to enable the Group in achieving its business objectives. There were no material losses arising from significant control weaknesses for the financial year under review.

The Board wishes to reiterate that risk management and internal control would be continuously improved in line with the evolving business environment. However, it should be noted that risk management and internal control systems are only designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, fraud and losses.

The Statement is made by a resolution of the Board on 28 October 2022.

Audit Committee Report

To assist the Board in discharging its oversight function, the Board has delegated certain responsibilities for corporate governance, internal controls and financial reporting to Audit Committee ("AC"). The AC provides greater objectivity and independence in the deliberations of specific agenda. The AC Chairman report to the Board on the matters discussed and deliberated in the AC meetings.

Membership

The Board has established an effective and independent AC. The AC members are financially literate and are able to understand matters under the purview of the AC including the financial reporting process.

The AC comprises solely independent non-executive directors. Members of the AC during the financial year ended 30 June 2022 are as follows:

- Ng Swee Weng Chairman, Independent Non-Executive Director
- Lai Lan Man @ Lai Shuk Mee Member, Independent Non-Executive Director
- Mohd Arif Bin Mastol Member, Independent Non-Executive Director

Annually, the AC reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM. As part of the AC review processes, the AC will also obtain assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Attendance at Meetings

During the financial year ended 30 June 2022, four (4) AC meetings were held and the attendance of each committee member is as follows:

Members	Number of meetings held during members' tenure in office	No. of meetings attended by members
Ng Swee Weng	4	4
Lai Lan Man @ Lai Shuk Mee	4	3
Mohd. Arif Bin Mastol	4	4

The AC will convene meeting with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group as and when necessary.

The Internal Audit Function is carried out by an internal audit consulting firm. The team members of the internal audit team are accounting graduates from local universities. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The AC will review the internal audit engagement to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

Summary Of Activities During The Year

In line with the terms of reference, the AC held 4 meetings during the financial year and carried out the following activities:

Financial Reporting

- Reviewed the unaudited quarterly financial reports before recommending to the Board for their approval and release
 of the Group's results to Bursa Malaysia Securities Berhad;
- Reviewed the annual audited financial statements of the Company and of the Group to ensure compliance with the provisions of the Companies Act 2016, Listing Requirements of Bursa Malaysia Securities Berhad, applicable Malaysia Financial Reporting Standards and other legal and regulatory requirements prior to the submission to the Board of Directors for their approval. The focus of review was on:

Audit Committee Report

Summary Of Activities During The Year (continued)

- i) key audit matters and other significant audit matters;
- ii) changes in implementation of major accounting policies;
- iii) significant and unusual events; and
- iv) compliance with accounting standards and other legal requirements;
- Received related party transactions ("RPT") report and noted that all the RPT were within the holding company and its wholly owned subsidiaries;

External Audit

- Reviewed the Audit Plan with the External Auditors;
- Reviewed the results and issues arising from the audit and their resolutions with the External Auditors;
- Held three meetings with the External Auditors, whereby two out of three meetings were held without the presence of the Executive Directors or management;
- Evaluated the performance, effectiveness and independence of the External Auditors and made recommendations to the Board of Directors on their appointment and remuneration;

Internal Audit

- Reviewed the following received from IA Essential Sdn. Bhd.:
 - Statement on Risk Management and Internal Control, Corporate Governance report and Corporate Governance
 Overview Statement
 - Main changes in the new Malaysian Code on Corporate Governance (MCCG) and the practice gaps applicable to SKB
 - Production in SKB Shutters Manufacturing Sdn. Bhd.
 - Internal Audit Report on Anti-Corruption and Bribery Preventive Procedures
 - Proposed Internal Audit Plan
- Evaluated the performance and effectiveness of the Internal Auditors and made recommendations to the Board of Directors on their appointment;

Other Matters

- Discussed and reviewed ERP system implementation and Transfer Pricing documentation;
- Noted the Audit Committee's Circular Resolution(s) passed during the financial year ended 30 June 2022;
- Reviewed the Group's 2022 Enterprise Risk Register ("ERR") which consists of risk assessment and action plan with redefined risk appetite and assessed on the emerging risks arising from time to time;
- Reviewed the Statement on Risk Management and Internal Control which provides an overview of the state of internal controls and risk management within the Group prior to the Board's approval for inclusion in the Annual Report;
- Reviewed the AC report prior to the Board's approval for inclusion in the Annual Report.

Internal Audit Function

The AC is aware of the importance of an independent and adequately resourced internal audit function in discharging its duties and responsibilities. The Company has outsourced its internal audit function to an independent internal audit services provider for the financial year ended 30 June 2022. The Internal Audit function is to assist the Board and the AC to evaluate the system of internal control, risk management and corporate governance whilst ensuring that there is an appropriate balance of controls and risks in achieving its business objectives. The Internal Audit reviews the effectiveness of the internal control structures over the Group's activities focusing on high risk areas.

The Internal Auditors independently reviews the risk identification practices and control processes implemented by the management and reports to the AC. The results of the reviews performed by the Internal Auditors were communicated to both Management and the AC together with the implementation status of audit recommendations for further improvement.

During the financial year, internal audit was conducted in the following areas:

- Production in SKB Shutters Manufacturing Sdn. Bhd.
- Anti-Corruption and Bribery Preventive Procedures

The total costs incurred for the internal audit function of the Company for the financial year was RM41,250.

The details of the terms of reference of the AC are published in the corporate website at www.skb-shutters.com.

Directors' Report

for the year ended 30 June 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

Principal activities

The Company is principally engaged in the investment holding activity, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Ultimate holding company

The Company is a subsidiary of SKB Glory Sdn. Bhd., of which is incorporated in Malaysia and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM	Company RM
Profit for the year attributable to owners of the Company	9,595,374_	109,278

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividend

No dividend was paid since the end of the previous financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are :

Sin Kheng Lee - Chairman and Managing Director
Sin Ching San
Chou Lee Sin
Sin Siew Huey
Sin Tze Yi
Lai Lan Man @ Lai Shuk Mee
Mohd Arif Bin Mastol
Ng Swee Weng
Amnah Apasra Emir Binti Moehamad Izat Emir (Appointed on 15 July 2022)
Dato' Moehamad Izat Bin Achmad Habechi Emir (Retired on 30 June 2022)



for the year ended 30 June 2022

Directors of the subsidiaries

Director of the subsidiaries (other than Directors of the Company) who served during the financial year until the date of this report is as follows:

Baey Cheng Song

Directors' interests in shares

The direct and deemed interests in the ordinary shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	Balance at 1.7.2021	Bonus issue	(Sold)	Balance at 30.6.2022
Direct interests	1.7.2021	issue	(3014)	30.0.2022
The Company				
Sin Kheng Lee - own	2,310,000	4,620,000	-	6,930,000
Sin Ching San - own	10,000	20,000	-	30,000
Chou Lee Sin - own	10,000	20,000	-	30,000
Lai Lan Man @ Lai Shuk Mee - own	15,000	30,000	-	45,000
Holding company				
- SKB Glory Sdn. Bhd.				
Sin Kheng Lee - own	971,250	_	-	971,250
Sin Ching San - own	416,250	-	-	416,250
Deemed interests				
The Company				
The Company				
Sin Kheng Lee - own	22,847,607	45,695,214	-	68,542,821
Sin Ching San - own	22,847,607	45,695,214	-	68,542,821
Holding company				
- SKB Glory Sdn. Bhd.				
Sin Kheng Lee - own	112,500	_	-	112,500
	,			,
	Balance at	Number o	f Warrants	Balance at
	1.7.2021	Issuance	(Sold)	30.6.2022
Direct interest			,	
The Company				
Sin Khang Lag gun		3,465,000		2 465 000
Sin Kheng Lee - own Sin Ching San - own	-	15,000	-	3,465,000 15,000
Chou Lee Sin - own	_	15,000	-	15,000
Lai Lan Man @ Lai Shuk Mee - own	-	22,500	-	22,500
Deemed interest				
The Company				
Sin Kheng Lee - own	-	34,271,410	(10,000,000)	24,271,410
Sin Ching San - own	-	34,271,410	(10,000,000)	24,271,410



for the year ended 30 June 2022

Directors' interests in shares (continued)

By virtue of their interests in the shares of the Company, Messrs Sin Kheng Lee and Sin Ching San are also deemed to be interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 30 June 2022 had any interest in the ordinary shares and warrants of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 30 June 2022 are as follows:

	From the Company RM	From subsidiary companies RM
Directors of the Company:		
Fees	300,000	-
Remuneration	-	2,826,600
Estimated monetary value of benefits in kind	-	10,600
	300,000	2,837,200

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the warrants of the Company issued.

Issue of shares and debentures

During the financial year, the Company declared a bonus issue of 88,000,000 new ordinary shares on the basis of two (2) new ordinary shares for every one (1) existing ordinary share held in the Company at no consideration and without any capitalisation of the Company's reserves.

There were no other changes in the issued and paid-up capital of the Company and no debentures were issued during the financial year.

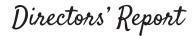
Warrants

On 16 February 2022, the Company issued 65,999,996 free warrants ("Warrants") on the basis of one (1) Warrant for every two (2) existing ordinary shares held in the Company. The Warrants entitle the holders to subscribe for one (1) new ordinary share in the Company on the basis of one (1) new ordinary share for every Warrant held at an exercise price of RMO.45 per ordinary share, to be satisfied in cash within three (3) years from the date of the issue of the Warrants, subject to adjustments in accordance with the provisions of the Deed Poll created on 20 January 2022. Any Warrant not exercised during the exercise period will lapse and thereafter ceases to be valid for any purpose.

During the financial year, there was no Warrant exercised with 65,999,996 Warrants outstanding as at the end of the reporting period.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from Warrants of the Company.



for the year ended 30 June 2022

Indemnity and insurance costs

During the financial year, the total amount of premium paid for insurance effected for certain Directors and officers of the Group was RM350 for a total sum insured of RM2.5 million. No indemnity was given to any Director and officer of the Company during the financial year.

There was no indemnity given to or insurance effected for auditors of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, other than those disclosed in Note 16 to the financial statements, the financial performances of the Group and of the Company for the financial year ended 30 June 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events

The details of such events are disclosed in Note 26 to the financial statements.

Event subsequent to year end

The details of such event are disclosed in Note 27 to the financial statements.

Directors' Report

for the year ended 30 June 2022

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Λ	•	п	п	'n	rs

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM132,000 and RM31,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

Sin Kheng Lee	 •	•
Director		

					٠.															
Sin	Sie	w	Ηl	ıey																

Director

Penang,

Date : 28 October 2022

Statements Of Financial Position

as at 30 June 2022

		Gro	oup	Comp	oany
	Note	2022	2021	2022	2021
Assets		RM	RM	RM	RM
Property, plant and equipment	3	32,375,851	32,519,520	-	-
Right-of-use assets	4	58,696,244	59,441,462	-	-
Investment properties	5	260,071	1,397,539	-	-
Investments in subsidiaries	6	-	-	17,522,942	17,522,942
Deferred tax assets	7	-	627,000	-	-
Trade receivables	8	2,344,153	3,476,182	-	-
Total non-current assets		93,676,319	97,461,703	17,522,942	17,522,942
Inventories	9	52,811,880	37,506,636	-	-
Trade and other receivables	8	15,968,088	13,043,115	16,896,601	17,406,547
Current tax assets		241,895	226,735	633	3,008
Cash and cash equivalents	10	16,759,888	17,847,742	12,583,176	11,933,633
Total current assets		85,781,751	68,624,228	29,480,410	29,343,188
Total assets		179,458,070	166,085,931	47,003,352	46,866,130
Equity					
Share capital	11	45,818,324	45,818,324	45,818,324	45,818,324
Reserves	12	54,823,765	45,253,946	846,445	737,167
Total equity attributable to owners of the Company		100,642,089	91,072,270	46,664,769	46,555,491
Liabilities					
Loans and borrowings	13	36,895,876	38,072,347	-	-
Lease liabilities		247,117	306,682	-	-
Deferred tax liabilities	7	1,557,672	1,191,069	-	-
Total non-current liabilities		38,700,665	39,570,098		
Loans and borrowings	13	13,040,854	14,606,000	-	-
Lease liabilities		164,697	158,649	-	-
Trade and other payables	14	26,587,513	20,678,914	338,583	310,639
Current tax liabilities		322,252	-	-	-
Total current liabilities		40,115,316	35,443,563	338,583	310,639
Total liabilities		78,815,981	75,013,661	338,583	310,639
Total equity and liabilities		179,458,070	166,085,931	47,003,352	46,866,130

The notes on pages 38 to 85 are an integral part of these financial statements.

Statements Of Profit Or Loss And Other Comprehensive Income

for the year ended 30 June 2022

		Gro	ир	Company			
	Note	2022	2021	2022	2021		
		RM	RM	RM	RM		
Revenue	15	74,491,980	64,406,532	601,710	-		
Cost of sales		(56,321,435)	(50,449,787)	-	-		
Gross profit		18,170,545	13,956,745	601,710	-		
Other income		9,401,749	4,280,343	-	-		
Selling and distribution expenses		(699,222)	(449,202)	-	-		
Administrative expenses		(12,913,942)	(10,502,841)	(739,415)	(501,924)		
Net gain on impairment of financial instruments	16	89,663	373,956	-	-		
Other expenses		(244,589)	(179,950)	-	-		
Results from operating activities		13,804,204	7,479,051	(137,705)	(501,924)		
Finance income Finance costs	16 17	247,492 (1,760,861)	129,373 (1,918,274)	247,230	121,206		
Net finance (costs)/income		(1,513,369)	(1,788,901)	247,230	121,206		
Profit/(Loss) before tax	16	12,290,835	5,690,150	109,525	(380,718)		
Tax expense	19	(2,695,461)	(665,807)	(247)	-		
Profit/(Loss) for the year		9,595,374	5,024,343	109,278	(380,718)		

Statements Of Profit Or Loss And Other Comprehensive Income

for the year ended 30 June 2022

		Gro	oup	Company				
	Note	2022	2021	2022	2021			
		RM	RM	RM	RM			
Other comprehensive expense, net of tax								
Item that is or may be reclassified subsequently to profit or loss								
Foreign currency translation differences for foreign operation		(25,555)	(4,278)	-	-			
Total other comprehensive expense for the year, net of tax		(25,555)	(4,278)					
Total comprehensive income/(expense) for the year		9,569,819	5,020,065	109,278	(380,718)			
Profit/(Loss) for the year attributable to :								
Owners of the Company		9,595,374	5,024,343	109,278	(380,718)			
Total comprehensive income/(expense) for the year attributable to :								
Owners of the Company		9,569,819	5,020,065	109,278	(380,718)			
Basic earnings per ordinary share (sen)	20	7.27	4.19					
Diluted earnings per ordinary share (sen)	20	6.81	N/A					

Consolidated Statement Of Changes In Equity

for the year ended 30 June 2022

	~				
	Share capital RM	Translation reserve RM	Capital reserve RM	Retained earnings RM	Total equity RM
At 1 July 2020	41,498,324	(219,200)	30,000	40,423,081	81,732,205
At 1 July 2020	41,490,324	(219,200)	30,000	40,423,081	81,732,205
Other comprehensive expense for the year					
- Foreign currency translation differences for foreign operation	-	(4,278)	-	-	(4,278)
Profit for the year	-	-	-	5,024,343	5,024,343
Total comprehensive (expense)/ income for the year	-	(4,278)	-	5,024,343	5,020,065
Contribution by owners of the Company - Issuance of ordinary shares pursuant to private placement	4,320,000	-	-	-	4,320,000
Total transaction with owners of the Company	4,320,000	-	-	-	4,320,000
At 30 June 2021/1 July 2021	45,818,324	(223,478)	30,000	45,447,424	91,072,270
Other comprehensive expense for the year - Foreign currency translation					
differences for foreign operation	-	(25,555)	-	-	(25,555)
Profit for the year	-	-	-	9,595,374	9,595,374
Total comprehensive (expense)/ income for the year	-	(25,555)	-	9,595,374	9,569,819
At 30 June 2022	45,818,324	(249,033)	30,000	55,042,798	100,642,089
	Note 11	•	— Note 12 ——		

The notes on pages 38 to 85 are an integral part of these financial statements.

Statement Of Changes In Equity for the year ended 30 June 2022

Detelored	
earnings RM	Total equity RM
1,117,885	42,616,209
(380,718)	(380,718)
-	4,320,000
-	4,320,000
737,167	46,555,491
109,278	109,278
846,445 Note 12	46,664,769
_	RM 1,117,885 (380,718) - 737,167 109,278

Statements Of Cash Flows for the year ended 30 June 2022

		Gro	oup	Company				
	Note	2022 RM	2021 RM	2022 RM	2021 RM			
Cash flows from operating activities								
Profit/(Loss) before tax from continuing operations		12,290,835	5,690,150	109,525	(380,718)			
Adjustments for : Depreciation of :								
- property, plant and equipment	3	3,312,428	3,214,818	-	-			
- right-of-use assets	4	855,429	849,919	-	-			
- investment properties	5	8,668	8,916	-	-			
Dividend income	15	-	-	(601,710)	-			
Gain on disposal of :								
- plant and equipment	16	(999)	(353,042)	-	-			
- investment properties	16	(3,026,788)	-	-	-			
Gain on forfeiture of non-refundable	4.0	(0.707.057)						
deposits received	16	(2,787,357)	-	-	-			
Reversal of impairment loss on financial instruments	16	(90,663)	(272.056)					
Trade receivables written off	16	(89,663)	(373,956) 3,679	-	-			
(Reversal of)/Inventories written down	16	(596,525)	587,969	-	-			
Inventories written off	16	411	25,081	_	_			
Interest income	16	(247,492)	(129,373)	(247,230)	(121,206)			
Interest expense	17	1,760,861	1,918,274	(211,200)	(121,200)			
Unrealised (gain)/loss on foreign		_,. 00,001	1,010,21					
exchange	16	(188,265)	58,786	-	-			
Operating profit/(loss) before changes in working capital		11,291,543	11,501,221	(739,415)	(501,924)			
Changes in working capital:								
Inventories		(14,709,129)	(1,151,120)	_	_			
Trade and other receivables		(1,704,570)	3,741,993	(3,000)	_			
Trade and other payables		8,613,843	1,790,962	27,944	10,156			
					· 			
Cash generated from/ (used in) operations		3,491,687	15,883,056	(714,471)	(491,768)			
Tax (paid)/refunded		(1,394,766)	(1,014,599)	2,128	(560)			
Net cash from/(used in) operating activities		2,096,921	14,868,457	(712,343)	(492,328)			
Cash flows from investing activities								
Purchase of plant and equipment	Α	(3,168,760)	(1,172,320)	-	-			
Proceeds from disposal of:								
- plant and equipment		1,000	1,134,099	-	-			
- investment properties		4,155,588	-	-	-			
Repayment from subsidiaries, net		-	-	1,114,656	4,125,000			
Interest received		247,492	129,373	247,230	121,206			
Net cash from investing activities		1,235,320	91,152	1,361,886	4,246,206			

Statements Of Cash Flows

for the year ended 30 June 2022

		Gro	oup	Company			
	Note	2022	2021	2022	2021		
		RM	RM	RM	RM		
Cash flows from financing activities							
Drawdown of term loan		1,758,000	-	-	-		
Repayment of term loans		(2,248,015)	(1,335,641)	-	-		
Repayment of hire purchase creditors		(1,207,469)	(2,375,275)	-	-		
Payment of lease liabilities		(163,728)	(153,046)	-	-		
Changes in other borrowings, net		(361,730)	(3,280,489)	-	-		
Interest paid		(1,760,861)	(1,918,274)	-	-		
Uplift/(Placement) of pledged deposits		48,987	(562)	-	-		
Proceeds from issuance of ordinary							
shares pursuant to private placement		-	4,320,000	-	4,320,000		
Net cash (used in)/from financing							
activities		(3,934,816)	(4,743,287)	-	4,320,000		
Not (do one on a) (in one on a in one of one of one of							
Net (decrease)/increase in cash and cash		(600 E7E)	10 016 200	649,543	0.072.070		
equivalents		(602,575)	10,216,322	049,545	8,073,878		
Effect of exchange rate fluctuation on cash							
and cash equivalents		246,111	(1,798)	_	_		
and cach equivalents		,	(=,: ==)				
Cash and cash equivalents at 1 July							
2021/2020		15,685,980	5,471,456	11,933,633	3,859,755		
Cash and cash equivalents at 30 June	В	15,329,516	15,685,980	12,583,176	11,933,633		
Cash outflows for leases as lessee - Group							
			Note	2022	2021		
				RM	RM		
Included in net cash from operating activit	loc						
included in het cash from operating activit	163						
Payment relating to short-term leases			16	233,995	122,480		
Payment relating to leases of low-value asse	ets		16	21,288	11,400		
r aymone rolating to loaded or low value above			10	21,200	11,100		
Included in net cash used in financing acti	vities						
Interest paid in relation to lease liabilities			17	15,073	19,750		
Payment of lease liabilities			Δ.	163,728	153,046		
r dyment of lease habilities				103,720	100,040		
Total cash outflows for leases				434,084	306,676		
				10 1,004	300,070		

Statements Of Cash Flows

for the year ended 30 June 2022

	At 1.7.2020 RM	Hire purchase arrangement RM	Net changes from financing cash flows RM	Foreign exchange movement RM	At 30.6.2021/ 1.7.2021 RM	Drawdown of new term loan/ Addition of new lease RM	Net changes from financing cash flows	At 30.6.2022 RM
Term loans	39,938,950		(1,335,641)		38,603,309	1,758,000	(2,248,015)	38,113,294
Hire purchase creditors	2,919,879	2,393,435	(2,375,275)	1	2,938,039		(1,207,469)	1,730,570
Lease liabilities	618,377	1	(153,046)	1	465,331	110,211	(163,728)	411,814
Other bank borrowings (excluding bank overdrafts)	12,305,728		(3,280,489)	(1,015)	9,024,224	1	(361,730)	8,662,494
Total liabilities from financing activities	55,782,934	2,393,435	(7,144,451)	(1,015)	51,030,903	1,868,211	(3,980,942)	48,918,172

Reconciliation of movements of liabilities to cash flows arising from financing activities - Group

Statements Of Cash Flows

for the year ended 30 June 2022

NOTES

A. Purchase of plant and equipment - Group

During the financial year, the Group acquired plant and equipment as follows:

	Note	2022 RM	2021 RM
Purchase of plant and equipment Less: Acquired by means of hire purchase arrangements	3	3,168,760	3,565,755 (2,393,435)
	_	3,168,760	1,172,320

B. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts :

		Group		Com	pany
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Cash and cash equivalents	10	16,759,888	17,847,742	12,583,176	11,933,633
Less:					
Fixed deposits pledged	10.2	-	(48,987)	-	-
Bank overdrafts	13	(1,430,372)	(2,112,775)	-	-
		15,329,516	15,685,980	12,583,176	11,933,633

SKB Shutters Corporation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

Registered office

2nd Floor, Wisma Penang Garden 42, Jalan Sultan Ahmad Shah 10050 Penang

Principal place of business

Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in the investment holding activity. The principal activities of its subsidiaries are as stated in Note 6 to the financial statements.

The ultimate holding company during the financial year is SKB Glory Sdn. Bhd., a company incorporated in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 28 October 2022.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standard and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs 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)

MFRSs 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 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



1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned amendments where applicable, in the respective financial years when the above amendments become effective.

The initial application of the above amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 8 - Trade and other receivables and Note 9.1 - Inventories.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Subsidiaries are consolidated using the acquisition method other than SKB Shutters Manufacturing Sdn. Bhd. which is consolidated using the pooling-of-interests method of accounting.

Under the pooling-of-interests method of accounting, the results of entities or businesses under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired were recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The difference between the cost of acquisition and the nominal value of the shares acquired together with the share premium are taken to merger reserve (or adjusted against any suitable reserve in the case of debit differences). The other components of equity of the acquired entities are added to the same components within the Group's equity.

All other business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree: less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

(ii) Business combinations

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.



2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(i) Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currency other than RM are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2(k)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) Fair value through profit or loss (continued)

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to :

- (a) the recognition of an asset on the day it is received by the Group or the Company, and
- (b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of :

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.



2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Building and building improvements 50 years
Plant and machinery 5 - 10 years
Furniture, fittings, fixtures and equipment 5 years
Motor vehicles 5 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.



2. Significant accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Significant accounting policies (continued)

(e) Leases (continued)

(iii) Subsequent measurement (continued)

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straightline basis over the lease term as "other income".

(f) Investment properties

Investment properties carried at cost

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially and subsequently measured at cost and are accounted for similar to property, plant and equipment. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 2(d).

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Transfers between investment properties and property, plant and equipment do not change the cost and the carrying amount of the property transferred.

Depreciation is charged on a straight-line basis over the estimated useful life ranging from 35 years to 50 years.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in, first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(k)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

2. Significant accounting policies (continued)

(i) Contract cost

(i) Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

(ii) Cost to fulfil a contract

The Group or the Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables with reference to historical credit loss experience.

2. Significant accounting policies (continued)

(k) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. Significant accounting policies (continued)

(I) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profitsharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met :

- (a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- (b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

2. Significant accounting policies (continued)

(o) Revenue and other income (continued)

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as "other income".

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(iv) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

2. Significant accounting policies (continued)

(q) Income tax (continued)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Chairman and Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(t) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to preparing the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

2. Significant accounting policies (continued)

(v) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment - Group

	Building and building improvements RM	Plant and machinery RM	Furniture, fittings, fixtures and equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
Cost						
At 1 July 2020	32,748,632	44,570,840	16,290,149	7,623,092	29,089	101,261,802
Additions Disposals	-	540,112	1,114,037	1,911,606 (3,136,750)	-	3,565,755 (3,136,750)
Reclassification Effect of movements in	-	32,562	(3,473)		(29,089)	-
exchange rates	-	-	26	-	-	26
At 30 June 2021/1 July 2021	32,748,632	45,143,514	17,400,739	6,397,948	-	101,690,833
Additions Disposals	-	591,098	787,062	3,500 (25,437)	1,787,100	3,168,760 (25,437)
Effect of movements in exchange rates	-	-	164	(25,451)	-	164
At 30 June 2022	32,748,632	45,734,612	18,187,965	6,376,011	1,787,100	104,834,320
Depreciation and impairment loss						
At 1 July 2020						
Accumulated depreciation Accumulated	10,781,090	37,633,980	13,461,369	6,163,543	-	68,039,982
impairment losses	-	272,180	-	-	-	272,180
	10,781,090	37,906,160	13,461,369	6,163,543	-	68,312,162
Depreciation for the year	644,526	1,225,917	764,912	579,463	-	3,214,818
Disposals Reclassification	-	- 3,523	(3,523)	(2,355,693)	-	(2,355,693)
Effect of movements in exchange rates	-	-	26	-	-	26
At 30 June 2021						
Accumulated depreciation	11,425,616	38,863,420	14,222,784	4,387,313	-	68,899,133
Accumulated impairment losses	-	272,180	-	-	-	272,180
	11,425,616	39,135,600	14,222,784	4,387,313	-	69,171,313

3. Property, plant and equipment - Group (continued)

	Building and building improvements RM	Plant and machinery RM	Furniture, fittings, fixtures and equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
Depreciation and impairme	ent loss (continu	ied)				
At 1 July 2021						
Accumulated depreciation Accumulated impairment	11,425,616	38,863,420	14,222,784	4,387,313	-	68,899,133
losses	-	272,180	-	-	-	272,180
ı	11,425,616	39,135,600	14,222,784	4,387,313	-	69,171,313
Depreciation for the year Disposals	644,526	1,209,804	828,158	629,940 (25,436)	-	3,312,428 (25,436)
Effect of movements in exchange rates	-	-	164	-	-	164
At 30 June 2022						
Accumulated depreciation	12,070,142	40,073,224	15,051,106	4,991,817	-	72,186,289
Accumulated impairment losses	-	272,180	-	-	-	272,180
l	12,070,142	40,345,404	15,051,106	4,991,817	-	72,458,469
Carrying amounts						
At 1 July 2020	21,967,542	6,664,680	2,828,780	1,459,549	29,089	32,949,640
At 30 June 2021/1 July 2021	21,323,016	6,007,914	3,177,955	2,010,635		32,519,520
At 30 June 2022	20,678,490	5,389,208	3,136,859	1,384,194	1,787,100	32,375,851

3.1 Assets under hire purchase arrangements

The carrying amounts of plant and equipment acquired under hire purchase arrangements are as follows:

	2022 RM	2021 RM
Plant and machinery Motor vehicles	1,065,409 1,379,564	2,422,931 2,000,429
	2,444,973	4,423,360

3. Property, plant and equipment - Group (continued)

3.2 Property, plant and equipment subject to operating lease

The Group leases part of its building to a third party. The lease contains a non-cancellable period of 3 years. Subsequent renewal is negotiated with the lessee.

The Group generally does not require a financial guarantee on the lease arrangement. Nevertheless, the Group requires two months of rental as deposit from the lessee. This lease does not include residual value guarantee.

	2022 RM	2021 RM
Lease income	3,131,490	3,192,526
The operating lease payments to be received are as follows:		
	2022 RM	2021 RM
Less than one year One to two years Two to three years	3,285,345 3,348,120 837,030	808,725 - -
Total undiscounted lease payments	7,470,495	808,725

3.3 Security

The building is charged to a licensed bank as security for the term loans facility granted to a subsidiary (see Note 13).

4. Right-of-use assets - Group

	Leasehold land RM	Forklifts RM	Total RM
At 1 July 2020	59,682,579	608,802	60,291,381
Depreciation	(691,283)	(158,636)	(849,919)
At 30 June 2021/1 July 2021	58,991,296	450,166	59,441,462
Additions Depreciation	(691,283)	110,211 (164,146)	110,211 (855,429)
At 30 June 2022	58,300,013	396,231	58,696,244

The Group leases a number of forklifts and a parcel of leasehold land that run between 5 years and 99 years respectively.

4.1 Security

The leasehold land is charged to a licensed bank as security for the term loan facility granted to a subsidiary (see Note 13).

4.2 Judgements and assumptions in relation to leases

The Group applied judgement and assumptions in determining the incremental borrowing rate of the leases of forklifts. Group entities first determine the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the leases.

5. Investment properties - Group

Cost	RM
At 1 July 2020/30 June 2021/1 July 2021 Disposals	2,146,579 (1,355,164)
At 30 June 2022	791,415
Depreciation and impairment loss	
At 1 July 2020	
Accumulated depreciation Accumulated impairment losses	199,882 540,242
	740,124
Depreciation for the year	8,916
At 30 June 2021/1 July 2021	
Accumulated depreciation Accumulated impairment losses	208,798 540,242
	749,040
Depreciation for the year Disposals	8,668 (226,364)
At 30 June 2022	
Accumulated depreciation Accumulated impairment losses	189,102 342,242
	531,344
Carrying amounts	
At 1 July 2020	1,406,455
At 30 June 2021/1 July 2021	1,397,539
At 30 June 2022	260,071

5. Investment properties - Group (continued)

The carrying amounts of the investment properties consist of the following:

	2022 RM	2021 RM
Freehold land Apartments and shop office	260,071	1,084,000 313,539
	260,071	1,397,539

Investment properties comprise a number of commercial properties that are leased to third parties. No contingent rents are charged.

The following are recognised in profit or loss:

	2022 RM	2021 RM
Lease income	24,360	25,200
Direct operating expenses : - income generating investment properties	10,694	12,108
- non-income generating investment properties	8,232	10,497

5.1 Fair value information

The fair value of the investment properties of the Group is based on the Directors' estimation using the latest available market information and recent experience and knowledge in the location and category of property being valued. The fair value of the investment properties as at 30 June 2022 is classified as level 3 fair value (2021: level 3 fair value), estimated at approximately RM510,000 (2021: RM3,630,000).

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the fair value levels during the financial year (2021: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Estimation uncertainty and key assumptions

The Directors estimate the fair value of the Group's investment properties based on the following key assumptions:

- Comparison of the Group's investment properties with similar properties that were published for sale within the same locality or other comparable localities; and
- Enquiries from relevant property valuers and real estate agents on market conditions and changing market trends.

6. Investments in subsidiaries - Company

	2022 RM	2021 RM
Unquoted shares, at cost Less: Impairment loss	17,548,947 (26,005)	17,548,947 (26,005)
	17,522,942	17,522,942

6. Investments in subsidiaries - Company (continued)

Details of the subsidiaries are as follows:

Name of entity		Effective ownership interest and voting interest 2022 2021		Principal activities
	SKB Shutters Manufacturing Sdn. Bhd.	100%	100%	Manufacture and sale of roller shutters, racking systems, storage system and related steel products.
	SKB Storage Industries Sdn. Bhd.	100%	100%	Manufacture and sale of roller shutters, racking systems, storage system and related steel products.
	SKB Shutters Industries Sdn. Bhd.	100%	100%	Manufacturing and providing of repair services for motor components.
	SKB Shutters (S) Pte. Ltd. #	100%	100%	Trading of roller shutters, racking systems and storage systems.

All the above subsidiaries are incorporated and having their principal place of business in Malaysia except for SKB Shutters (S) Pte. Ltd. which is incorporated and having its principal place of business in Singapore.

7. Deferred tax (liabilities)/assets - Group

Recognised deferred tax (liabilities)/assets

Deferred tax assets and liabilities are attributable to the following:

	Ass	ets	Liabi	lities	Net		
	2022	2021	2022	2021	2022	2021	
	RM	RM	RM	RM	RM	RM	
Property, plant and equipment							
capital allowancesreinvestment	-	-	(1,100,000)	(386,931)	(1,100,000)	(386,931)	
allowances Right-of-use assets	313,000	233,000	-	-	313,000	233,000	
- revaluation	-	-	(1,779,382)	(1,917,266)	(1,779,382)	(1,917,266)	
- others	-	-	(95,000)	(107,800)	(95,000)	(107,800)	
Lease liabilities	98,000	112,000	-	-	98,000	112,000	
Tax loss carry-forwards Provisions and	-	396,000	-	-	-	396,000	
impairment losses	1,005,710	1,106,928			1,005,710	1,106,928	
Tax assets/(liabilities)	1,416,710	1,847,928	(2,974,382)	(2,411,997)	(1,557,672)	(564,069)	
Set off of tax	(1,416,710)	(1,220,928)	1,416,710	1,220,928			
Net tax assets/ (liabilities)		627,000	(1,557,672)	(1,191,069)	(1,557,672)	(564,069)	

[#] Not audited by KPMG PLT.

7. Deferred tax (liabilities)/assets - Group (continued)

Recognised deferred tax (liabilities)/assets (continued)

Movements in temporary differences during the year are as follows:

		Recognised		Recognised	
		in profit	At	in profit	
	At	or loss	30.6.2021/	or loss	At
	1.7.2020	(Note 19)	1.7.2021	(Note 19)	30.6.2022
	RM	RM	RM	RM	RM
Property, plant and equipment					
- capital allowances	(823,165)	436,234	(386,931)	(713,069)	(1,100,000)
- reinvestment allowances	101,280	131,720	233,000	80,000	313,000
Right-of-use assets					
- revaluation	(2,055,150)	137,884	(1,917,266)	137,884	(1,779,382)
- others	(90,782)	(17,018)	(107,800)	12,800	(95,000)
Lease liabilities	92,101	19,899	112,000	(14,000)	98,000
Tax loss carry-forwards	-	396,000	396,000	(396,000)	-
Provisions and impairment					
losses	1,948,681	(841,753)	1,106,928	(101,218)	1,005,710
	(827,035)	262,966	(564,069)	(993,603)	(1,557,672)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	2022 RM	2021 RM
Property, plant and equipment - reinvestment allowances	3,042,000	3.911.000
Tax loss carry-forwards	1,313,000	1,251,000
	4,355,000	5,162,000

As stipulated in the Finance Act 2021, any unutilised reinvestment allowances can only be carried forward for a maximum period of 10 (2021:7) consecutive year of assessments ("YAs"). Any amounts not utilised upon expiry of the 10-year (2021:7-year) period from the end of the reinvestment allowances' qualifying period will be disregarded.

As at 30 June 2022, the Group's unutilised reinvestment allowances will expire as set out below:

	2022 RM	2021 RM
Unutilised reinvestment allowances		
- expiring YA 2028 (2021 : YA2025)	2,916,000	3,785,000
- expiring YA 2030 (2021 : YA2027)	50,000	50,000
- expiring YA 2031 (2021 : YA2028)	76,000	76,000
	3,042,000	3,911,000

The tax losses carry-forward of RM1,313,000 (2021: RM1,251,000) for a subsidiary do not expire under the current tax legislation in Singapore.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

The comparative figure has been restated to reflect the revised unutilised reinvestment allowances available to the Group.



8. Trade and other receivables

	Note	Gro 2022	oup 2021	Com ₁ 2022	oany 2021
	Note	RM	RM	RM	RM
Non-current					
Trade					
Retention sum		2,344,153	3,476,182		
Current					
Trade					
Trade receivables		10,981,255	7,378,439	-	-
Retention sum		2,440,908	1,292,725	-	-
		13,422,163	8,671,164	-	-
Non-trade					
Amount due from subsidiaries	8.2	-	-	16,892,601	17,405,547
Other receivables		223,720	157,036	-	-
Deposits		707,475	645,797	4,000	1,000
Prepayments	8.3	1,614,730	3,569,118	-	-
		2,545,925	4,371,951	16,896,601	17,406,547
		15,968,088	13,043,115	16,896,601	17,406,547

8.1 Significant judgements and assumptions

The management reviews for impairment loss on trade receivables based on individual assessment for those receivables past due more than 90 days. This review requires judgement and estimates. Possible changes in the estimate could result in revision to the impairment loss on trade receivables.

8.2 Amount due from subsidiaries - Company

The non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand.

8.3 Prepayments - Group

Included in prepayments of the Group is an amount of RM1,093,649 (2021: RM3,076,833) representing advance payments made to suppliers for the purchase of raw materials.

9. Inventories - Group

	2022 RM	2021 RM
Raw materials	32,367,127	21,298,616
Work-in-progress	563,485	268,004
Manufactured inventories	19,881,268	15,940,016
	52,811,880	37,506,636

9. Inventories - Group (continued)

Recognised in profit or loss (included under cost of sales):

	2022 RM	2021 RM
Inventories recognised as cost of sales	56,917,549	49,836,737
(Reversal of)/Inventories written down	(596,525)	587,969
Inventories written off	411	25,081

9.1 Significant judgements and assumptions

In determining the amount of inventories to be written down, the Directors took into consideration the age of the inventories. This review requires judgement and estimates. Possible changes in the estimate could result in revision to the valuation of inventories.

10. Cash and cash equivalents

	Group		Comp	pany	
	Note	2022	2021	2022	2021
		RM	RM	RM	RM
Short-term funds	10.1	12,570,354	7,523,124	12,570,354	7,523,124
Short-term deposits with a licensed	10.2				
bank		-	48,987	-	-
Cash and bank balances		4,189,534	10,275,631	12,822	4,410,509
		16,759,888	17,847,742	12,583,176	11,933,633

10.1 Short-term funds

Short-term funds represent investments in fixed income funds which are redeemable within a period of less than 7 days.

10.2 Security

The Group's fixed deposits with a licensed bank was held in lien for banking facilities granted to a subsidiary.

11. Share capital - Group and Company

	2022		2021	
	Amount RM	Number of shares	Amount RM	Number of shares
Issued and fully paid ordinary shares with no par value classified as equity instruments				
At 1 July 2021/2020	45,818,324	44,000,000	41,498,324	40,000,000
Issued during the year	-	-	4,320,000	4,000,000
Bonus issue	-	88,000,000	-	-
At 30 June	45,818,324	132,000,000	45,818,324	44,000,000

11. Share capital - Group and Company (continued)

11.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

During the financial year, the Company declared a bonus issue of 88,000,000 new ordinary shares on the basis of two (2) new ordinary shares for every one (1) existing ordinary share held in the Company at no consideration and without any capitalisation of the Company's reserves.

12. Reserves

		Group		Company		
	Note	2022 RM	2021 RM	2022 RM	2021 RM	
Capital reserve Translation reserve	12.1	30,000 (249,033)	30,000 (223,478)	-	-	
Retained earnings		55,042,798	45,447,424	846,445	737,167	
		54,823,765	45,253,946	846,445	737,167	

12.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operation.

13. Loans and borrowings - Group

	2022 RM	2021 RM
Non-current		
Secured		
Term loans Hire purchase creditors	35,904,845 991,031	36,341,777 1,730,570
	36,895,876	38,072,347
Current		
Secured		
Term loans Hire purchase creditors	2,208,449 739,539	2,261,532 1,207,469
	2,947,988	3,469,001
Unsecured		
Bank overdrafts Bankers' acceptances Revolving credits Foreign currency loans	1,430,372 5,863,000 2,000,000 799,494	2,112,775 5,970,000 2,000,000 1,054,224
	10,092,866	11,136,999
	13,040,854	14,606,000
Total loans and borrowings	49,936,730	52,678,347

13. Loans and borrowings - Group (continued)

13.1 Securities

The term loans are secured by the Group's land and building (see Notes 3.3 and 4.1).

The hire purchase creditors are effectively secured as the rights to the assets will be reverted to the hire purchase creditors in the event of default.

14. Trade and other payables

		Gro	up	Comp	any
	Note	2022	2021	2022	2021
		RM	RM	RM	RM
Trade					
Trade payables		11,395,679	9,500,483	-	-
Non-trade					
Other payables Accrued expenses Deposits received	14.1	11,882,839 2,777,463 531,532	8,564,479 2,060,774 553,178	3,710 334,873 -	48,363 262,276
		15,191,834	11,178,431	338,583	310,639
		26,587,513	20,678,914	338,583	310,639

14.1 Other payables

Included in other payables of the Group is an amount of RM9,376,708 (2021: RM6,875,012) representing advance payments from customers.

15. Revenue

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers	74,491,980	64,406,532	-	-
Other revenue - Dividend income	-	-	601,710	-
Total revenue	74,491,980	64,406,532	601,710	-

15.1 Disaggregation of revenue

Timing and recognition	2022 RM	2021 RM
At a point in time Over time	37,920,464 36,571,516	34,979,952 29,426,580
	74,491,980	64,406,532

Revenue from contracts with customers is mainly confined to one business segment. Revenue mainly consists of sale of roller shutters, racking systems, storage system and related steel products. Disaggregation of revenue based on geographical markets is disclosed in Note 22 to the financial statements.



15. Revenue (continued)

15.2 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Warranty
Project sale of roller shutters, racking systems and storage system	Revenue is recognised over time using the output method based on the agreed value of works executed and certified by architects.	Credit period of 60 days from invoice date (based on milestones certified by architects).	Defect liability period between 1 to 2 years is given to the customers.
Sale of roller shutters, racking systems, storage system and related steel products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Credit period of 30 days to 60 days from invoice date.	Assurance warranties on mechanical parts of 1 year is given to customers.

There is no variable element in consideration, obligation for returns or refunds attached to the goods sold by the Group.

15.3 Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient exemption in paragraph 121(a) of MFRS 15 on the exemption for disclosure of information on remaining performance obligations that have original expected durations of one year or less.

65

16. Profit/(Loss) before tax

 $\mbox{Profit/(Loss)}$ before tax is arrived at after charging/(crediting) :

	Group		Compa	iny
	2022	2021	2022	2021
	RM	RM	RM	RM
Auditors' remuneration :				
Audit fees				
- KPMG PLT	132,000	117,000	31,000	28,000
- Other auditors	9,509	9,265		,
Non-audit fees	,	,		
- KPMG PLT	3,000	3,000	3,000	3,000
- Affiliates of KPMG PLT	28,800	23,900	1,900	1,900
Depreciation of :	·	·		·
- Property, plant and equipment (Note 3)	3,312,428	3,214,818	-	-
- Right-of-use assets (Note 4)	855,429	849,919	-	-
- Investment properties (Note 5)	8,668	8,916	-	-
(Reversal of)/Inventories written down	·	·		
(Note 9)	(596,525)	587,969	-	-
Inventories written off (Note 9)	411	25,081	-	-
Trade receivables written off	-	3,679	-	-
Research and development expenses				
(Note 16.1)	794,678	596,854	-	-
Government grant (Note 16.2)	(146,000)	(98,800)	-	-
Finance income (Note 16.3)	(247,492)	(129,373)	(247, 230)	(121,206)
Gain on disposal of :				
- plant and equipment	(999)	(353,042)	-	-
- investment properties	(3,026,788)	-	-	-
Gain on forfeiture of non-refundable				
deposits received	(2,787,357)	-	-	-
Loss/(Gain) on foreign exchange :				
- realised	210,251	101,010	-	-
- unrealised	(188,265)	58,786	-	-
Expenses/(Income) arising from leases				
Expenses relating to :				
- short-term leases (Note 16.4)	233,995	122,480	-	-
- leases of low-value assets (Note 16.4)	21,288	11,400	-	-
Income from subleasing of :	,	,		
- Property, plant and equipment	(3,131,490)	(3,192,526)	-	-
- Investment properties	(24,360)	(25,200)	-	-
	(, - ,	(/ /		
Net (gain)/loss on impairment of financial instruments				
Impairment loss on trade and other				
receivables	497	42,310	-	-
Reversal of impairment loss on trade				
receivables	(90,160)	(416,266)	-	-
	(89,663)	(373,956)		
	(03,003)	(313,330)		

16. Profit/(Loss) before tax (continued)

- 16.1 Research and development expenses include Director's emoluments of RM554,400 (2021: RM461,622).
- 16.2 The Group received government grants in the form of wage subsidy to retain local employees during the approved period of economic uncertainty brought about by the Coronavirus (COVID-19) outbreak.
- 16.3 Finance income represents interest income of financial assets calculated using the effective interest method that are at amortised cost.
- 16.4 The Group leases staff accommodations and equipment with contract term of 1 year or shorter. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

17. Finance costs - Group

	2022 RM	2021 RM
Interest expense of financial liabilities that are not at fair value through profit or	4 745 700	4 000 504
loss	1,745,788	1,898,524
Interest expense on lease liabilities	15,073	19,750
	1,760,861	1,918,274

18. Employee information

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Personnel costs (including key management	12 155 546	11 200 240	300,000	190 169
personnel)	13,155,546	11,390,349	300,000	189,168

Personnel costs of the Group (including key management personnel) include contributions to the Employees' Provident Fund of RM987,112 (2021: RM737,611).

Included in personnel costs and research and development expenses is compensation paid to key management personnel as follows:

Group		Com	pany
2022	2021	2022	2021
RM	RM	RM	RM
275,000	183,334	275,000	183,334
25,000	5,834	25,000	5,834
2,523,750	2,058,396	-	-
302,850	226,438	-	-
10,600	10,600	-	-
3,137,200	2,484,602	300,000	189,168
	275,000 25,000 2,523,750 302,850 10,600	2022 RM RM 275,000 183,334 25,000 5,834 2,523,750 2,058,396 302,850 226,438 10,600 10,600	2022 RM RM RM RM 275,000 183,334 275,000 25,000 5,834 25,000 2,523,750 2,058,396 - 302,850 226,438 - 10,600 10,600 -

19. Tax expense

Recognised in profit or loss

Major components of income tax expense include :

	Gro	ир	Comp	any
	2022	2021	2022	2021
	RM	RM	RM	RM
Current tax expense				
- Current year	1,470,941	926,244	_	_
- Prior year	12,601	2,529	247	-
- Real property gains tax on disposal of	·	,		
investment properties	218,316	-	-	-
Total current tax recognised in profit or loss	1,701,858	928,773	247	-
Deferred tax expense				
- Origination and reversal of temporary				
differences	961,701	(283,404)	-	-
- Under provision in prior year	31,902	20,438	-	-
Total deferred tax recognised in profit or				
loss	993,603	(262,966)	-	-
Total income tax expense	2,695,461	665,807	247	-
Reconciliation of tax expense				
Profit/(Loss) for the year	9,595,374	5,024,343	109,278	(380,718)
Total tax expense	2,695,461	665,807	247	-
·				
Profit/(Loss) excluding tax	12,290,835	5,690,150	109,525	(380,718)
Income tax calculated using Malaysian tax				
rate of 24%	2,949,800	1,365,638	26,286	(91,372)
Effect of different tax rate in foreign				
jurisdiction	(161)	1,698	-	-
Non-deductible expenses	656,546	445,625	177,460	120,709
Tax exempt income	(59,335)	(29,090)	(203,746)	(29,090)
Non-taxable income	(731,570)	(58,082)	-	-
Tax incentive	(98,175)	(111,243)	-	-
Changes in deferred tax assets unrecognised	(194,000)	(821,254)	_	_
Reversal of deferred tax on revaluation	(134,000)	(021,254)		
surplus	(137,885)	(137,885)	-	-
Real property gains tax on disposal of	, , ,	, , ,		
investment properties	218,316	-	-	-
Others	47,422	(12,567)	-	(247)
	2,650,958	642,840	-	-
Under provision in prior year	44,503	22,967	247	-
	2,695,461	665,807	247	-

20. Earnings per ordinary share - Group

Basic earnings per ordinary share

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

	2022 RM	2021 RM
Profit for the year attributable to ordinary shareholders	9,595,374	5,024,343
Issued ordinary shares at beginning of the financial year Effect of ordinary shares issued during the financial year Effect of bonus issue in year 2022	44,000,000	40,000,000 10,959 80,021,918
Weighted average number of ordinary shares	132,000,000	120,032,877
Basic earnings per ordinary share (sen)	7.27	4.19*

^{*} Earnings per ordinary share for the previous financial year has been adjusted to reflect the effect of the bonus issue of two (2) bonus shares for every one (1) existing ordinary share held which was completed on 5 January 2022.

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on profit 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:

	2022 RM	2021 RM
Profit for the year attributable to ordinary shareholders	9,595,374	5,024,343
	2022	2021
Weighted average number of ordinary shares at 30 June (basic) Effect of Warrants	132,000,000 8,835,788	120,032,877
Weighted average number of ordinary shares at 30 June (diluted)	140,835,788	120,032,877

The average market price of the Company's shares for the purpose of calculating the dilutive effect of Warrants was based on quoted market prices for the period during which the Warrants were outstanding.

	2022	2021
	sen	sen
Diluted earnings per ordinary share	6.81	N/A

21. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

The Group has related party relationship with its holding company and subsidiaries of the Company as disclosed in the financial statements and key management personnel. Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the significant related party transactions are shown in Note 8 to the financial statements.

(a) Transaction with subsidiaries

	Company	
	2022 RM	2021 RM
Advances to subsidiaries Dividend income	4,000,000 601,710	10,000

(b) Transactions with Directors and key management personnel

There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 18 to the financial statements.

22. Operating segments - Group

The Group is principally included 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.

Geographical information

Revenue and non-current assets information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include deferred tax assets and financial instruments.

2022	Revenue RM	Non-current assets RM
Malaysia Asia (excluding Malaysia) Australia Middle East Africa Others	46,846,380 15,457,425 7,383,143 2,847,275 1,292,969 664,788	91,332,163 3 - - -
2021	74,491,980	91,332,166
Malaysia Asia (excluding Malaysia) Australia Middle East Others	39,929,819 17,153,616 5,294,379 1,708,654 320,064	93,358,518 3 - - - 93,358,521

23. Capital commitment - Group

	2022 RM	2021 RM
Plant and equipment - Contracted but not provided for	972,000	82,000

24. Financial instruments

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
2022		
Financial assets		
Group		
Trade and other receivables (excluding prepayments) Cash and cash equivalents	16,697,511 16,759,888	16,697,511 16,759,888
	33,457,399	33,457,399
Company		
Trade and other receivables (excluding prepayments) Cash and cash equivalents	16,896,601 12,583,176	16,896,601 12,583,176
	29,479,777	29,479,777
Financial liabilities		
Group		
Loan and borrowings Trade and other payables	49,936,730 26,587,513	49,936,730 26,587,513
	76,524,243	76,524,243
Company		
Trade and other payables	338,583	338,583
2021		
Financial assets		
Group		
Trade and other receivables (excluding prepayments) Cash and cash equivalents	12,950,179 17,847,742	12,950,179 17,847,742
	30,797,921	30,797,921

24. Financial instruments (continued)

24.1 Categories of financial instruments (continued)

	Carrying amount RM	AC RM
2021		
Financial assets		
Company		
Trade and other receivables (excluding prepayments) Cash and cash equivalents	17,406,547 11,933,633	17,406,547 11,933,633
	29,340,180	29,340,180
Financial liabilities		
Group		
Loan and borrowings Trade and other payables	52,678,347 20,678,914	52,678,347 20,678,914
	73,357,261	73,357,261
Company		
Trade and other payables	310,639	310,639

24.2 Net gains and losses arising from financial instruments

	Gro	oup	Comp	pany
	2022	2021	2022	2021
Net (losses)/gains on :	RM	RM	RM	RM
Net (1055e5)/ gains on .				
Financial assets at amortised cost	606,407	392,455	247,230	121,206
Financial liabilities at amortised cost	750,331	(1,951,125)	-	-
-	1,356,738	(1,558,670)	247,230	121.206
-	1,000,100	(±,555,616)	271,200	121,200

24.3 Financial risk management

The Group has exposures to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

24. Financial instruments (continued)

24.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks and suppliers for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables is credit impaired.

The gross carrying amount of credit impaired trade receivables is written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographical region was:

	Gro	up
	2022	2021
	RM	RM
Domestic	15,060,542	11,146,737
Asia (excluding Malaysia)	705,774	997,325
Others	-	3,284
	15,766,316	12,147,346

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within credit terms granted. The Group's debt recovery process is as follows:

- a) Above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the credit controller; and
- b) Above 90 days past due, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables for all trade receivables except for project-based customers. Invoices which are past due 90 days will be considered as credit impaired.



24. Financial instruments (continued)

24.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

For project-based customers, the Group assessed the risk of loss of each customer individually based on past trend of payments. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross carrying amount	Loss allowance	Net balance
	RM	RM	RM
Group			
2022			
Current (not past due)	12,802,812	_	12,802,812
1 - 90 days past due	2,221,584	-	2,221,584
	15,024,396	-	15,024,396
Credit impaired			
91 - 180 days past due	210,034	_	210,034
181 - 270 days past due	525,824	-	525,824
More than 270 days past due	6,062	-	6,062
Individually impaired	2,024,530	(2,024,530)	-
	17,790,846	(2,024,530)	15,766,316
2021			
Current (not past due)	9,384,726	-	9,384,726
1 - 90 days past due	2,405,470	-	2,405,470
	11,790,196	-	11,790,196
Credit impaired			
91 - 180 days past due	96,357	-	96,357
181 - 270 days past due	256,771	-	256,771
More than 270 days past due	4,022	-	4,022
Individually impaired	2,114,193	(2,114,193)	-
	14,261,539	(2,114,193)	12,147,346

24. Financial instruments (continued)

24.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by subsequent collection after the reporting period in managing exposure to credit risk.

The movements in the allowance for impairment in respect of trade receivables during the financial year are as shown below.

	Gro	ир
	2022 RM	2021 RM
Balance at 1 July 2021/2020	2,114,193	2,577,071
Net remeasurement of loss allowance (Note 16) Amounts written off	(89,663)	(373,956) (88,922)
Balance at 30 June	2,024,530	2,114,193

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risk on other receivables are mainly arising from staff advances, deposits paid for utilities and membership for golf club.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

As at the end of the reporting period, the Group recognised allowance for impairment losses on other receivables amounted to RM51,960 (2021: RM51,960).

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks and suppliers in respect of facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their banking facilities on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM54,204,866 (2021: RM55,148,956) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

Financial guarantees provided to the suppliers of certain subsidiaries are to secure the amount payable of RM3,166,718 (2021: RM549,131) as at the end of the reporting period.



24. Financial instruments (continued)

24.4 Credit risk (continued)

Financial guarantees (continued)

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank or supplier in full; or
- The subsidiary is continuously loss making and is having a deficit shareholder's fund.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment in respect of financial guarantees since the fair value on initial recognition was not material.

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances are only provided to subsidiaries which are wholly-owned by the Company, and are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its advances to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholder's fund.

The Company determines the probability of default for these advances individually using internal information available.

24. Financial instruments (continued)

24.4 Credit risk (continued)

Inter-company advances (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances.

	Gross carrying amount RM	Impairment loss allowance RM	Net balance RM
Company			
2022			
Low credit risk Credit impaired	16,892,601 1,147,147	(1,147,147)	16,892,601
	18,039,748	(1,147,147)	16,892,601
2021			
Low credit risk Credit impaired	17,405,547 1,147,147	(1,147,147)	17,405,547
	18,552,694	(1,147,147)	17,405,547

24.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Financial instruments (continued)

24.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount	Contractual interest rate/ Discount rate per annum	Contractual cash flows	Under 1 year	1 - 2 years	2 - 5 years	More than 5 years
Group	RM		RM	RM	RM	RM	RM
2022							
Non-derivative financial liabilities							
Term loans	38,113,294	3.45	49,156,869	3,652,095	3,669,480	11,008,440	30,826,854
Hire purchase creditors	1,730,570	1.88 - 3.63	1,839,274	801,750	536,098	501,426	1
Lease liabilities	411,814	3.40 - 3.60	431,700	196,800	152,400	82,500	
Bank overdrafts	1,430,372	6.65	1,430,372	1,430,372	1		
Bankers' acceptances	5,863,000	3.31 - 4.01	5,863,000	5,863,000	1	ı	ı
Revolving credits	2,000,000	3.56 - 3.58	2,000,000	2,000,000	1	1	•
Foreign currency loans	799,494	3.66	799,494	799,494	1	ı	ı
Trade and other payables	26,587,513	1	26,587,513	26,587,513	1	1	ı
	76,936,057		88,108,222	41,331,024	4,357,978	11,592,366	30,826,854
2021							
Non-derivative financial liabilities							
Term loans	38,603,309	3.20	47,784,983	3,460,860	3,460,860	10,382,580	30,480,683
Hire purchase creditors	2,938,039	1.88 - 3.63	3,161,209	1,321,935	801,750	1,037,524	
Lease liabilities	465,331	3.60	490,500	172,800	172,800	144,900	ı
Bank overdrafts	2,112,775	6.65 - 6.70	2,112,775	2,112,775	ı	1	1
Bankers' acceptances	5,970,000	2.23 - 3.80	5,970,000	5,970,000	1	1	1
Revolving credits	2,000,000	3.53	2,000,000	2,000,000	•	1	1
Foreign currency loans	1,054,224	1.75 - 2.21	1,054,224	1,054,224	•	1	•
Trade and other payables	20,678,914	1	20,678,914	20,678,914	ı	1	ı
	73,822,592		83,252,605	36,771,508	4,435,410	11,565,004	30,480,683

24. Financial instruments (continued)

24.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM	Contractual interest rate per annum %	Contractual cash flows RM	Under 1 year RM
Non-derivative financial liabilities				
2022				
Trade and other payables Financial guarantees	338,583	-	338,583 57,371,584	338,583 57,371,584
	338,583		57,710,167	57,710,167
2021				
Trade and other payables Financial guarantees	310,639	-	310,639 55,698,087	310,639 55,698,087
	310,639		56,008,726	56,008,726

24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

24.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

It is generally the Group's practice not to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency.

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Gro	up
	2022	2021
	RM	RM
Denominated in USD		
Trade and other receivables (excluding prepayments)	333,036	744,965
Cash and cash equivalents	1,415,767	4,670,347
Loans and borrowings	(799,494)	(1,054,224)
Trade and other payables	(3,262,552)	(2,987,162)
Net exposure	(2,313,243)	1,373,926

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a Ringgit Malaysia ("RM") functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 10% (2021:10%) strengthening of the RM against USD at the end of the reporting period would have increased (2021: decreased) post-tax profit or loss by RM175,806 (2021: RM104,418). This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

A 10% (2021:10%) weakening of the RM against USD at the end of the reporting period would have had equal but opposite effect on USD to the amount shown above, on the basis that all other variables remained constant.

24.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.2 Interest rate risk (continued)

Risk management objectives, policies and processes for managing the risk

The Group is presently enjoying competitive interest rates which are reviewed and negotiated on a yearly basis. The Group manages their interest rate risk by having a combination of borrowings with floating and fixed rates.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :

	Gro	ир	Comp	any
	2022	2021	2022	2021
	RM	RM	RM	RM
Fixed rate instruments				
Financial assets	-	48,987	-	-
Financial liabilities	(10,804,878)	(12,427,594)	-	-
	(10,804,878)	(12,378,607)	-	-
Floating rate instruments	;			
Financial assets Financial liabilities	12,570,354	7,523,124	12,570,354	7,523,124
i ilianciai liabilities	(39,543,666)	(40,716,084)	-	-
	(26,973,312)	(33,192,960)	12,570,354	7,523,124

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

(b) Cash flow sensitivity analysis for variable rate instruments (continued)

	Profit of	or loss
	50 bp	50 bp
	increase	decrease
Group	RM	RM
2022		
Floating rate instruments	(102,499)	102,499
2021		
Floating rate instruments	(126,133)	126,133
Company		
2022		
Floating rate instruments	47,767	(47,767)
2021		
Floating rate instruments	28,588	(28,588)

24.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

24. Financial instruments (continued)

24.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair ve	Fair value of financial instru carried at fair value	inancial instruments d at fair value	ents	Fail	value of file carrie	Fair value of financial instruments not carried at fair value	ents not	Total fair value	Carrying amount
	Level 1 Level	Level 2 RM	Level 3 RM	Total	Level 1 RM	Level 2 RM	Level 3	Total	Z	Z
Group										
Financial liabilities										
2022										
Term loans	1	ı	ı	ı	1	ı	(38,113,000)	(38,113,000)	(38,113,000) (38,113,000) (38,113,000) (38,113,294)	(38,113,294)
Hire purchase creditors	1	ı	1	ı	1	ı	(1,731,000)	(1,731,000)	(1,731,000) (1,731,000) (1,731,000) (1,730,570)	(1,730,570)
	'	'	1				(39,844,000)	(39,844,000)	(39,844,000)	(39,843,864)
2021										
Term loans	1	1		ı	1	1	(38,603,000)	(38,603,000) (38,603,000) (38,603,000)		(38,603,309)
nire purchase creditors	ı	ı	ı	ı	1	ı	(2,938,000)	(2,938,000)	(2,938,000)	(2,938,039)
					1	1	(41,541,000)	(41,541,000)	(41,541,000)	(41,541,348)

24. Financial instruments (continued)

24.7 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the fair value levels during the financial year (2021: no transfer in either directions).

Level 3 fair value

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The fair value of the loans and borrowings is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements.

25. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determined to maintain an optimal debt-to-equity ratio that complied with debt covenants and regulatory requirements.

The debt-to-equity ratios at 30 June 2022 and at 30 June 2021 were as follows:

	Group		
	2022	2021	
	RM	RM	
Loans and borrowings (Note 13)	49,936,730	52,678,347	
Lease liabilities	411,814	465,331	
Less : cash and cash equivalents (Note 10)	(16,759,888)	(17,847,742)	
Net debt	33,588,656	35,295,936	
Total equity	100,642,089	91,072,270	
Debt-to-equity ratio	0.33	0.39	

There were no changes in the Group's approach to capital management during the financial year.

26. Significant events during the year

- (a) On 20 October 2021, the Company announced the following proposals:
 - (i) bonus issue of 88,000,000 new ordinary shares of the Company on the basis of two (2) bonus shares for every one (1) existing ordinary share held by the shareholders ("Proposed Bonus Issue of Shares"); and
 - (ii) free warrants ("Warrants") issue of up to 66,000,000 Warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held by the shareholders after the completion of the Proposed Bonus Issue of Shares. The Warrants shall have a tenure of 3 years at an exercise price to be determined later after obtaining all relevant approvals but prior to the warrants entitlement date.

(Collectively referred to as the "Proposals")

The Proposals were approved by the shareholders of the Company during an Extraordinary General Meeting convened on 20 December 2021. The bonus issue arising from the proposed bonus issue of shares was completed on 5 January 2022.

On 20 January 2022, the Company has resolved to fix the exercise price of the Warrants at RM0.45 per warrant. The issuance of Warrants was completed on 16 February 2022.

(b) On 17 January 2022, a wholly-owned subsidiary of the Company, SKB Shutters Manufacturing Sdn. Bhd. ("SSM") entered into a Sale and Purchase Agreement ("SPA") with a third party to dispose of a piece of freehold land for a total cash consideration of RM4,065,588. The disposal resulted in a gain of RM2,981,588 being recognised by the Group.

27. Event subsequent to year end

On 29 July 2022, SSM accepted an offer by a third party to acquire a parcel of leasehold land located at Bandar Puncak Alam for an indicative offer price of RM36 million which will be settled by cash. SSM has paid an earnest deposit of 2% of the indicative offer price of RM720,000.

The completion of the acquisition of leasehold land is subject to the Company's shareholders' approval during an Extraordinary General Meeting to be convened and approval by the relevant authorities.

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 29 to 85 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :
Sin Kheng Lee Director
Sin Siew Huey Director
Penang,
Date: 28 October 2022
Statutory Declaration pursuant to Section 251(1)(b) of the Companies Act 2016
I, Sin Siew Huey , the Director primarily responsible for the financial management of SKB Shutters Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 29 to 85 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.
Subscribed and solemnly declared by the abovenamed Sin Siew Huey, NRIC: 820805-10-5402, MIA CA30773, at George Town in the State of Penang on 28 October 2022.
Sin Siew Huey

Before me : Goh Suan Bee (No. P125) Commissioner for Oaths Penang

TO THE MEMBERS OF SKB SHUTTERS CORPORATION BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SKB Shutters Corporation Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 29 to 85.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws* (on *Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of trade receivables

Refer to Note 1(d) (basic of preparation - use of estimates and judgements), Note 2(c)(i) (impairment - financial assets) and Note 8 (trade and other receivables)

The key audit matter

The Group has trade receivables amounting to RM15.8 million.

Due to the Group's business nature and the slow down in local construction industry, the Group has significant trade receivables mainly from project-based customers. Some of these customers have long outstanding debts. This may lead to a heightened risk that certain trade receivables may not be recoverable. With the significance of the balance and the level of judgement required to assess the amount of impairment loss required for trade receivables, valuation of trade receivables has been identified as one of the key audit matters.

How the matter was addressed in our audit

Our audit procedures included, amongst others:

- Tested the accuracy of trade receivables' ageing reports by testing outstanding invoices to their respective age brackets on a sampling basis;
- Assessed the recoverability of the past due trade receivables on sampling basis by testing the receipts of cash after year end; and
- Assessed the adequacy of the Group's allowance for impairment loss including expected credit loss ("ECL") against the doubtful trade receivables by challenging the key assumptions/judgement applied by Directors in determining the allowance for impairment loss on any residual balances of significant past due debts net of subsequent receipts, taking into consideration past payment trends, and bad debts record for debts deemed doubtful.

TO THE MEMBERS OF SKB SHUTTERS CORPORATION BERHAD

Key Audit Matters (continued)

Valuation of inventories

Refer to Note 1(d) (basic of preparation - use of estimates and judgements), Note 2(g) (accounting policy on inventories) and Note 9 (Inventories)

The key audit matter

The Group has inventories amounting to RM52.8 million, representing 61.57% of the Group's total current assets as at 30 June 2022.

The Group made the write-down of inventories, if necessary, based on the analysis of the aging of inventories. With the significance of the balance and the level of judgement required to assess the amount of allowance needed for the slow moving and obsolete inventories, valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit

Our audit procedures included, amongst others:

- Tested the accuracy of inventories ageing reports by testing the goods received notes, production records and other relevant underlying documentation to their respective age brackets on a sampling basis;
- Assessed the Directors' procedures and challenged the key assumptions made in identifying and writing down the slow moving and obsolete inventories and evaluated the adequacy of write down based on the past trends;
- Assessed whether any significant items identified as damage, slow moving or obsolete during the inventory count observation were written down; and
- Assessed whether the inventories were carried at the lower of cost and net realisable value by comparing their carrying amounts against the selling prices after year end less estimated selling expenses.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

TO THE MEMBERS OF SKB SHUTTERS CORPORATION BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the
 internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

TO THE MEMBERS OF SKB SHUTTERS CORPORATION BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 6 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT (LLP0010081-LCA & AF 0758) Chartered Accountants

Penang

Date: 28 October 2022

Lee Phaik Im

Approval Number: 03177/05/2023 J Chartered Accountant



No.	Description/Address	Date Revaluation	Tenure	Area	Existing Use	Carrying Amount 30.06.2022 RM
	LAND					
1	Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya	28/06/2011*	Leasehold - 99 years expiring 2106	48,637 sq.m.	Factory	58,300,013
	BUILDING					
1	Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya	28/06/2011	Leasehold - 99 years expiring 2106	336,263 sq.ft.	Factory	20,678,490
2	Corporate Tower Subang Square CT-01-17, Jln SS 15/4G 47500 Subang Jaya, Selangor	28/06/2011	Freehold	810 sq.ft.	Rent	194,528
3	Kota Point Shopping Complex, Lot LG-20 Grant No.: 15702, Lot 346 Jalan Lombong Kota Tinggi, Johor	Not Applicable	Freehold	28 sq.m.	Vacant	1
4	Kiambang Apartment C-1-12, Jln Putra Perdana 5F Taman Putra Perdana 47100 Puchong, Selangor	28/06/2011	Leasehold - 99 years expiring 2093	790 sq.ft.	Vacant	65,542
	Total					79,238,574

^{*} On 19 January 2016, the Group acquired 99 years leasehold land which was previously leased for 30 years.

Analysis Of Shareholdings

As at 3 October 2022

ISSUED AND FULLY PAID-UP CAPITAL : RM45,818,324 CLASS OF SHARE : Ordinary shares

VOTING RIGHTS : On a show of hands - one vote for every shareholder
On a poll - one vote for every ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	No. of shareholders	% of shareholders	No. of shares	% of shares
Less than 100	7	0.4804	239	0.0002
100 - 1,000	95	6.5202	47,706	0.0361
1,001 - 10,000	713	48.9362	3,803,700	2.8816
10,001 - 100,000	566	38.8469	18,519,500	14.0299
100,001 - 6,599,999*	74	5.0790	34,156,034	25.8758
6,600,000 - 132,000,000**	2	0.1373	75,472,821	57.1764
Total	1,457	100.0000	132,000,000	100.0000

Remark: * Less than 5% of issued shares

SUBSTANTIAL SHAREHOLDERS

		% of Issued			% of Issued
Name	Direct Interest	Capital	Indirect Interest		Capital
SKB Glory Sdn. Bhd.	68,542,821	51.9264	-		-
Sin Kheng Lee	6,930,000	5.2500	68,572,821	*	51.9491
Chou Lee Sin	30,000	0.0227	75,472,821	#	57.1764
Sin Ching San	30,000	0.0227	68,542,821	٨	51.9264
	SKB Glory Sdn. Bhd. Sin Kheng Lee Chou Lee Sin	SKB Glory Sdn. Bhd. 68,542,821 Sin Kheng Lee 6,930,000 Chou Lee Sin 30,000	Name Direct Interest Capital SKB Glory Sdn. Bhd. 68,542,821 51.9264 Sin Kheng Lee 6,930,000 5.2500 Chou Lee Sin 30,000 0.0227	Name Direct Interest Capital Indirect Interest SKB Glory Sdn. Bhd. 68,542,821 51.9264 - Sin Kheng Lee 6,930,000 5.2500 68,572,821 Chou Lee Sin 30,000 0.0227 75,472,821	Name Direct Interest Capital Indirect Interest SKB Glory Sdn. Bhd. 68,542,821 51.9264 - Sin Kheng Lee 6,930,000 5.2500 68,572,821 * Chou Lee Sin 30,000 0.0227 75,472,821 #

- * Deemed interest via SKB Glory Sdn. Bhd. and spouse
- # Deemed interest via spouse
- ^ Deemed interest via SKB Glory Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS

		Direct Interest	%	Indirect Interest		%
	The Company					
1	Sin Kheng Lee	6,930,000	5.2500	68,572,821	*	51.9491
2	Chou Lee Sin	30,000	0.0227	75,472,821	#	57.1764
3	Sin Ching San	30,000	0.0227	68,542,821	٨	51.9264
4	Sin Siew Huey	-	-	-		-
5	Sin Tze Yi	-	-	-		-
6	Lai Lan Man @ Lai Shuk Mee	45,000	0.0341	-		-
7	Ng Swee Weng	-	-	-		-
8	Mohd Arif Bin Mastol	-	-	-		-
9	Amnah Apasra Emir Binti Moehamad Izat Emir	-	-	-		-
	Holding Company - SKB Glory Sdn. Bhd.					
1	Sin Kheng Lee	971,250	64.7500	112,500	@	7.5000
2	Sin Ching San	416,250	27.7500	-		-
3	Chou Lee Sin	-	-	1,083,750	#	72.2500

- * Deemed interest via SKB Glory Sdn. Bhd. and spouse
- # Deemed interest via spouse
- ^ Deemed interest via SKB Glory Sdn. Bhd.
- @ Deemed interest via Lembah Segar Sdn. Bhd.

Note: By virtue of their interests of more than 20% in the Ordinary Shares of the Company, Messrs Sin Kheng Lee and Sin Ching San are also deemed to have interests in the Ordinary Shares of all the subsidiaries to the extent that the Company has an interest.



^{** 5%} and above of issued shares

Analysis Of Shareholdings

As at 3 October 2022

LIST OF 30 LARGEST SHAREHOLDERS

NO.	NAME	HOLDINGS	%
1	SKB GLORY SDN BHD	68,542,821	51.9264
2	SIN KHENG LEE	6,900,000	5.2273
3	LOOI ENG KEONG	3,168,000	2.4000
4	DAUD BIN DAROS	2,955,717	2.2392
5	MOHD HAFIZ BIN HASHIM	2,955,717	2.2392
6	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR MONEX BOOM SECURITIES (HK) LIMITED	2,518,000	1.9076
7	ABBAS BIN MEHAD	1,975,500	1.4966
8	LEE CHEE BENG	1,926,900	1.4598
9	OOI SAY TUAN	1,500,000	1.1364
10	GT-MAX RESOURCES SDN. BHD.	1,050,000	0.7955
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN THIAM SENG	800,000	0.6061
12	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	679,000	0.5144
13	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR LEE XIANG JIUN	652,600	0.4944
14	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH JUAI HIAN (A)	533,400	0.4041
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KAH CHIN (6000104)	500,000	0.3788
16	TANG SOO CHING	470,000	0.3561
17	LIM POH BOON	462,000	0.3500
18	LEE BENG YONG	396,800	0.3006
19	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH JUAI HIAN (100378)	390,000	0.2955
20	LEE LAM KEIONG	370,000	0.2803
21	CHEW KEE THONG	350,000	0.2652
22	KERK LEE HUA	350,000	0.2652
23	SYARIKAT RIMBA TIMUR (RT) SDN BHD	350,000	0.2652
24	CHEW KEE THONG	330,000	0.2500
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	324,000	0.2455
26	GAN THIAM SENG	300,000	0.2273
27	CHUA BEE FONG	288,000	0.2182
28	CHONG YOKE YIN	270,000	0.2045
29	LAI BIT TZE	261,100	0.1978
30	CHANG TIAN KWANG	240,000	0.1818
		101,809,555	77.1290

Analysis Of Warrant Holdings

As at 3 October 2022

3-YEAR WARRANTS 2022/2025

Total number of warrant issued : 65,999,996 Outstanding : 65,999,996

Voting rights : The holders of the warrants will not be entitled to any voting right or participation

in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Warrants exercise their Warrants into new SKB

Shutters Corporation Berhad ordinary shares

DISTRIBUTION OF WARRANT HOLDINGS

Size of Shareholding	No. of warrant holders	% of warrant holders	No. of warrant	% of warrant
Less than 100 100 - 1.000	40 75	3.8351 7.1908	1,728 32.542	0.0026 0.0493
1,001 - 10,000	541	51.8696	1,943,850	2.9452
10,001 - 100,000 100,001 - 3,299,998*	303 82	29.0508 7.8619	11,102,150 25,183,316	16.8214 38.1566
3,299,999 - 65,999,996**	2	0.1918	27,736,410	42.0249
Total	1,043	100.0000	65,999,996	100.0000

Remark: * Less than 5% of issued Warrants

: ** 5% and above of issued Warrants

SUBSTANTIAL WARRANT HOLDERS

	Name	Direct Interest	% of Issued Warrants	Indirect Interest		% of Issued Warrants
1	SKB Glory Sdn. Bhd.	24,271,410	36.7749	-		-
2	Sin Kheng Lee	3,465,000	5.2500	24,286,410	*	36.7976
3	Chou Lee Sin	15,000	0.0227	27,736,410	#	42.0249
4	Sin Ching San	15,000	0.0227	24,271,410	٨	36.7749

- * Deemed interest via SKB Glory Sdn. Bhd. and spouse
- # Deemed interest via spouse
- ^ Deemed interest via SKB Glory Sdn. Bhd.

DIRECTORS' WARRANT HOLDINGS

		Direct Interest	%	Indirect Interest		%
	The Company					
1	Sin Kheng Lee	3,465,000	5.2500	24,286,410	*	36.7976
2	Chou Lee Sin	15,000	0.0227	27,736,410	#	42.0249
3	Sin Ching San	15,000	0.0227	24,271,410	٨	36.7749
4	Sin Siew Huey	-	-	-		-
5	Sin Tze Yi	-	-	-		-
6	Lai Lan Man @ Lai Shuk Mee	22,500	0.0341	-		-
7	Ng Swee Weng	-	-	-		-
8	Mohd Arif Bin Mastol	-	-	-		-
9	Amnah Apasra Emir Binti Moehamad Izat Emir	-	-	-		-

- * Deemed interest via SKB Glory Sdn. Bhd. and spouse
- # Deemed interest via spouse
- ^ Deemed interest via SKB Glory Sdn. Bhd.



Analysis Of Warrant Holdings

As at 3 October 2022

LIST OF 30 LARGEST WARRANT HOLDERS

NO.	NAME	HOLDINGS	%
1	SKB GLORY SDN BHD	24,271,410	36.7749
2	SIN KHENG LEE	3,450,000	5.2273
3	LOOI ENG KEONG	1,584,000	2.4000
4	DAUD BIN DAROS	1,477,858	2.2392
5	MOHD HAFIZ BIN HASHIM	1,477,858	2.2392
6	CHUA ENG HO WA'A @ CHUA ENG WAH	1,187,000	1.7985
7	OOI SAY TUAN	750,000	1.1364
8	NG YAN SHAN	700,000	1.0606
9	LEE CHEE BENG	696,800	1.0558
10	AHMAD RAFIZAL BIN RAFIE	682,400	1.0339
11	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR MUHAMMAD AZIMUDDIN BIN MAON	633,700	0.9602
12	TAN BEE YOOK	589,300	0.8929
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN SUN PING	580,000	0.8788
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOK WEI SEONG (E-BPJ)	550,000	0.8333
15	LEE KIN PENG	460,000	0.6970
16	LIEW BEE LING	420,000	0.6364
17	CHAN CHIN SUN	400,000	0.6061
18	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOK YUAN PANG	400,000	0.6061
19	CHANG CHEE PEAN	384,000	0.5818
20	WU SONG SEE @ GOH SONG SEE	310,000	0.4697
21	CHUA LAI HONG	300,000	0.4545
22	KENANGA NOMINEES (TEMPATAN) SDN BHD NG WEI HANN	300,000	0.4545
23	KERK LEE HUA	300,000	0.4545
24	LER CHENG BOON	285,100	0.4320
25	LAU WENG WAI	275,500	0.4174
26	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	272,500	0.4129
27	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH JUAI HIAN (A)	266,700	0.4041
28	AW QI QUAN	264,000	0.4000
29	CHOY KENG SIONG	260,000	0.3939
30	MOHD SHAIFUL AZHAR BIN MOHD FAUZI	260,000	0.3939
		43,788,126	66.3458

NOTICE IS HEREBY GIVEN that the Twenty Fifth ("25th") Annual General Meeting ("AGM") of the Company will be held at The Olive, Level 6, Olive Tree Hotel Penang, 76, Jalan Mahsuri, Bandar Sunway Tunas,11950 Bayan Lepas, Penang, Malaysia, on 25th day, November 2022 at 2.00 p.m. to transact the following business: -

As Ordinary Business:

- To receive and adopt the Financial Statements for the year ended 30 June 2022 and (Please refer to Explanatory the Reports of Directors and Auditors thereon.

 Note (B)(1))
- 2. To re-elect the following Directors who are due to retire in accordance with Clause 88 of the Company's Constitution and being eligible, had offered themselves for re-election:

2.1	Mr Sin Kheng Lee	Ordinary Resolution 1
2.2	Mr Sin Ching San	Ordinary Resolution 2
2.3	Ms Chou Lee Sin	Ordinary Resolution 3
2.4	Ms Sin Siew Huey	Ordinary Resolution 4
2.5	Ms Sin Tze Yi	Ordinary Resolution 5
2.6	Mr Ng Swee Weng	Ordinary Resolution 6

Ms Lai Lan Man @ Lai Shuk Mee and Encik Mohd Arif Bin Mastol who also retire by (Please refer to Explanatory rotation in accordance with Clause 88 of the Company's Constitution, have expressed Note (B)(2)) their intention not to seek for re-election. Hence, they will retain in office until the conclusion of the 25th AGM.

3. To re-elect Puan Amnah Apasra Emir Binti Moehamad Izat Emi who is due to retire in accordance with Clause 95 of the Company's Constitution.

Ordinary Resolution 7

4. To approve Directors' Fees of RM300,000/- for the year ended 30 June 2022.

Ordinary Resolution 8

5. To re-appoint Messrs KPMG PLT as auditors of the Company to hold office until the conclusion of the next AGM and to authorise the directors to fix their remuneration.

Ordinary Resolution 9

As Special Business

To consider and if thought fit, to pass the following Resolutions with or without modification: -

 Authority to allot and issue shares by Directors pursuant to sections 75 and 76 of the Companies Act 2016 Ordinary Resolution 10

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and subject always to the provisions of the Constitution of the Company and the approvals from the relevant governmental/regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued share capital of the Company for the time being.

THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

THAT pursuant to Section 85 of the Act, read together with Clause 56 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the existing shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of such new shares in the Company pursuant to Sections 75 and 76 of the Act AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.

AND THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

7. To transact any other business of which due notice shall have been given.

By Order of the Board

Chin Lee Phing (SSM PC No.: 202008000049) (MAICSA 7057836) Company Secretary Penang, 31 October 2022

Notes:

(A) Appointment of Proxy: -

- 1. A Member may appoint up to two (2) proxies to attend on the same occasion. A proxy may but need not be a Member of the Company. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- 2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 3. Where a Member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account its holds.
 - An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or at such other place within Malaysia or in such other manner as is specified for that purpose in the notice convening the meeting not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid or in such other period(s) as may be provided or permitted under the Act and stipulated in the form of proxy or in the notice of meetings.
- 5. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited at the Registered Office of the Company situated at 2nd Floor, Wisma Penang Garden, 42 Jalan Sultan Ahmad Shah, 10050 Penang. In the case of electronic appointment, the proxy form must be submitted via *AGRITEUM* Portal at www.agriteum.com.my. Please refer to the Annexure to the Proxy Form for further information on electronic submission.
- 6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- 7. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the ORIGINAL certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.
- 8. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of the 25th AGM will be put to vote on a poll.
- 9. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 68 of the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements ("MMLR") of Bursa Securities, a Record of Depositors ("ROD") as at 18 November 2022. Only Depositor whose name appears on such ROD or the appointed proxy holder/representative shall be entitled to attend, speak and vote at the AGM.

(B) Explanatory Notes on Ordinary Business: -

- 1. The audited financial statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.
- 2. Resolutions 1, 2, 3, 4, 5, 6 and 7 Re-election of Directors

Clause 88 of the Company's Constitution states that all Directors shall retire from office every year, but shall be eligible for re-election.

Mr Sin Kheng Lee, Mr Sin Ching San, Ms Chou Lee Sin, Ms Sin Siew Huey, Ms Sin Tze Yi and Mr Ng Swee Weng who retire in accordance with Clause 88 of the Company's Constitution and Puan Amnah Apasra Emir Binti Moehamad Izat Emi who retires in accordance with Clause 95 of the Company's Constitution, being eligible, have offered themselves for re-election.

Ms Lai Lan Man @ Lai Shuk Mee and Encik Mohd Arif Bin Mastol who also retire by rotation in accordance with Clause 88 of the Company's Constitution, have expressed their intention not to seek for re-election. Hence, they will retain in office until the conclusion of the 25th AGM. The Board and Senior Management hereby record their appreciation and gratitude to Ms Lai Lan Man @ Lai Shuk Mee and Encik Mohd Arif Bin Mastol for their valuable and long-serving contribution to the Board.

In determining the eligibility of the Directors to stand for re-election at the forthcoming AGM, the Nominating Committee ("NC") has assessed and recommended to the Board the re-election of retiring Directors based on the following considerations: -

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) level of independence demonstrated by the independent directors; and
- (iii) their ability to act in the best interest of the Company in decision-making.

The Board approved the NC's recommendation for the re-election of the retiring Directors pursuant to Clause 88 and 95 of the Company's Constitution at the forthcoming AGM of the Company. The retiring Directors had abstained from deliberation as well as decision on their own eligibility to stand for re-election at the relevant NC and Board meetings.

3. Resolution 8 – Proposed payment of Directors' Fee

Section 230(1) of the Act provides amongst others, that the fee of the Directors and any benefits payable to the Directors of a listed company shall be approved at the general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees to Directors in respect of the year ended 30 June 2022. The Board recognizes that the of Directors' fees payable is in the best interest of the Company.

4. Resolution 9 – Re-appointment of Auditors

Pursuant to Section 271(3)(b) of the Act, shareholders shall appoint auditors who shall hold office until the conclusion of the next AGM in year 2023. The current auditors, Messrs. KPMG PLT has expressed their willingness to continue in office.

The Board and Audit Committee of the Company have considered the re-appointment of Messrs. KPMG PLT as auditors of the Company and collectively agreed that Messrs. KPMG PLT has met the relevant criterias prescribed by Paragraph 15.21 of the Listing Requirements.

The Board of Directors recommends the re-appointment of Messrs. KPMG PLT as External Auditors of the Company to hold the office until the conclusion of the next AGM.

(C) Explanatory Notes to Special Business: -

1. Resolution 10 - Authority to allot and issue shares by Directors pursuant to sections 75 and 76 of the Act

The proposed Ordinary Resolution 10 is for the purpose of granting a renewed general mandate ("General Mandate") which was approved at the 24th AGM held on 20 December 2021 and which will lapse at the conclusion of the 25th AGM. It is also to approve the disapplication of statutory pre-emption rights under the Section 85 of the Act, to allot new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the general mandate.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the General Mandate granted to the Directors at the last AGM.

This General Mandate is sought to avoid any delays and costs involved with the convening of a general meeting. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The renewal of this General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s) and/or working capital and/or acquisition(s) and/or for such strategic reasons or such other purposes as the Directors consider would be in the best interest of the Company.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make announcement in respect thereof.

(D) The Annual Report 2022 and Corporate Governance Report 2022 are available for download at www.skb-shutters.com

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Statement Accompanying Notice Of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities)

No individual is standing for election as a Director at the forthcoming 25th AGM of the Company.



Administrative Details For The 25th Annual General Meeting

Day and Date	25 th day, November 2022
Time	2.00 p.m.
	The Olive, Level 6, Olive Tree Hotel Penang, 76, Jalan Mahsuri, Bandar Sunway Tunas, 11950
	Bayan Lepas, Penang, Malaysia

REGISTRATION

- Registration will commence at 1.00 p.m. and will end at the time directed by the Chairman of the meeting.
- Please present your original Identity Card ("IC") or Passport to the registration staff for verification. Please make sure your IC is being returned to you after registration.
- Upon verification, you are required to write your name and sign on the attendance list.
- A poll slip will be given for each of the CDS account(s) that registered in your name and/or which you are appointed as a proxy. There will be no replacement should you lost or destroy the poll slip(s).
- You may proceed to the meeting room thereafter.
- Registration must be done in person. Nobody is allowed to register on behalf of another person even with the original IC or Passport of that other person.
- The registration counter will handle verification of identity, registration and revocation of proxy.

PROXY

- A member entitled to attend and vote in the meeting is allowed to appoint proxy. Please submit your Proxy Form in accordance with the notes and instructions printed therein.
- The Proxy Form is not required if you are attending the meeting. You are not allowed to attend the meeting together with a proxy appointed by you.
- If you have submitted your Proxy Form prior to the meeting and subsequently decided to attend the meeting in person, please proceed to the registration counter to revoke the appointment of your proxy.
- Please ensure that the original Proxy Form is deposited at the Company's Registered Office at 2nd Floor, Wisma Penang Garden, 42 Jalan Sultan Ahmad Shah, 10050 Pulau Pinang not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid or in such other period(s) as may be provided or permitted under the Act and stipulated in the Proxy Form or in the notice of meetings. No proof of despatch of Proxy Form will be entertained.

CORPORATE MEMBER

Any corporate member who wishes to appoint a representative instead of a proxy to attend the AGM should submit
the original certificate of appointment under the seal of the corporation to the Company's Registered Office before
the and vote in the meeting is allowed to appoint proxy. Please submit your Proxy Form in accordance with the notes
and instructions printed therein.

GENERAL MEETING RECORD OF DEPOSITORS

• For the purpose of determining who shall be entitled to attend this 25th Annual General Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting ROD as at 18 November 2022 and only a depositor whose name appears on such ROD shall be entitled to attend the said meeting.

VOTING PROCEDURE

- The voting at the 25th AGM will be conducted by way of poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad MMLR.
- The Company has appointed AGRITEUM Share Registration Services Sdn Bhd as Poll Administrator to conduct the paper poll and Value Creator Consultancy as Independent Scrutineer to verify the poll results.

ANNUAL REPORT 2022

 The Company Annual Report 2022 is available from 31 October 2022 on the Bursa Malaysia's website at www.bursamalaysia.com under Company Announcements and also at the Company's corporate website at www.skb-shutters.com





PROXY FORM

1	lo. of shares held	CDS ac	cou	nt no.					
I/We						(Tel)
(Full nai	me as per NRIC and NRIC	No./Company	No.	. in BLOCK LETT	ERS)				
of				(Email address:)	
(Full add	dress in BLOCK LETTERS)							
being	a member/memb	ers of	SK	B Shutters	Corporation	Berhad,	her	eby	appoint
Proxy	Full Name and Address Letters)	(in Block		NRIC/Passport No.	Email Address & Tel. No.	No. of Shares		% of share	holding
1									
*and/	or (*delete if not applica	ıble)							
2									
	•				Tot	al			

or failing him/her, the Chairman of the meeting as my/our proxy, to vote for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held at The Olive, Level 6, Olive Tree Hotel Penang, 76, Jalan Mahsuri, Bandar Sunway Tunas,11950 Bayan Lepas, Penang, Malaysia on 25th day, November 2022 at 2.00 p.m. and at any adjournments thereof.

No.	Ordinary Resolutions	For	Against	Abstain
1	To re-elect Mr Sin Kheng Lee as a director of the Company.			
2	To re-elect Mr Sin Ching San as a director of the Company.			
3	To re-elect Ms Chou Lee Sin as a director of the Company.			
4	To re-elect Ms Sin Siew Huey as a director of the Company.			
5	To re-elect Ms Sin Tze Yi as a director of the Company.			
6	To re-elect Mr Ng Swee Weng as a director of the Company.			
7	To re-elect Puan Amnah Apasra Emir Binti Moehamad Izat Emir.			
8	To approve Directors' Fees for the year ended 30 June 2022.			
9	To re-appoint Messrs KPMG PLT as auditors of the Company.			
10	Authority to Allot and Issue Shares by Directors Pursuant to Sections 75 and 76 of the			
	Companies Act 2016.			

(Please indicate with "X" how you wish your vote to be cast.	If no specific direction as to voting is given, t	the proxy will vote
or abstain at his discretion).		

Signed this	dav of	2022.

Signature(s)/ Common Seal of Shareholder(s)

Notes:

- 1. A Member may appoint up to two (2) proxies to attend on the same occasion. A proxy may but need not be a Member of the Company. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- 2. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 3. Where a Member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account its holds.
 - An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or at such other place within Malaysia or in such other manner as is specified for that purpose in the notice convening the meeting not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid or in such other period(s) as may be provided or permitted under the Act and stipulated in the form of proxy or in the notice of meetings.
- 5. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at 2nd Floor, Wisma Penang Garden, 42 Jalan Sultan Ahmad Shah, 10050 Penang. In the case of electronic appointment, the proxy form must be submitted via *AGRITEUM* Portal at www.agriteum.com.my. Please refer to the Annexure to the Proxy Form for further information on electronic submission.
- 6. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- 7. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the ORIGINAL certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.
- 8. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of the 25th AGM will be put to vote on a poll.
- 9. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 68 of the Company's Constitution and Paragraph 7.16(2) of the MMLR of Bursa Securities, a ROD as at 18 November 2022. Only Depositor whose name appears on such ROD or the appointed proxy holder/representative shall be entitled to attend, speak and vote at the AGM.



Stamp

To,

The Company Secretary

SKB SHUTTERS CORPORATION BERHAD 199701014865 (430362-U)

2nd Floor, Wisma Penang Garden 42, Jalan Sultan Ahmad Shah, 10050 Penang

Then fold here



ANNEXURE

ELECTRONIC SUBMISSION OF PROXY FORM VIA AGRITEUM PORTAL

Dear Shareholders,

We are pleased to inform that you as a shareholder can have the option to submit proxy forms by electronic means through our *AGRITEUM* Portal at www.agriteum.com.my ("E-proxy").

Our AGRITEUM Portal provides an online submission for shareholders to submit electronically the proxy form. Once you have successfully submitted your E-proxy form, you are no longer required to complete and submit the physical proxy form to the registered office of the Company situated at 2nd Floor, Wisma Penang Garden, 42 Jalan Sultan Ahmad Shah, 10050 Penang.

To assist you on how to use AGRITEUM Portal E-proxy, kindly read and follow the guidance notes which are detailed below:

- 1. Sign up as a user in www.agriteum.com.my ("AGRITEUM Portal")
 - Click <<Login/Register>> followed by <<Register New User>> to register as a new user.
 - Complete the registration by filling up the information required and upload a clear copy of your MyKad (both front and back page) or Passport.
 - Read and agree to the terms & conditions and thereafter submit your registration.
 - Please enter a valid email address in order for you to receive the verification email from the AGRITEUM Portal.
 - Please verify your email address before the link expire in one (1) hour from your registration.
 - Your registration will be verified and approved by the AGRITEUM Portal. Once approved, an email notification
 will be sent to you.
 - If you have already registered an account with AGRITEUM Portal, you are not required to register again.
- 2. Proceed with submission of E-proxy
 - After the release of the Notice of the Meeting by the Company, login AGRITEUM Portal with your user name (ie email address) and password.
 - Click "E-PROXY LODGEMENT" and select the company name for the submission of the E-proxy Form.
 - Fill up the E-proxy form by inserting your CDS account, number of shares for your proxy(s) to vote on behalf.
 - Appoint your proxy(s) or chairman and insert the required details of your proxy(s) and indicate your voting instruction.
 - Review & confirm your proxy(s) appointment
 - Read and agree to the terms & conditions and thereafter submit your E-proxy Form.
 - An email notification will send to you to acknowledge the submission.

Should you need assistance on our E-proxy submission, please contact us. Thank you

AGRITEUM Share Registration Services Sdn Bhd 2nd Floor, Wisma Penang Garden 42 Jalan Sultan Ahmad Shah 10050 Penang

Tel. No.: 04-2282321 Fax No.: 04-2272391

Email: agriteumsrs@gmail.com

