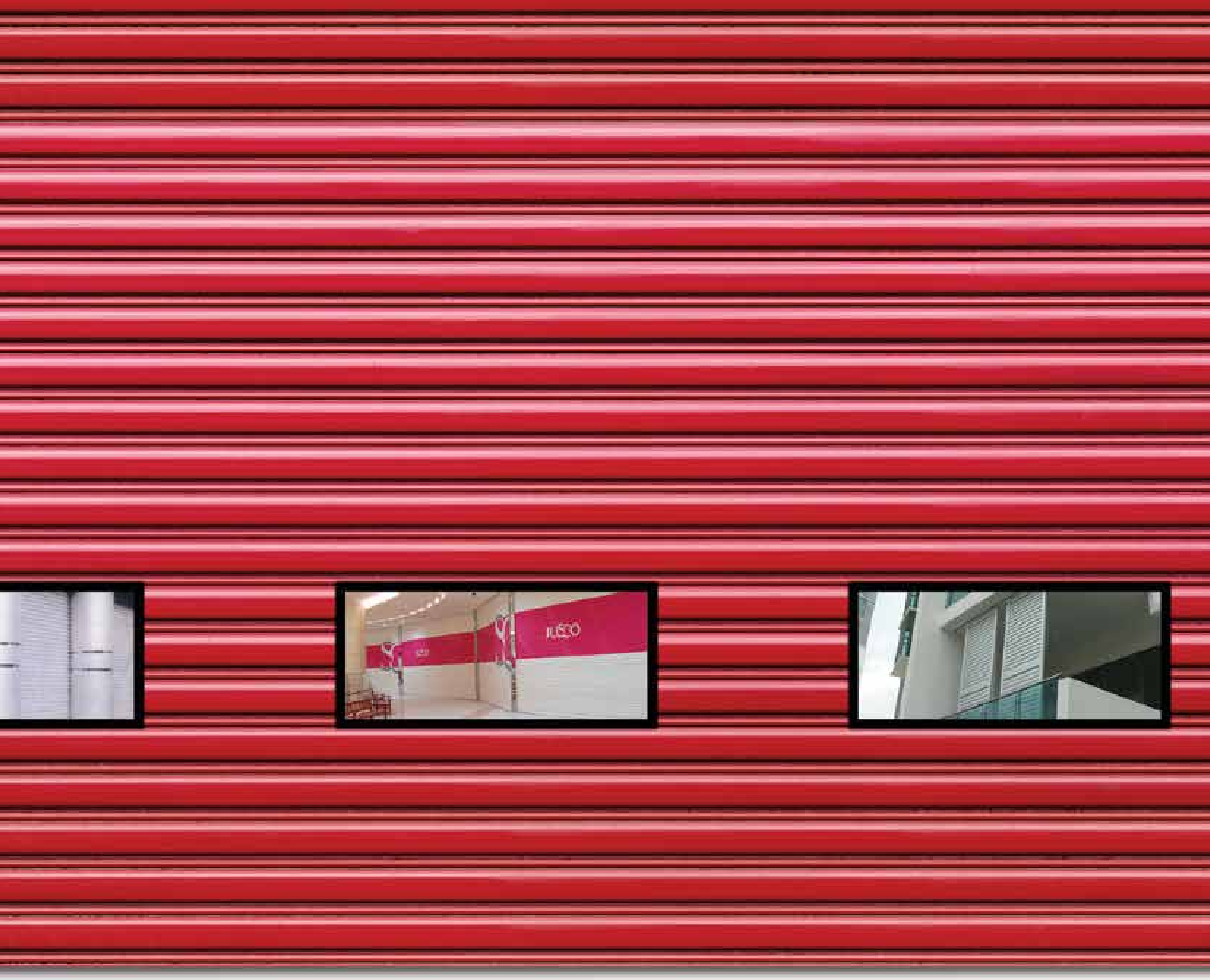


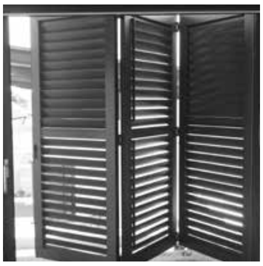
ANNUAL REPORT 2013

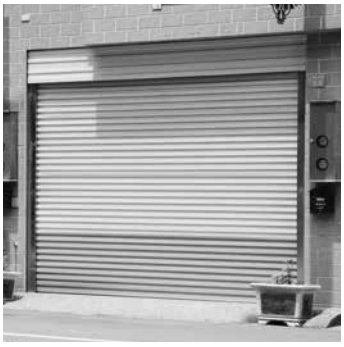
Reg. Trademark No. 85/B03843

SKB Shutters Corporation Berhad

(430362-U)

CONTENTS





Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of SKB Shutters Corporation Berhad ("SKBC"), I am pleased to present the financial statements of the Group and the Company for the year ended 30 June 2013.

Financial Results

Despite the challenging global economic environment in financial year ended 30 June 2013, the Group registered revenue of RM52.39 million as compared to RM62.06 million in the previous financial year, which represents a decrease of 15.58%. The decrease in revenue was mainly due to lower sales for storage racking systems, roller shutters and aluminum window products. The Group recorded a pre-tax loss of RM2.52 million in the current financial year as compared to RM1.73 million pre-tax profit the year before. The reduction in the pre-tax profit was mainly due to reduction in revenue, higher administrative costs and operating expenses as compared to the preceding financial year.

Prospects

The Group views positively the Government's commitment to stimulate domestic demand and liberalization measures to restore consumer confidence and attracting investment. The Government's Economic Transformation Programme (ETP) also bodes well for the market as large scale government infrastructure projects increases demand for our expertise, products and services.

The Group has been continuously investing in creating awareness and marketing of high quality customised doors and windows for both security and architectural design. The Group is confident that the growing demand of niche and luxury properties within Malaysia and neighbor countries will be the key advantage in sustaining the revenue from residential roller shutters and aluminum windows. Over the years, industry leaders and architects has provided ample support in recognizing the quality and delivery of our products; and in recent year or so, interior designers, end-users and home owners are slowly build a steady stream of enquiries and sales for residential roller shutters and aluminum windows - signifying that users themselves are beginning to recognise designs of doors and windows are not just for its form but also for its purpose - which is to serve as a security barrier, as well as designed to be visually appealing for both interior and exterior furnishing. Thus, the Group still foresees an increasing demand in both commercial and residential sector for security doors and shutters.

The Group continually strives to be the market leader in supplying and marketing roller shutters and window systems to the commercial sector. As mentioned, the ETP focuses on building infrastructure within developing townships and in some cases, undeveloped areas. The Group has always been and will continue to tap closely on new developments for commercial property in these focus areas. Hence, this illustrates the Group's direction in targeting two differentiating customer segments in residential and commercial sector.

Although the revised fire protection standards have been implemented over the year, many have not rolled out completely in the region. Thus, mandatory compliance of the standards have not been enforced fully. However, the Group is confident that demand for fire protection products e.g. fire shutters will provide us the competitive advantage to be ahead of others. Once a product range that was only offered or demanded by niche customer segments and overseas market, we have now looked into widening the market scope and scale for fire resistant products. This includes exploring other business opportunities in fire resistant products that complements our existing range.

Throughout the year, the Group has received increasing positive feedback from customers and suppliers with regards to the product variety, usability and features. The Group has been successfully incorporated both 'Quality and Functional' and 'Worth-For The-Penny' into its products through constantly investing in R&D for core features and usability to marketing and enhancing its post-sales customer service. This is again aligned to the Group's goal to continuously increase its competitive edge ahead of the market participants and maintaining a direct relationship with its customers.

However, it is still important to highlight that, in line with one of the main priorities of the Group, it is also actively seeking opportunities to diversify and expand the Group's coverage. This should not be viewed as a digression from the Group's strategic priorities which is its core businesses in manufacturing and dealing of roller shutters, racking and storage systems, and effective and efficient people and cost management. It is also worth mentioning that the Group has been and still is at the forefront of the development of innovative security and architectural solutions in the market working closely with various stakeholders and market participants including architects, property owners and developers.

Dividend

In view of the Group's performance for the financial year ended 30 June 2013, the Board does not recommend any dividend for the financial year ended 30 June 2013.

Acknowledgement

The Board would like to extend our sincere gratitude and appreciation to the management and staff at all levels for their dedicated effort and commitment. We are also grateful to our loyal shareholders as well as our customers, suppliers and business associates for their continuing confidence and support of the Group.

SIN KHENG LEE

Corporate Structure

Reg. Trademark No. 85/B03843

SKB Shutters Corporation Berhad
(430362-U)

Investment Holding

100% — **SKB Shutters Manufacturing Sdn Bhd** (31982W)
Manufacture and sale of roller shutters, racking systems, storage systems and related steel products

100% — **SKB Storage Industries Sdn Bhd** (557922U)
Manufacturing and sale of roller shutters, racking system, storage systems and related steel products

100% — **SKB Shutters Industries Sdn Bhd** (368833K)
Manufacturing and providing of repair services for motor components

100% — **SKB Trading Sdn Bhd** (238291W)
Trading in roller shutter parts, related steel products and racking systems

100% — **SKB Shutters (S) Pte. Ltd.** (200909146H)
Trading of roller shutters, racking systems, and storage systems.

20% — **RYDE (Malaysia) Sdn Bhd** (248030W)
Manufacturing of bicycle alloy rims

Corporate Information

Board of Directors

Sin Kheng Lee
Executive Chairman and Group Managing Director

Dato' Moehamad Izat bin Achmad Habechi Emir
Deputy Chairman, Non-Independent Non-Executive Director

Sin Ching San
Executive Director

Chou Lee Sin
Executive Director

Lai Lan Man @ Lai Shuk Mee
Independent Non-Executive Director

You Tong Lioung @ Yew Tong Leong
Senior Independent Non-Executive Director

Mohd Arif bin Mastol
Independent Non-Executive Director

Sin Siew Huey
Executive Director

Company Secretary

Chin Lee Phing (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 (3813-K)
Ambank (M) Berhad (8515-D)
Hong Leong Bank Berhad (97141-X)

Audit Committee

- You Tong Lioung @ Yew Tong Leong *(Chairman)*
- Lai Lan Man @ Lai Shuk Mee
- Mohd Arif bin Mastol

Nominating Committee

- Mohd Arif bin Mastol (Chairman)
- You Tong Lioung @ Yew Tong Leong
- Lai Lan Man @ Lai Shuk Mee

Registrar

AGRITEUM Share Registration Services Sdn Bhd (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 (Firm No. 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

Stock Exchange Listing

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

Directors' Profile

SIN KHENG LEE

Executive Chairman and Group Managing Director, age 56

Mr Sin Kheng Lee was appointed to the Board of SKBC 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.

He is currently responsible of the overall developments of products and businesses of SKBM, which includes overseeing the manufacturing, administrative and operating functions of the company. With his vast experience of 30 years in the rollers shutters industry, he has successfully brought about the rapid expansion, modernization and diversification of the company's manufacturing activities, hence provided the necessary guidance and contribution towards the management activities of the Group. He also sits on the Board of several other private companies.

He was appointed as a committee member of the Malaysia Fire Protection Association from 2009 till 2011.

DATO' MOEHAMAD IZAT BIN ACHMAD HABECHI EMIR

Deputy Chairman, Non-Independent & Non-Executive Director, age 75

Dato' Moehamad Izat was appointed to the Board of SKBC on 10 February 2001. He was appointed as a Director of SKBM on 3 March 1997. He was subsequently appointed as Deputy Chairman of SKBC on 29 August 2006. He started work after completing his secondary education. He is a prominent Malaysian businessman with extensive international business and corporate experiences.

He is the founder cum President of Malay Business and Industrialists Association of Malaysia (PERDASAMA) since it was established in December 1998. Prior to that, he was the Chairman of the Malay Chamber of Commerce, Kuala Lumpur from 1984 to 1997.

He acts as Chairman to various organizations, among others IMPSA (M) Sdn. Bhd., Emir Holdings Sdn Bhd and Inno-Pacific Holdings Limited, Singapore.

He is an active member of delegation for almost every International Official Visit of the country's Premier. He was one of the speakers in the, "National Summit on Achieving Zero Inflation" and he was also served as Chairman of Panel Discussion on the "State Entrepreneur Education Seminar: Business Ethics in a Secured Nation", both of the events were held in Kuala Lumpur in 1995. Apart from being a participant in many economy and social related seminars and conferences locally and abroad, he is proactive Chairman of the organization Committee for various events in such nature. Most of the events he organized and aimed to improve Malay Entrepreneurs' performance in business and industry. Recently he has been appointed as an Icon / Mentor to over 1,000 students of MARA Polytechnic College (KPTM).

He held several key positions in United Malay National Organization (UMNO). He was the Vice Chairman of UMNO Puchong Division from 1993 to 1994. He was the Vice Chairman of UMNO Subang Division from 1994 to 1995. He was elected as Permanent Chairman of Petaling Jaya Selatan UMNO Youth from 1998 to 2001. He also held the office of Chairman of the National Consumer Affairs Council of Malaysia for three terms beginning from 1995. He was a member of Petaling Jaya Municipal council from 1992 to 1995 and a member of the Subang Jaya Municipal Council from 1996 to 1998. He has been appointed by Ministry of Agriculture Malaysia as MARDI Scientific Council Member effective since June 2003. In February 2004, he was appointed as Committee Member for Malaysia International Trade and Industry (MITI) New Industry Plan by Ministry of International Trade and Industry Malaysia.

Due to his vast achievements and public services, he was conferred with Darjah Dato' Paduka Perak (DPMP) by the Sultan of Perak and awarded with Ali Mangku Negara (AMN).

Directors' Profile

(cont'd)

SIN CHING SAN

Executive Director, age 45

Mr Sin Ching San was appointed to the Board of SKBC on 10 February 2001. He started work after completing his secondary education. He has over 20 years of experience and exposure in the roller shutters and metal-based industry. He was appointed to the Board SKBM on 25 June 1992. He is also the Director of several 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 metal-based products through innovation.

LAI LAN MAN @ LAI SHUK MEE

Independent Non-Executive Director, age 58

Ms Lai Lan Man was appointed to the Board of SKBC on 10 February 2001. She is a member of our Audit Committee and was appointed as member of 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.

She worked briefly with Messrs Chooi & Company after completing her chambering and in 1990 set-up legal practice which is now known as Messrs Lai, Yoong & Rita.

CHOU LEE SIN

Executive Director, age 54

Ms Chou Lee Sin was appointed to the Board of SKBC 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 responsible for the overall administration and financial matters. She was subsequently appointed as a Director of SKBM on 26 June 1997. She is currently holding the position of General Manager in SKB Trading Sdn Bhd and is responsible for its finance and administration. She has accumulated over 30 years of experience in the roller shutters and metal based industry. She also sits on the Board of several other private companies.

Directors' Profile

(cont'd)

YOU TONG LIOUNG @ YEW TONG LEONG

Senior Independent Non-Executive Director, aged 77

Mr You Tong Lioung was appointed to the Board of SKBC on 10 February, 2001. He also chairs our Audit Committee. Mr You was appointed as member of Nominating Committee on 29 August 2013.

Upon graduation from Nanyang University in Singapore with a Bachelor of Commerce degree majoring in Banking, Mr You naturally chose banking as his career by joining UMBC (i.e. United Malayan Banking Corporation Berhad which is presently known as RHB Bank Berhad) on 16 December 1960. It was there he was trained intensively as a Bills Officer specializing in import and export trade financing. After one year, he was posted to several branches throughout the country as Branch Manager for a period of about 23 years.

After his rounds in the branches, he resigned from UMBC and joined the Malaysian French Bank (formerly known as French Bank, and now known as Alliance Bank) in 1985 as a Branch Manager serving in several branches for a period of about 11 years.

To further his career development, he retired from the bank in November, 1996 to join a construction company as a Senior Operation Manager in Kedah.

He left the construction company in July 1998 to join Kurnia Insurans (M) Bhd, a leading general insurance company in Malaysia and Asean, as a Senior Manager until February 2012.

He was also appointed to the Board of Toyo Ink Group Berhad as an Independent Non-Executive Director on 4 August, 2003. He is also a member of their Internal Audit and Remuneration Committees.

SKBC stands to benefit significantly from Mr You vast experience and rich knowledge earned from the financial sector and other sectors over the years.

MOHD ARIF BIN MASTOL

Independent Non-Executive Director, aged 59

En Mohd Arif was appointed to the Board of SKBC on 28 June 2002. He is a member of our Audit Committee and was appointed as Chairman of 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 Furniture Holdings (M) Berhad.

SIN SIEW HUEY

Executive Director, aged 31

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. She is a member of the CPA Australia.

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 SKBC other than as disclosed in the Directors' Report and Notes to the Financial Statements. None of the directors had been convicted for offences within the past 10 years other than traffic offences.

None of the directors has any family relationship with any director and/or major shareholder of SKBC other than:

(i) Chou Lee Sin who is the spouse of Sin Kheng Lee while Sin Ching San and Sin Kheng Lee are brothers
(ii) Sin Kheng Lee, Sin Ching San and Chou Lee Sin have interest in SKB Glory Sdn. Bhd., a substantial shareholder of SKBC.
(iii) Sin Siew Huey is the daughter of Sin Kheng Lee and Chou Lee Sin

None of the directors has any other directorship in public companies except Dato' Moehamad Izat Bin Achmad Habechi Emir, Mr You Tong Lioung @ Yew Tong Leong, and En Mohd Arif Bin Mastol whose directorship has been shown as above.

Statement on Corporate Governance

The Board of Directors of SKB Shutter Corporation Berhad ("the Board") recognises the importance of corporate governance. To this end, the Board is pleased to report the manner in which the Company has applied the principles of the corporate governance and the extent of its compliance with the best practices set out in the Malaysian Code on Corporate Governance 2012 ("the Code") during its financial year ended 30 June 2013.

In making this statement, the Board has conducted a review of its current practices and proceedings against the principles and recommendations in the Code. The result of this review has been used as the basis for the Board in describing the application of the Principles and the extent of compliance with the Best Practices advocated therein in accordance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

Board's Roles and Responsibilities

The objective of the principles stated in the Code under the board's roles and responsibilities is to establish the fundamental structures for effective functioning of the board. Towards this end, the Board would formalise its terms of reference in its board charter outlining the fundamental structure and functioning of the Board.

Principally, the responsibilities of the Board cover the areas of strategic plan, risk management, succession planning, investor relation and system of internal control of the Group. Within its areas of responsibilities, the Board ensures the Group is properly managed and continuously improves in its performance.

The Board would also formalise its ethical standards through a code of ethics. The objective of this code of ethics is to provide guidance to stakeholders on the ethical behaviors to be expected from the Group and to communicate, measure and monitor its values and performance designed to achieve objectives and to instil values into the Group.

The Group is committed to sustainability development by balancing the shareholders' value, the welfare of employees, community and environment in which it operates. Employees' welfare and community services were carried out and organised during the financial year. Details of the sustainability initiatives and Corporate Social Responsibility activities are set out in Corporate Social Responsibility Statement on page 13 of this annual report.

The board charter, code of ethics and sustainability policy would be made available in the company's website for stakeholders' information in due time.

The supply, timeliness and quality of the information affect the effectiveness of the Board to overseeing the conduct of the business and to evaluate the management performance. The Board is given and have unrestricted access to timely and appropriate information to enable it to discharge its duties. Additionally, management is invited to attend the Board and Audit Committee meetings and to brief and provide explanation to the directors on the operations of the Group. Progressively, the Board is also briefed by the Company Secretary, External Auditors and the Internal Auditors on new or changes in corporate regulatory requirements.

Board Composition and Independence

Presently, the Board has eight (8) members, comprising one (1) Non-Independent Non-Executive Director, three (3) Independent Non-Executive Directors and four (4) Executive Directors. The Company's Article of Association provides that all directors shall retire from office every year, but shall be eligible for re-election.

The Board also recognises the important of gender diversity in the board and will continue to give due consideration in balancing its gender composition in the director nomination and appointment. Presently, the Board has three (3) female directors constituting more than one third of its composition.

Board Composition and Independence (cont'd)

Independence is important for ensuring objectivity and fairness in board's decision making. Presently, the tenure of all the Independent Directors have exceeded a cumulative term of 9 years. The Board has noted the best practices suggested in the Code for assessing the independence of independent director. Therefore, for the purpose of seeking shareholders' approval for reappointment of these Independent Director, the Board has conducted an assessment of independence of its Independent Directors focusing on events that would affect the ability of Independent Directors to continue bringing independent and objective judgment to board deliberation. Following are the Board justifications for the reappointment of the existing Independent Directors who have exceeded the tenure of nine years:

- All the Independent Directors continue to fulfil the criteria and definition of an Independent Director as set out under Para 1.01 of Bursa Securities' Listing Requirements;

- During their tenure of office, all the Independent Directors have not developed, established or maintained any significant personal or social relationship whether direct or indirect with the Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as an Independent Non-Executive Director; and

- During their tenure of office, all the Independent Directors were not offered or granted any options by the Company. Other than Directors' fees and allowances paid which had been the norm and been duly disclosed in the annual reports, no other incentives or benefits of whatsoever nature had been paid to the Independent Directors that would cause biases in their objective and independent judgement in board deliberation.

The roles and responsibilities of the Chairman and Managing Director are combined and assumed by Mr Sin Kheng Lee and the present numbers of three (3) Independent Directors in the Board are below the majority number of independent directors suggested by the Code to be in the board when the board chairman is not an independent director. Nonetheless, with the presence of half of the Board members being Non-executive Directors, the Board feels that its current composition is still reasonably sufficient to ensure balance of power and authority and at the same time provides the Board with the advantage of ensuring the expectations of the Board and management are aligned with such combination of roles and responsibilities.

Further, in order to provide an avenue to the shareholders to convey their concerns, the Board has identified Mr You Tong Lioung @ Yew Tong Leong as the Senior Independent Non-Executive Director, serving as an alternative for shareholders to convey their questions and seek clarifications from the Board.

The profiles of the members of the Board are set out on Pages 5 to 7 of this annual report.

Board Commitment

The underlying factors of directors' commitment to the Group are 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 approve quaterly financial results, statutory financial statements, the annual report, business plans as well as to review the performance of the company and its operating subsidiaries, governance matters and other business development matters.

Board Commitment (cont'd)

During the financial year, four (4) Board meetings were held. Detail of each director's attendance is as follow:

Director	Meeting Attended /Meeting Held
Sin Kheng Lee	4
Dato' Moehamad Izat bin Achmad Habechi Emir	2
Sin Ching San	4
Chou Lee Sin	2
You Tong Lioung @ Yew Tong Leong	4
Lai Lan Man @ Lai Shuk Mee	4
Mohd Arif Bin Mastol	4
Sin Siew Huey	4

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

The Directors recognise the needs to attend training to enable them to discharge their duties effectively. Going forward, the training needs of each Director would be identified upon completion of Director performance appraisals.

During the year, they have attended, either collectively or individually, various programs and briefings to keep them updated on the latest regulatory changes as well as new developments in the industry. The Directors have also visited the Group's operations in order to better understand the environment in which the Group operates.

Seminars, development and training programmes attended by some of the Directors are as follows :

Board & Corporate Governance	- Malaysian Code On Corporate Governance 2012
	- The Art of Delegation
Risk Management	- Managing Financial Risks

Board Committees

Presently, save for Remuneration Committee, the Board has formed its Audit Committee and Nomination Committee.

Details of the Audit Committee's functions and activities are reported on pages 16 to 18.

The Board formed its Nomination Committee on 29th August 2013. The present composition of the Nomination Committee is as follows:

- Mohd. Arif Bin Mastol - Chairman, Independent Non-Executive Director
- Lai Lan Man @ Lai Shuk Mee - Member, Independent Non-Executive Director
- You Tong Lioung @ Yew Tong Leong - Member, Senior Independent Non-Executive Director

In the absence of the Remuneration Committee, all remuneration of Directors comes under the purview of the Board. Nonetheless, directors would abstain from the Board's deliberation and discussing of his or her remuneration.

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

Remuneration Bands	Executive Directors	Non-Executive Directors
RM50,000 and below	–	4
RM250,001 – RM300,000	1	–
RM400,001 – RM450,000	2	–
RM750,001 – RM800,000	1	–

Board Committees (cont'd)

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

	Fees* (RM)	Salaries and other emoluments (RM)	Bonuses (RM)	Benefit-in-kind (RM)	EPF and SOCSO (RM)	Total (RM)
Executive Directors	120	1,260	470	27	208	2,085
Non-Executive Directors	40	-	-	-	-	40

* The directors' fees paid are related to financial year 2013.

Financial Reporting

The Audit Committee has the responsibility to ensure the Group's financial statements comply with applicable financial reporting standards. The integrity of financial reporting are influenced by the competency, quality and integrity of the management in charge of the preparation of financial reports and the competency, suitability and independence of external auditors.

As part of the Audit Committee review processes, the Audit Committee has obtained written 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. Annually, the Audit Committee also reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM.

Risk Management

Board acknowledges that risk management is an integral part of good governance. Risk is inherent in all business activities. It is however, not the Group's objective to eliminate risk totally but to provide structural means to identify, prioritize and manage the risks involved in all the Group's activities and to balance between the cost and benefits of managing and treating risks, and the anticipated returns that will be derived from.

Further details of the Group's systems of risk management and internal control are reported in the Statement on Risk Management and Internal Control on pages 14 to 15.

Corporate Disclosure

Communication with shareholders and investors of the Group are important for enhancing their appreciation and understanding of the Group's business and activities.

The results of the Group are published quarterly via the website of Bursa Malaysia Securities Berhad at http://announcements.bursamalaysia.com. The Company also maintains its website at http://www.skb-shutters.com containing essential corporate information of the Group for the interest of the general public.

The Group would leverage on its corporate website to communicate, disseminate and add depth to the governance reporting. Going forward, pursuant to Para 9.25 those principal and static governance information such as charter, board committees' terms of reference, policies and codes could be separately published in the website to avoid dilution of issues in the annual report.

Shareholders' Right

The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Group. This is achieved through timely releases of quarterly financial results, circulars, annual reports, corporate announcement and press releases. In addition to the various announcements made during the period, information on the Company is available on the Company's website.

Shareholders' Right (cont'd)

General meetings are an important avenue through which shareholders can exercise their rights. The Board would ensure suitability of venue and timing of meeting and undertake other measures to encourage shareholders' participation in the meetings. Shareholders are reminded that they have the right to demand a poll vote at general meetings. Also, effective 1st June 2013, poll voting is mandated for related party transactions that require specific shareholders' approval.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

i. The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable Financial Reporting Standards, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements so as to give a true and fair view of the state of affairs of the Group and 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 2013, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statement with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

OTHER DISCLOSURE ITEMS

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 Shutters Corporation Berhad.

Contract relating to loans
There were no contracts relating to loans by the Company in respect of this item.

Non-audit fees
During the year, a total of RM 31,890.00 was paid to KPMG for non-audit services rendered.

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.

Corporate Social Responsibility Statement

In 2013, SKBC Group continued to focus on operating business diligently and accountable for decisions that impact our shareholders, investors, business partners, employees, governments, industry authorities and the communities around us.

We acknowledge the importance of both financial and non-financial strategies in our continuous efforts to maintain long-term and sustainable performance for the Group. While we focus on managing our business deliverables through improving financial profitability and shareholders' value, we are also mindful of our goals to provide a sustainable workplace for our human assets' career developments as they are critical components to our growth and to promote a sustainable socially and environmentally responsible organisation.

We consistently working towards integrating the four corporate responsibility approaches namely Community, Environment, Workplace and Trainings into our business operations with the objective to achieve a key balance towards reaching our mission, vision and business sustainability.

COMMUNITY

As a responsible and caring corporate citizen, the Group strives for the betterment of society by giving back to the community and environment it operates in, through social welfare and community development. During the year, the Group has made contributions to the following organizations: Persatuan Por Tor Taman Sentosa Klang Selangor (Hungry Ghost Festival), Home For the Angels, Jambatan Bomba & Penyelamatan Malaysia and Persatuan Hainan Selangor & Wilayah (Thean Haou Temple).

The spirit of giving at SKBC has been initiated in the past years and we pledge to continue giving as and when the need arises.

ENVIRONMENT

SKBC Group remains committed towards environmental conservation; continuing on recycle program as part of our efforts to reduce our environmental and carbon footprints and our commitment as an environmentally responsible organisation.

In line with SKBC Group's commitment to reduce carbon footprints, employees are encouraged to fully maximize the benefits of electronic environment (eg email, instant messaging and etc.) for communication and only print hard copy when necessary. Employees are also encouraged to print on both sides of paper to minimize paper usage. Energy efficient bulbs are used throughout and all computer peripherals, air-conditioning and lighting are switched off when not in use.

WORKPLACE

Our people are our valuable assets. The Group provides its employees a quality work environment which complies with the health and safety standard as we understand a good environment would raise the efficiency and productivity of employees besides improving the quality of life of our employees.

We practice open door policy where employees have easy accessibility to their superiors. Two-way communications are encouraged to ensure share of ideas and/or work grievances to improve work processes and working environment. Periodical downward communication sessions from key management team with subordinates are also carried out as a way to impart the Company's fundamentals and directions while addressing issues of concern.

TRAININGS

In-house and external training are provided to employees to enhance their skills and abilities which would offer excellent opportunities for career enhancement.

In addition, staff benefits such as Annual Dinner, health insurance and medical care are provided to employees.

Statement on Risk Management and Internal Control

The Board of SKB Shutters Corporation Berhad is pleased to present the following Statement on Risk Management and Internal Control (the "Statement") for the financial year ended 30 June 2013. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the latest "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers" ("the Guideline") endorsed by the Bursa Securities.

BOARD RESPONSIBILITIES

The Board acknowledges the importance of risk management and systems of internal control and affirms that it is their responsibility to maintain the effectiveness of these systems to safeguard the shareholders' investment and Group's assets.

Principally, the responsibilities of the Board as provided in the Guideline for risk governance are:

- To embed risk management in all aspects of the Group's activities, which also encompasses subsidiaries of the Company; and

- To review risk management framework, processes, responsibilities and assessing whether the present policies and systems provide reasonable assurance that risk is managed appropriately.

In its effort to ensure the adequacy and integrity of the risk management and system of internal control of the Group, the Board had implemented procedures and processes in order to obtain certain degree of assurance of the adequacy and effective of the systems of internal control in the Group.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management continues to be driven by all Executive Directors and assisted by the management. The Executive Directors and management are responsible for identifying, evaluating and monitoring of risks and taking appropriate and timely actions to manage risk. These processes are embedded and carried out as part of the Group's operating and business management processes. External and relevant professionals would be drawn on to assist and provide advices to the management team when necessary.

In order to ensure the objectivity of the review of the risk management and systems of internal control in the Group, the Audit Committee is instituted by the Board to undertake this role. In conducting its review, the Audit Committee is assisted by the Internal Auditors who report to the Audit Committee on the state of control of the selected key functions.

Management further supplements the Audit Committee review on control and risk assessment when presenting the quarterly financial performance and results to the Audit Committee and the Board including pertinent explanations on the performance of the Group. With the management consultation, the Audit Committee reviews and analyses the interim financial results in corroboration with management representations on operations and the performance of its subsidiaries as well as deliberates the annual report and audited financial statements before recommending these documents to the Board for approval.

All Executive Directors are actively involved in day to day operations of the Group. The operations of the Group are constantly evaluated and monitored through their regular attendance at meetings held at various business unit levels. Operating processes of the Group are closely monitored by the Executive Directors. Various management review meetings are held at respective business unit levels to identify and resolve business and operational issues and at the same time to share their performance achievement with all management staff members. The objective of these meetings is to ensure policies, decisions and expected operational performance targets and objectives set are communicated, understood and executed by line management. At the same time, these meetings re-enforce the monitoring and supervision controls at the line management levels and serves as an excellent platform for identifying and evaluating potential risk areas and actions needed to duly manage those risks.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance to the Bursa Securities' Guidelines, management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies implementing, maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objective and performance.

Before producing this Statement, the Board has received assurance from Managing Director and Executive Director/Chief Financial Officer that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

BOARD ASSURANCE AND LIMITATION

In making this Statement, the Board had considered the Bursa Securities' Guidelines on Statement on Risk Management and Internal Control for all subsidiaries.

For the financial year under review, the Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and the Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses.

Nonetheless, the Board wishes to reiterate that risk management and internal control should be continuously improved in line with the evolving business development. It should also be noted that risk management systems and systems of internal control 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, frauds and losses. During the current financial year, there were no major internal control weaknesses which led to material losses, contingencies or uncertainties that would require disclosure in this annual report.

This Statement is issued in accordance with a resolution of the Directors dated 23 October 2013.

Audit Committee Report

Membership

The members of the Committee during the financial year ended 30 June 2013 are as follows: -

- You Tong Lioung @ Yew Tong Leong - Chairman, Senior Independent Non-Executive Director
- Lai Lan Man @ Lai Shuk Mee - Member, Independent Non-Executive Director
- Mohd. Arif Bin Mastol - Member, Independent Non-Executive Director

Attendance at Meetings

During the financial year ended 30 June 2013, five (5) Audit Committee 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*
You Tong Lioung @ Yew Tong Leong	5	5
Lai Lan Man @ Lai Shuk Mee	5	5
Mohd. Arif Bin Mastol	5	5

Activities

During the year, the activities undertaken by the Committee include: -

- Review of 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 the Group with the External Auditors prior to ensure compliance with the provisions of the Companies Act, 1965, 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;
- Review of the Audit Planning Memorandum with the External Auditors;
- Review of the results and issues arising from the audit and their resolutions with the External Auditors;
- Reviewed Internal Audit Plan and the scope and focus of the internal audit programmes;
- Review the internal audit reports of the Company and its operating subsidiaries prepared by the internal auditors, the audit recommendations made and management's response to the recommendations; and
- Reviewed related party transactions and conflict of interest that may arise within the Company or the Group.

Internal Audit Function

The Company has outsourced its internal audit function to an independent internal audit services provider for the financial year ended 30 June 2013. The Internal Audit function is to assist the Board and the Audit Committee to evaluate the system of internal control, risk management and corporate governance and to provide their recommendation to the Board and the Management for further improvement.

The Internal Auditors independently reviews the risk identification practices and control processes implemented by the management and reports to the Audit Committee. The results of the reviews performed by the Internal Auditors were communicated to both Management and the Committee together with the implementation status of audit recommendations. Further details on the internal audit function are reported in the Statement on Risk Management and Internal Control on pages 14 and 15 of this annual report.

The total costs incurred for the internal audit function of the Company for the financial year was RM31,800.00.

Terms of Reference

Composition

The Committee shall be appointed by the Board from amongst its members which fulfils the following requirements:

(a) the Audit Committee must be composed of not fewer than 3 members;
(b) all the Audit Committee members must be non-executive directors, with a majority of them being independent directors; and
(c) at least one member of the Audit Committee: -
  (i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
  (ii) if he is not a member of the MIA, he must have at least 3 years' working experience and -
    - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
    - he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
  (iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

If a member of the Committee resigns, dies, or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of event appoint such number of new members as may be required to fill the vacancy.

No alternate director can be appointed a member of the Committee.

Quorum shall be the majority of members, whom are independent directors.

Chairman of Audit Committee

The Chairman of the Committee shall be an Independent Non-Executive Director.

In the absence of the Chairman, the members of the Committee shall elect a Chairman from among their number who shall be an Independent Non-Executive Director.

Meetings

The Audit Committee shall hold at least four (4) regular meetings each year and such additional meetings as circumstances dictate. The agenda, together with working papers, was circulated at least one week prior to each meeting to the members of the Committee.

The Management and external auditors may appear at any meeting at the invitation of the Committee and shall appear before the Committee when required to do so. The external auditors may request a meeting if they consider that one is necessary.

The Secretary shall circulate the minutes of Committee meetings to all members of the Board.

Duties and Responsibilities

The Committee believes its policies and procedures should remain flexible in order to best react to changing conditions and provide reasonable assurance to the Board that the accounting and reporting practises of the Group are in accordance with the requirements.

Audit Committee Report

(cont'd)

Duties and Responsibilities (cont'd)

The Committee will fulfil its duties and responsibilities as follows: -

- review the following and report to the Board of Directors: -
  - with the external auditors, the audit scope and plan, including any changes to the planned scope of the audit plan;
  - with the external auditors, their evaluation of the system of internal controls, major audit findings and the management's response during the year;
  - with the external auditors, their audit report to ensure that appropriate and prompt remedial action is taken by management, for major deficiencies in controls or procedures that have been identified;
  - the assistance and cooperation given by the employees of the Group to the external auditors, and any difficulties encountered in the course of audit function, including any restriction on the scope of activities or access to required information.

- to do the following in respect of the internal audit function :-
  - review the adequacy of the scope and functions of the internal auditors, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate action is taken on the recommendations of the internal auditors;
  - review the performance of internal auditors; and
  - approve any appointment or termination of internal auditors.

- review the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on :-
  - changes in or implementation of major accounting policy changes;
  - significant and unusual events;
  - the going concern assumption; and
  - compliance with accounting standards and other legislative and reporting requirements.

- review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.

- review the appointment and performance of the external auditors, the audit fee and any questions of resignation or dismissal before making recommendations to the Board.

- to consider the major findings of internal investigations and management response.

- to carry out such other functions as may be agreed to by the Committee and Board of Directors.

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Review of the Committee

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

Directors' Report

For the year ended 30 June 2013

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

Principal activities

The Company is an investment holding company.

The principal activities of its subsidiaries are set out in Note 6 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Loss for the year attributable to owners of the Company	2,233,089	20,500

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

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 since the date of the last report are :

Sin Kheng Lee - Chairman and Managing Director
Dato' Moehamad Izat bin Achmad Habechi Emir
Sin Ching San
Chou Lee Sin
Sin Siew Huey
You Tong Lioung @ Yew Tong Leong
Lai Lan Man @ Lai Shuk Mee
Mohd. Arif Bin Mastol

Directors' Report

For the year ended 30 June 2013 (cont'd)

Directors' interests in shares

The interests and deemed interests in the ordinary shares 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 and/ 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 of RM1 each			
	Balance at 1.7.2012	**Bought**	**(Sold)**	**Balance at 30.6.2013**
Direct interest				
The Company				
Sin Kheng Lee - own	2,010,000	-	-	2,010,000
Sin Ching San - own	10,000	-	-	10,000
- others *	10,000	-	-	10,000
Dato' Moehamad Izat bin Achmad Habechi Emir - own	3,318,597	10,000	-	3,328,597
Chou Lee Sin - own	10,000	-	-	10,000
Lai Lan Man @ Lai Shuk Mee - own	15,000	-	-	15,000
You Tong Lioung @ Yew Tong Leong - own	10,000	-	-	10,000
Holding company - SKB Glory Sdn. Bhd.				
Sin Kheng Lee - own	971,250	-	-	971,250
Sin Ching San - own	416,250	-	-	416,250
Deemed interest				
The Company				
Sin Kheng Lee - own	22,847,607	-	-	22,847,607
Sin Ching San - own	22,847,607	-	-	22,847,607
Holding company - SKB Glory Sdn. Bhd.				
Sin Kheng Lee - own	112,500	-	-	112,500

* Shares held in the name of the spouse are treated as the interests of the Director in accordance with Section 134(12)(c) of the Companies Act, 1965.

By virtue of their interests in the shares of the Company, Messrs Sin Kheng Lee and Sin Ching San are also deemed interested in the ordinary shares of all 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 2013 had any interest in the ordinary shares 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 a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company and of its related corporations) 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, other than as disclosed in Note 22 to the financial statements.

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.

Issue of shares and debentures

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

Options granted over unissued shares

No options were granted to any person to take up unissued shares 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.

Directors' Report

For the year ended 30 June 2013 (cont'd)

Other statutory information (cont'd)

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, except for inventories written down as disclosed in Note 18 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 30 June 2013 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.

Auditors

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

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

....

Sin Kheng Lee

....

Sin Ching San

Penang,

Date : 23 October 2013

Consolidated Statement of Financial Position

As at 30 June 2013

	Note	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Assets				
Property, plant and equipment	3	41,549,581	43,203,959	45,978,103
Investment properties	4	1,690,008	1,467,823	1,780,110
Prepaid lease payments	5	6,103,133	6,440,625	6,778,117
Investment in an associate	7	1,733,881	1,459,645	1,169,798
Total non-current assets		51,076,603	52,572,052	55,706,128
Inventories	8	31,221,061	32,802,270	36,949,074
Trade and other receivables	9	21,294,480	21,094,008	17,002,753
Current tax assets		927,358	382,896	230,897
Cash and cash equivalents	10	2,588,402	4,610,330	5,034,318
Total current assets		56,031,301	58,889,504	59,217,042
Total assets		107,107,904	111,461,556	114,923,170
Equity				
Share capital	11	40,000,000	40,000,000	40,000,000
Reserves	12	36,794,675	39,036,811	38,122,590
Total equity attributable to owners of the Company		76,794,675	79,036,811	78,122,590
Liabilities				
Loans and borrowings	13	2,592,915	3,721,966	8,372,364
Deferred tax liabilities	14	1,249,804	2,109,765	1,876,726
Total non-current liabilities		3,842,719	5,831,731	10,249,090
Loans and borrowings	13	13,956,698	16,753,980	15,532,959
Trade and other payables	15	12,513,812	9,773,224	10,888,487
Current tax payables		-	65,810	130,044
Total current liabilities		26,470,510	26,593,014	26,551,490
Total liabilities		30,313,229	32,424,745	36,800,580
Total equity and liabilities		107,107,904	111,461,556	114,923,170

The notes on pages 32 to 85 are an integral part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2013

	Note	2013 RM	2012 RM
Continuing operations			
Revenue	16	52,391,513	62,060,774
Cost of sales		(41,134,811)	(47,168,306)
Gross profit		11,256,702	14,892,468
Other operating income		1,718,461	1,087,262
Distribution expenses		(1,051,040)	(1,144,974)
Administrative expenses		(11,139,096)	(11,312,793)
Other operating expenses		(2,985,313)	(1,300,952)
Results from operating activities		(2,200,286)	2,221,011
Finance income		34,760	85,798
Finance costs	17	(847,460)	(1,087,983)
Operating (loss)/profit	18	(3,012,986)	1,218,826
Share of profit of an equity accounted associate, net of tax		494,236	509,847
(Loss)/Profit before tax		(2,518,750)	1,728,673
Income tax expense	20	285,661	(814,452)
(Loss)/Profit for the year		(2,233,089)	914,221
Other comprehensive expense for the year, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operation		(9,047)	-
Total comprehensive (expense)/income for the year		(2,242,136)	914,221
(Loss)/Profit for the year attributable to owners of the Company		(2,233,089)	914,221
Total comprehensive (expense)/income for the year attributable to owners of the Company		(2,242,136)	914,221
(Loss)/Earnings per ordinary share (sen)	21	(5.58)	2.29

The notes on pages 32 to 85 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

	← *Non-distributable*			→	*Distributable*	
	Share capital RM	**Share premium RM**	**Translation reserve RM**	**Capital redemption reserve RM**	**Retained earnings RM**	**Total equity RM**
At 1 July 2011	40,000,000	1,498,324	-	30,000	36,594,266	78,122,590
Profit for the year representing total comprehensive income for the year	-	-	-	-	914,221	914,221
At 30 June 2012/ 1 July 2012	40,000,000	1,498,324	-	30,000	37,508,487	79,036,811
Foreign currency translation differences for foreign operation, representing total other comprehensive expense for the year	-	-	(9,047)	-	-	(9,047)
Loss for the year	-	-	-	-	(2,233,089)	(2,233,089)
Total comprehensive expense for the year	-	-	(9,047)	-	(2,233,089)	(2,242,136)
At 30 June 2013	40,000,000	1,498,324	(9,047)	30,000	35,275,398	76,794,675

The notes on pages 32 to 85 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2013

	Note	2013 RM	2012 RM
Cash flows from operating activities			
(Loss)/Profit before tax from continuing operations		(2,518,750)	1,728,673
Adjustments for :			
Amortisation of prepaid lease payments	5	337,492	337,492
Depreciation of property, plant and equipment	3	5,099,399	5,220,039
Depreciation of investment properties	4	8,244	9,936
Gain on disposal of plant and equipment	18	(662,320)	(94)
Gain on disposal of investment properties	18	-	(90,524)
Interest income	18	(34,760)	(85,798)
Interest expense	17	847,460	1,087,983
Impairment loss on plant and equipment	3	-	272,180
Impairment loss on investment properties	4	-	132,875
Share of profit after tax of an equity accounted associate		(494,236)	(509,847)
Operating profit before changes in working capital		2,582,529	8,102,915
Changes in working capital :			
Inventories		1,581,209	4,146,804
Trade and other receivables		(201,051)	(4,091,255)
Trade and other payables		2,732,485	(1,115,263)
Cash generated from operations		6,695,172	7,043,201
Income tax paid		(1,184,572)	(797,646)
Dividend received from an associate		220,000	220,000
Net cash from operating activities		5,730,600	6,465,555
Cash flows from investing activities			
Purchase of investment properties	4	(230,429)	-
Purchase of plant and equipment	A	(1,095,039)	(691,694)
Proceeds from disposal of investment properties		-	260,000
Proceeds from disposal of plant and equipment		699,498	96
Interest received		34,760	85,798
Net cash used in investing activities		(591,210)	(345,800)
Cash flows from financing activities			
Repayment of term loans		(4,659,943)	(4,449,909)
Repayment of finance lease liabilities		(2,274,505)	(1,971,558)
Repayment of borrowings, net		(83,101)	(53,056)
Interest paid		(847,460)	(1,087,983)
Net cash used in financing activities		(7,865,009)	(7,562,506)
Net decrease in cash and cash equivalents		(2,725,619)	(1,442,751)

Consolidated Statement of Cash Flows

For the year ended 30 June 2013 (cont'd)

	Note	2013 RM	2012 RM
Effect of exchange rate fluctuation on cash and cash equivalents		(365)	-
Cash and cash equivalents at 1 July		2,510,647	3,953,398
Cash and cash equivalents at 30 June	B	(215,337)	2,510,647

NOTES

A. *Purchase of plant and equipment*

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

	Note	2013 RM	2012 RM
Purchase of plant and equipment	3	3,482,199	2,718,077
Less : Acquired through finance leases		(2,387,160)	(2,026,383)
		1,095,039	691,694

B. *Cash and cash equivalents*

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

	Note	2013 RM	2012 RM
Short term deposits with licensed banks	10	1,138,587	2,266,289
Cash and bank balances	10	1,449,815	2,344,041
Bank overdrafts	13	(2,803,739)	(2,099,683)
		(215,337)	2,510,647

The notes on pages 32 to 85 are an integral part of these financial statements.

Statement of Financial Position

As at 30 June 2013

	Note	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Assets				
Investment in subsidiaries	6	17,814,745	17,814,745	17,814,745
Investment in an associate	7	347,961	347,961	347,961
Total non-current assets		18,162,706	18,162,706	18,162,706
Other receivables	9	23,232,925	22,094,614	21,175,389
Current tax assets		70,443	70,300	70,914
Cash and cash equivalents	10	1,126,184	2,285,138	3,272,641
Total current assets		24,429,552	24,450,052	24,518,944
Total assets		42,592,258	42,612,758	42,681,650
Equity				
Share capital	11	40,000,000	40,000,000	40,000,000
Reserves	12	2,404,118	2,424,618	2,493,272
Total equity attributable to owners of the Company		42,404,118	42,424,618	42,493,272
Liability				
Other payables	15	188,140	188,140	188,378
Total current liability		188,140	188,140	188,378
Total equity and liability		42,592,258	42,612,758	42,681,650

The notes on pages 32 to 85 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2013

	Note	2013 RM	2012 RM
Continuing operations			
Revenue	16	220,000	220,000
Other operating income		25,500	24,000
Administrative expenses		(298,712)	(361,952)
Results from operating activities	18	(53,212)	(117,952)
Finance income		34,754	56,109
Loss before tax		(18,458)	(61,843)
Income tax expense	20	(2,042)	(6,811)
Loss for the year representing total comprehensive expense for the year attributable to owners of the Company		(20,500)	(68,654)

The notes on pages 32 to 85 are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2013

	Non-distributable Share capital RM	Non-distributable Share premium RM	Distributable Retained earnings RM	Total equity RM
At 1 July 2011	40,000,000	1,498,324	994,948	42,493,272
Loss for the year representing total comprehensive expense for the year	-	-	(68,654)	(68,654)
At 30 June 2012/1 July 2012	40,000,000	1,498,324	926,294	42,424,618
Loss for the year representing total comprehensive expense for the year	-	-	(20,500)	(20,500)
At 30 June 2013	40,000,000	1,498,324	905,794	42,404,118

The notes on pages 32 to 85 are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2013

	Note	2013 RM	2012 RM
Cash flows from operating activities			
Loss before tax from continuing operations		(18,458)	(61,843)
Adjustments for :			
Dividend income	16	(220,000)	(220,000)
Interest income	18	(34,754)	(56,109)
Operating loss before changes in working capital		(273,212)	(337,952)
Changes in working capital :			
Other receivables		(1,138,311)	(919,225)
Other payables		-	(238)
Cash used in operations		(1,411,523)	(1,257,415)
Income tax paid		(2,185)	(6,197)
Dividend received		220,000	220,000
Net cash used in operating activities		(1,193,708)	(1,043,612)
Cash flows from investing activity			
Interest received		34,754	56,109
Net cash from investing activity		34,754	56,109
Net decrease in cash and cash equivalents		(1,158,954)	(987,503)
Cash and cash equivalents at 1 July		2,285,138	3,272,641
Cash and cash equivalents at 30 June		1,126,184	2,285,138

NOTE

Cash and cash equivalents included in the statement of cash flows comprise cash and cash equivalents balances as shown in Note 10 to the financial statements.

The notes on pages 32 to 85 are an integral part of these financial statements.

Notes to the Financial Statements

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 year ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred as “Group entities”) and the Group’s interest in an associate. The financial statements of the Company as at and for the financial year ended 30 June 2013 do not include other entities.

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

The holding company is SKB Glory Sdn. Bhd., a company incorporated in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 23 October 2013.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act, 1965 in Malaysia. These are the Group’s and the Company’s first financial statements prepared in accordance with MFRS and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In the previous years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards (“FRS”). The financial impacts of transition to MFRS are disclosed in Note 28 to the financial statements.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company :

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013
- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements *
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- MFRS 119, Employee Benefits (2011)
- MFRS 127, Separate Financial Statements (2011)
- MFRS 128, Investments in Associates and Joint Ventures (2011)

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine *
- Amendments to MFRS 7, Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards - Government Loans *
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 132, Financial Instruments : Presentation (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance
- Amendments to MFRS 11, Joint Arrangements : Transition Guidance *
- Amendments to MFRS 12, Disclosure of Interests in Other Entities : Transition Guidance

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014
- Amendments to MFRS 10, Consolidated Financial Statements : Investment Entities
- Amendments to MFRS 12, Disclosure of Interests in Other Entities : Investment Entities
- Amendments to MFRS 127, Separate Financial Statements (2011) : Investment Entities
- Amendments to MFRS 132, Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136, Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139, Novation of Derivatives and Continuation of Hedge Accounting#
- IC Interpretation 21, Levies #

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015
- MFRS 9, Financial Instruments (2009)
- MFRS 9, Financial Instruments (2010)
- Amendments to MFRS 7, Financial Instruments : Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations :

- from the annual period beginning on 1 July 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2013, except for those marked as "*" which are not applicable to the Group and the Company;

- from the annual period beginning on 1 July 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014, except for those marked as "#" which are not applicable to the Group and the Company; and

- from the annual period beginning on 1 July 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

The initial application of the other standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group and the Company upon their first adoption.

(b) Basis of measurement

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

1. Basis of preparation (cont'd)

(c) Functional and presentation currency

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 Malaysian Financial Reporting Standards ("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 the following notes:
- Note 3 and Note 4 - Impairment of property, plant and equipment and investment properties
- Note 8 - Valuation of inventories
- Note 9 - Impairment of trade and other receivables

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRS statements of financial position of the Group and of the Company at 1 July 2011 (the transition date to MFRS framework), unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated 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. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

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 investments includes transaction costs.

(ii) Business combinations

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.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(ii) Business combinations (cont'd)

Acquisitions on or after 1 July 2011

For acquisitions on or after 1 July 2011, 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.

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.

Acquisitions before 1 July 2011

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 July 2011.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous 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 an available-for-sale financial asset depending on the level of influence retained.

(iv) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(iv) Associates (cont'd)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any retained interest in the former associate at the date when significant influence is lost is re-measured at fair value and this amount is regarded as the initial carrying amount of a financial asset.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Investment in an associate is 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 investments includes transaction costs.

(v) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity-accounted associate are eliminated against the investment to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(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.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value 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.

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

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of reporting date. 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 foreign currency translation reserve (FCTR) in equity.

2. Significant accounting policies (cont'd)

(b) Foreign currency (cont'd)

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

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. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to 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 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 FCTR in equity.

(c) Financial instruments

(i) Initial recognition and measurement

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

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised 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

The Group and the Company categorise financial instruments as follows :

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets **(cont'd)**

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as 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) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) 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 guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

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

(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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity 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 or cancelled or expires. 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.

(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, borrowings 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.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

2. Significant accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

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 operating income” or “other operating 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.

(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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The depreciation rates for the current and comparative periods are as follows :

Buildings	2% - 4.74%
Plant and machinery	10% - 20%
Furniture, fittings, fixtures and equipment	20%
Motor vehicles	20%

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

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

2. Significant accounting policies (cont'd)

(e) Leased assets (cont'd)

(i) Finance lease (cont'd)

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Equity instruments

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

(i) Ordinary Shares

Ordinary shares are classified as equity.

(ii) Issues expenses

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

(g) Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

(h) Inventories

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

The cost of inventories is measured based on the first-in first-out principle 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.

2. Significant accounting policies (cont'd)

(h) Inventories (cont'd)

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.

(i) 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 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.

(j) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as investments in subsidiaries and associate) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the financial asset’s recoverable amount is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the asset’s original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

(ii) Other assets

The carrying amounts of other assets (except for inventories) 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.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to 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 to sell. 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 to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

2. Significant accounting policies (cont'd)

(j) Impairment (cont'd)

(ii) Other assets (cont'd)

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 year in which the reversals are recognised.

(k) 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.

(l) 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 profit-sharing 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 year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(m) 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.

2. Significant accounting policies (cont'd)

(n) 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.

(o) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Services

Revenue from services rendered is recognised in profit or loss upon services performed.

(iii) Rental income

Rental income from investment properties 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.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group’s or the Company’s right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(p) 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 a business combination or to 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.

2. Significant accounting policies (cont'd)

(p) Income tax (cont'd)

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill and 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.

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 liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(q) Earnings per ordinary share

The Group presents basic 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.

(r) 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. An operating segment’s operating 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 assess its performance, and for which discrete financial information is available.

(s) 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 an expense 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 has sufficient resources to complete development. Other development expenditure is recognised in profit or loss as an expense as incurred.

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.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

3. Property, plant and equipment - Group

	Buildings RM	Plant and machinery RM	Furniture, fittings, fixtures and equipment RM	Motor vehicles RM	Total RM
Cost					
At 1 July 2011	33,002,000	34,803,446	10,330,449	6,995,748	85,131,643
Additions	-	1,680,383	657,694	380,000	2,718,077
Disposals	-	-	(10,920)	-	(10,920)
At 30 June 2012/1 July 2012	33,002,000	36,483,829	10,977,223	7,375,748	87,838,800
Additions	-	1,365,395	595,639	1,521,165	3,482,199
Disposals	-	(199,220)	-	(1,967,249)	(2,166,469)
At 30 June 2013	33,002,000	37,650,004	11,572,862	6,929,664	89,154,530
Depreciation and impairment loss					
At 1 July 2011	-	27,390,597	7,573,365	4,189,578	39,153,540
Depreciation for the year	1,636,980	1,737,680	827,566	1,017,813	5,220,039
Impairment loss	-	272,180	-	-	272,180
Disposals	-	-	(10,918)	-	(10,918)
At 30 June 2012/1 July 2012					
Accumulated depreciation	1,636,980	29,128,277	8,390,013	5,207,391	44,362,661
Accumulated impairment loss	-	272,180	-	-	272,180
	1,636,980	29,400,457	8,390,013	5,207,391	44,634,841
Depreciation for the year	1,636,980	1,708,289	854,455	899,675	5,099,399
Disposals	-	(186,955)	-	(1,942,336)	(2,129,291)
At 30 June 2013					
Accumulated depreciation	3,273,960	30,649,611	9,244,468	4,164,730	47,332,769
Accumulated impairment loss	-	272,180	-	-	272,180
	3,273,960	30,921,791	9,244,468	4,164,730	47,604,949
Carrying amounts					
At 1 July 2011	33,002,000	7,412,849	2,757,084	2,806,170	45,978,103
At 30 June 2012/1 July 2012	31,365,020	7,083,372	2,587,210	2,168,357	43,203,959
At 30 June 2013	29,728,040	6,728,213	2,328,394	2,764,934	41,549,581

3. Property, plant and equipment - Group (cont'd)

3.1 Assets under finance lease

Included in the carrying amounts of plant and machinery and motor vehicles are amounts of RM4,173,392 (30.6.2012 : RM3,855,537; 1.7.2011 : RM2,810,603) and RM2,754,749 (30.6.2012 : RM2,147,703; 1.7.2011 : RM2,790,957) respectively being assets acquired under finance lease.

3.2 Security

The buildings of the Group with an aggregate carrying amount of RM29,526,415 (30.6.2012 : RM31,159,520; 1.7.2011 : RM32,792,000) are charged to bank as securities for term loan granted to a subsidiary (Note 13).

4. Investment properties - Group

	Note	RM
Cost		
At 1 July 2011		2,355,969
Disposal		(209,390)
At 30 June 2012/1 July 2012		2,146,579
Additions		230,429
At 30 June 2013		2,377,008
Depreciation and impairment losses		
At 1 July 2011		
- Accumulated depreciation		168,492
- Accumulated impairment losses		407,367
		575,859
Impairment loss for the year	18	132,875
Depreciation for the year	18	9,936
Disposal		(39,914)
At 30 June 2012/1 July 2012		
- Accumulated depreciation		138,514
- Accumulated impairment losses		540,242
		678,756
Depreciation for the year	18	8,244
At 30 June 2013		
- Accumulated depreciation		146,758
- Accumulated impairment losses		540,242
		687,000

4. Investment properties - Group (cont'd)

	Note	RM
Carrying amounts		
At 1 July 2011		1,780,110
At 30 June 2012/1 July 2012		1,467,823
At 30 June 2013		1,690,008

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

	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Freehold land	1,084,000	1,084,000	1,084,000
Factory building, apartments and shop office	606,008	383,823	696,110
	1,690,008	1,467,823	1,780,110

The fair value of the investment properties is estimated at approximately RM2.35 million (30.6.2012 : RM2.06 million; 1.7.2011 : RM2.14 million) based on Directors' valuation using the latest available market information.

The following are recognised in profit or loss in respect of the investment properties :

	Note	2013 RM	2012 RM
Rental income	18	366,684	366,684
Direct operating expenses :			
- income generating investment properties		1,302	1,296
- non-income generating investment properties		652	1,001

5. Prepaid lease payments - Group

	Unexpired period of less than 50 years RM
Cost	
At 1 July 2011/30 June 2012/30 June 2013	9,221,353

5. Prepaid lease payments - Group (cont'd)

	Note	Unexpired period of less than 50 years RM
Amortisation		
At 1 July 2011		2,443,236
Amortisation for the year	18	337,492
At 30 June 2012/1 July 2012		2,780,728
Amortisation for the year	18	337,492
At 30 June 2013		3,118,220
Carrying amounts		
At 1 July 2011		6,778,117
At 30 June 2012/1 July 2012		6,440,625
At 30 June 2013		6,103,133

The title deed of the short term leasehold land is still in the process of being transferred from the relevant authorities to the subsidiary and are charged as security for term loan granted to a subsidiary (Note 13).

The option to renew the lease of the short term leasehold land for a period of another 30 years upon its expiry in July 2031 and is subject to terms and conditions to be agreed upon between the subsidiary and Perbadanan Kemajuan Negeri Selangor.

6. Investment in subsidiaries - Company

	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Unquoted shares, at cost	17,814,745	17,814,745	17,814,745

6. Investment in subsidiaries - Company (cont'd)

Details of the subsidiaries are as follows :

Name of subsidiaries	Effective ownership interest 30.6.2013	30.6.2012	1.7.2011	Principal activities
	%	%	%	
SKB Shutters Manufacturing Sdn. Bhd.	100	100	100	Manufacture and sale of roller shutters, racking systems, storage system and related steel products
SKB Trading Sdn. Bhd.	100	100	100	Trading in roller shutters parts, related steel products and racking systems
SKB Shutters Industries Sdn. Bhd.	100	100	100	Manufacturing and providing of repair services for motor components
SKB Storage Industries Sdn. Bhd.	100	100	100	Manufacture and sale of roller shutters, racking systems, storage system and related steel products
SKB Shutters (S) Pte. Ltd. #	100	100	100	Trading of roller shutters, racking systems and storage systems

All the above subsidiaries are incorporated in Malaysia, except for SKB Shutters (S) Pte. Ltd. which is incorporated in Singapore.

Not audited by KPMG.

7. Investment in an associate

	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Group			
Unquoted shares, at cost	347,961	347,961	347,961
Share of post-acquisition reserves and results	1,385,920	1,111,684	821,837
	1,733,881	1,459,645	1,169,798
Company			
Unquoted shares, at cost	347,961	347,961	347,961

7. Investment in an associate (cont'd)

Summary financial information on the associate :

	Country of incorporation	Effective ownership interest %	Revenue (100%) RM	Profit for the year (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
30.6.2013						
Ryde (Malaysia) Sdn. Bhd.	Malaysia	20	13,232,040	2,471,183	11,005,102	2,335,690
30.6.2012						
Ryde (Malaysia) Sdn. Bhd. (formerly known as Rigida (Malaysia) Sdn. Bhd.)	Malaysia	20	13,932,548	2,549,237	9,623,611	2,325,382
1.7.2011						
Rigida (Malaysia) Sdn. Bhd.	Malaysia	20	11,742,639	2,225,638	8,250,787	2,401,795

The principal activity of the associate is manufacturing of bicycle alloy rims.

8. Inventories - Group

	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Raw materials	17,107,719	18,554,788	19,459,416
Work-in-progress	1,859,352	2,635,346	5,760,124
Manufactured inventories	12,253,990	11,612,136	11,729,534
	31,221,061	32,802,270	36,949,074

The written down amount of inventories during the year for the Group were RM2,336,353 (2012: RM Nil) and are included in the cost of sales.

Notes to the Financial Statements

(cont'd)

9. Trade and other receivables

	Note	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Group				
Trade				
Trade receivables		20,407,944	19,849,841	15,445,961
Non-trade				
Other receivables	9.1	175,597	440,490	752,035
Deposits		244,125	369,540	372,982
Prepayments		466,814	434,137	431,775
		886,536	1,244,167	1,556,792
		21,294,480	21,094,008	17,002,753
Company				
Non-trade				
Amount due from subsidiaries	9.2	23,231,925	22,093,614	21,174,389
Deposits		1,000	1,000	1,000
		23,232,925	22,094,614	21,175,389

9.1 Other receivables

Included herein is an amount of RM Nil (30.6.2012 : RM Nil; 1.7.2011 : RM332,659) paid in advance to certain suppliers for the purchase of raw materials.

9.2 Amount due from subsidiaries

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

10. Cash and cash equivalents

	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Group			
Short term deposits with licensed banks	1,138,587	2,266,289	3,210,180
Cash and bank balances	1,449,815	2,344,041	1,824,138
	2,588,402	4,610,330	5,034,318

10. Cash and cash equivalents (cont'd)

	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Company			
Short term deposits with licensed banks	1,101,042	2,266,289	3,210,180
Cash and bank balances	25,142	18,849	62,461
	1,126,184	2,285,138	3,272,641

11. Share capital - Group/Company

	30.6.2013		30.6.2012		1.7.2011	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Ordinary shares of RM1 each :						
Authorised	50,000	50,000	50,000	50,000	50,000	50,000
Issued and fully paid	40,000	40,000	40,000	40,000	40,000	40,000

12. Reserves

	Note	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Group				
Non-distributable				
Share premium		1,498,324	1,498,324	1,498,324
Capital redemption reserve	12.1	30,000	30,000	30,000
Translation reserve	12.2	(9,047)	-	-
		1,519,277	1,528,324	1,528,324
Distributable				
Retained earnings	12.3	35,275,398	37,508,487	36,594,266
		36,794,675	39,036,811	38,122,590

12. Reserves (cont'd)

	Note	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Company				
Non-distributable				
Share premium		1,498,324	1,498,324	1,498,324
Distributable				
Retained earnings	12.3	905,794	926,294	994,948
		2,404,118	2,424,618	2,493,272

Movements in reserves are shown in the Statements of Changes in Equity.

12.1 Capital redemption reserve

Capital redemption reserve represents the amount appropriated from retained earnings in relation to a previous redemption of 500% cumulative redeemable preference shares of RM1 each in a subsidiary.

12.2 Translation reserve

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

12.3 Retained earnings

Subject to agreement with the Inland Revenue Board, the Company has sufficient tax exempt income to distribute all of its distributable reserves if paid out as dividends.

13. Loans and borrowings - Group

	Note	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Non-current				
Secured				
Term loan		-	1,425,831	6,068,258
Finance lease liabilities	13.1	2,592,915	2,296,135	2,304,106
		2,592,915	3,721,966	8,372,364
Current				
Secured				
Term loan		1,412,233	4,646,345	4,453,827
Finance lease liabilities	13.1	1,638,645	1,822,770	1,759,974
		3,050,878	6,469,115	6,213,801
Unsecured				
Bank overdrafts		2,803,739	2,099,683	1,080,920
Bankers' acceptances		4,941,000	5,278,000	5,436,000
Revolving credits		2,000,000	2,000,000	2,000,000
Foreign currency loans		698,567	907,182	802,238
Off shore credit loan		462,514	-	-
		10,905,820	10,284,865	9,319,158
		13,956,698	16,753,980	15,532,959

13. Loans and borrowings - Group (cont'd)

13.1 Finance lease liabilities

Finance lease liabilities are payable as follows :

	30.6.2013			30.6.2012			1.7.2011		
	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
Within one year	1,828,986	190,341	1,638,645	1,997,279	174,509	1,822,770	1,934,961	174,987	1,759,974
Between one and five years	2,780,765	187,850	2,592,915	2,429,072	132,937	2,296,135	2,447,034	142,928	2,304,106
	4,609,751	378,191	4,231,560	4,426,351	307,446	4,118,905	4,381,995	317,915	4,064,080

13.2 Securities

The secured borrowings are secured by certain property, plant and equipment and prepaid leasehold land of the Group (see Note 3 and Note 5 respectively).

The finance lease liabilities are effectively secured as the rights to the assets under finance lease will revert to the finance lease creditors in the event of default.

14. Deferred tax liabilities - Group

	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Property, plant and equipment			
- capital allowances	1,652,000	2,469,160	2,741,810
- revaluation	2,468,804	2,514,765	2,560,726
- reinvestment allowance	(2,239,000)	(2,419,000)	(2,883,000)
Provisions	(632,000)	(455,160)	(542,810)
	1,249,804	2,109,765	1,876,726

The component and movements of deferred tax liabilities during the financial year are as follows :

	At 1.7.2011 RM	Recognised in profit or loss (Note 20) RM	At 30.6.2012 RM	Recognised in profit or loss (Note 20) RM	At 30.6.2013 RM
Property, plant and equipment					
- capital allowance	2,741,810	(272,650)	2,469,160	(817,160)	1,652,000
- revaluation	2,560,726	(45,961)	2,514,765	(45,961)	2,468,804
- reinvestment allowance	(2,883,000)	464,000	(2,419,000)	180,000	(2,239,000)
Provisions	(542,810)	87,650	(455,160)	(176,840)	(632,000)
	1,876,726	233,039	2,109,765	(859,961)	1,249,804

15. Trade and other payables

	Note	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Group				
Trade				
Trade payables		8,187,637	5,795,510	7,146,667
Non-trade				
Amount due to a Director	15.1	500,000	-	-
Other payables	15.2	1,907,558	2,086,990	2,000,310
Accruals		1,918,617	1,890,724	1,741,510
		4,326,175	3,977,714	3,741,820
		12,513,812	9,773,224	10,888,487

15. Trade and other payables (cont'd)

	Note	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Company				
Non-trade				
Other payables		2,650	2,650	2,650
Accruals		185,490	185,490	185,728
		188,140	188,140	188,378

15.1 Amount due to a Director

The non-trade amount due to a Director is unsecured, interest free and payable on demand.

15.2 Other payables

Included in other payables of the Group is an amount of RM848,264 (30.6.2012 : RM995,092; 1.7.2011 : RM1,604,997) representing advance payments from customers.

16. Revenue

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Sales	52,391,513	62,060,774	-	-
Gross dividend from an associate	-	-	220,000	220,000
	52,391,513	62,060,774	220,000	220,000

17. Finance costs - Group

	2013 RM	2012 RM
Interest expense on :		
Foreign currency loans	21,662	22,890
Bank overdrafts	99,020	101,302
Bankers' acceptances	238,230	280,279
Revolving credits	94,170	94,105
Finance lease liabilities	225,701	210,697
Term loan	168,677	378,710
	847,460	1,087,983

18. Operating (loss)/profit

Operating (loss)/profit/Loss before tax is arrived at :

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
After charging :				
Auditors' remuneration				
Audit fees				
- KPMG Malaysia				
- Current year	89,000	78,000	24,000	20,000
- Prior year	-	3,000	-	-
- Other auditors'				
- Current year	9,950	5,000	-	-
- Prior year	-	5,000	-	-
Non-audit fees				
- KPMG Malaysia	6,000	6,000	-	-
- Affiliates of KPMG Malaysia				
- Current year	25,890	27,390	2,000	2,000
- Prior year	-	700	-	-
Depreciation of:				
- property, plant and equipment (Note 3)	5,099,399	5,220,039	-	-
- investment properties (Note 4)	8,244	9,936	-	-
Amortisation of prepaid lease payments (Note 5)	337,492	337,492	-	-
Rental of equipment	34,817	62,444	-	-
Research and development expenses	599,738	638,319	-	-
Impairment loss on :				
- trade receivables	152,897	529,293	-	-
- plant and equipment	-	272,180	-	-
- investment properties	-	132,875	-	-
Rental of premises	84,560	45,436	-	-
Inventories written off	253,753	210,157	-	-
Bad debts written off	40,503	3,525	-	-
Inventories written down	2,336,353	-	-	-
Loss on foreign exchange :				
- realised	47,055	-	-	-
- unrealised	45,542	-	-	-
and after crediting :				
Interest income	34,760	85,798	34,754	56,109
Gain on disposal of :				
- plant and equipment	662,320	94	-	-
- investment properties	-	90,524	-	-
Gain on foreign exchange :				
- realised	-	65,499	-	-
- unrealised	-	49,108	-	-
Reversal of impairment loss on trade receivables	346,498	236,181	-	-
Rental income from investment properties (Note 4)	366,684	366,684	-	-

18. Operating (loss)/profit (cont'd)

i) The estimated monetary value of benefits receivable by certain Directors otherwise than in cash amounted to RM26,700 (2012 : RM32,700).

ii) Included in research and development expenses is an amount of RM453,500 (2012 : RM450,124) representing Director's emoluments.

19. Employee information

	Group	
	2013	**2012**
	RM	**RM**
Staff costs (including Executive Directors' remuneration)	9,495,149	9,136,655

Staff costs of the Group include contributions to the Employees' Provident Fund of RM482,961 (2012 : RM492,678).

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

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Directors' fee	160,000	160,000	160,000	160,000
Directors' remuneration	1,730,070	1,694,102	-	-
Contributions to Employees' Provident Fund	207,609	215,901	-	-
Estimated monetary value of benefits-in-kind	26,700	32,700	-	-
	2,124,379	2,102,703	160,000	160,000

20. Income tax expense

Recognised in profit or loss

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Income tax expense on continuing operations	(285,661)	814,452	2,042	6,811
Share of tax of an equity accounted associate	145,499	158,789	-	-
Total income tax expense	(140,162)	973,241	2,042	6,811

20. Income tax expense (cont'd)

Recognised in profit or loss (cont'd)

Major components of income tax expense include :

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Current tax expense				
- Current year	528,257	776,244	2,042	2,186
- Prior years	46,043	(194,831)	-	4,625
Total current tax recognised in profit or loss	574,300	581,413	2,042	6,811
Deferred tax expense				
- Current year	(614,961)	(107,962)	-	-
- Prior years	(245,000)	341,001	-	-
Total deferred tax recognised in profit or loss	(859,961)	233,039	-	-
Share of tax of an equity accounted associate	145,499	158,789	-	-
Total income tax expense	(140,162)	973,241	2,042	6,811

Reconciliation of effective income tax expense

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
(Loss)/Profit for the year	(2,233,089)	914,221	(20,500)	(68,654)
Total income tax expense	(140,162)	973,241	2,042	6,811
(Loss)/Profit excluding tax	(2,373,251)	1,887,462	(18,458)	(61,843)
Income tax calculated using Malaysian tax rate of 25%	(593,313)	471,866	(4,615)	(15,461)
Effect of lower tax rate in foreign jurisdiction *	22,460	-	-	-
Tax exempt income	(63,688)	(69,027)	(63,689)	(69,027)
Non-deductible expenses	200,588	463,501	70,346	86,674
Non-taxable income	(207,284)	(23,693)	-	-
Tax incentive	(65,622)	(107,374)	-	-
Deferred tax assets not recognised	740,000	4,100	-	-
Others	25,654	87,698	-	-
	58,795	827,071	2,042	2,186
(Over)/Under provision	(198,957)	146,170	-	4,625
Total income tax expense	(140,162)	973,241	2,042	6,811

* A subsidiary operates in a tax jurisdiction with a lower tax rate.

20. Income tax expense (cont'd)

Reconciliation of effective income tax expense (cont'd)

Unrecognised deferred tax assets

No deferred tax assets have been recognised for the following items :

	2013 RM	2012 RM
Group		
Unabsorbed capital allowances	142,000	-
Unutilised reinvestment allowance	66,000	-
Unutilised tax losses	451,000	-
Others	81,000	-
	740,000	-

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which a subsidiary can utilised the benefits therefrom.

21. (Loss)/Earnings per ordinary share - Group

Basic (loss)/earnings per ordinary share

The calculation of basic (loss)/earnings per ordinary share at 30 June 2013 was based on the (loss)/profit attributable to owners of the Company of RM2,233,089 (2012 : RM914,221) and on the weighted average number of ordinary shares outstanding during the year of 40,000,000 (2012 : 40,000,000).

Diluted earnings per ordinary share

No diluted earnings per ordinary share is disclosed in the financial statements as there are no dilutive potential ordinary shares.

22. Related parties - Group/Company

22.1 Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company 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.

22. Related parties - Group/Company (cont'd)

22.1 Identity of related parties (cont'd)

The Group also has a related party relationship with the following :

- Sin Kean Boon (KL) Sdn. Bhd., a company in which Messrs Sin Kheng Lee and Sin Ching San are deemed to have substantial financial interests;
- Lembah Segar Sdn. Bhd., a company in which Messrs Sin Kheng Lee and Chou Lee Sin are deemed to have substantial financial interests; and
- Livsolution International Sdn. Bhd., a company in which Messrs Chou Lee Sin and Sin Siew Huey are deemed to have substantial financial interests.

Key management personnel are 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.

22.2 Significant related party transactions

i) Transactions with an associate

	Group/Company	
	2013	**2012**
	RM	**RM**
Management fee income	25,500	24,000
Dividend income	220,000	220,000

ii) Transactions with a related party

	Group	
	2013	**2012**
	RM	**RM**
Rental of premise	36,000	36,000

iii) 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 19 to the financial statements.

iv) The significant balances with related parties at the reporting date are disclosed in Note 9 and Note 15 to the financial statements.

23. Operating segments - Group

The Group is principally confined to the manufacture and sale of roller shutters, racking systems and related steel products which are principally carried out in Malaysia. Segment information has not been separately presented because internal reporting uses Group’s financial statements.

23. Operating segments - Group (cont'd)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investment in an associate).

	Revenue RM	Non-current assets RM
2013		
Malaysia	36,598,736	49,338,212
Asia (excluding Malaysia)	8,779,210	4,510
Australia	3,687,429	-
Middle East	2,928,540	-
Europe	102,903	-
Others	294,695	-
	52,391,513	49,342,722
2012		
Malaysia	41,294,767	51,112,407
Asia (excluding Malaysia)	9,551,286	-
Middle East	7,206,421	-
Europe	3,273,219	-
Others	735,081	-
	62,060,774	51,112,407

Major customer

During the year, there were no revenue from one single customer that contributed to more than 10% of the Group's revenue.

24. Capital commitment - Group

	2013 RM'000	2012 RM'000
Plant and equipment		
Contracted but not provided for	-	535

25. Contingent liabilities, unsecured - Company

The Company has given corporate guarantees to certain financial institutions for banking facilities granted to its subsidiaries for a limit of up to RM40.19 million (30.6.2012: RM36.20 million; 1.7.2011: RM42.85 million) of which RM13.82 million (30.6.2012: RM19.52 million; 1.7.2011: RM21.55 million) were utilised at reporting date.

26. Financial instruments

26.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows :

(a) Loans and receivables (L&R); and
(b) Other financial liabilities measured at amortised cost (FL).

	Carrying amount RM	L&R RM
Financial assets		
Group		
30.6.2013		
Trade and other receivables	20,827,666	20,827,666
Cash and cash equivalents	2,588,402	2,588,402
	23,416,068	23,416,068
30.6.2012		
Trade and other receivables	20,659,871	20,659,871
Cash and cash equivalents	4,610,330	4,610,330
	25,270,201	25,270,201
1.7.2011		
Trade and other receivables	16,570,978	16,570,978
Cash and cash equivalents	5,034,318	5,034,318
	21,605,296	21,605,296
Company		
30.6.2013		
Other receivables	23,232,925	23,232,925
Cash and cash equivalents	1,126,184	1,126,184
	24,359,109	24,359,109
30.6.2012		
Other receivables	22,094,614	22,094,614
Cash and cash equivalents	2,285,138	2,285,138
	24,379,752	24,379,752
1.7.2011		
Other receivables	21,175,389	21,175,389
Cash and cash equivalents	3,272,641	3,272,641
	24,448,030	24,448,030

26. Financial instruments (cont'd)

26.1 Categories of financial instruments (cont'd)

	Carrying amount RM	FL RM
Financial liabilities		
Group		
30.6.2013		
Loans and borrowings	16,549,613	16,549,613
Trade and other payables	12,513,812	12,513,812
	29,063,425	29,063,425
30.6.2012		
Loans and borrowings	20,475,946	20,475,946
Trade and other payables	9,773,224	9,773,224
	30,249,170	30,249,170
1.7.2011		
Loans and borrowings	23,905,323	23,905,323
Trade and other payables	10,888,487	10,888,487
	34,793,810	34,793,810
Company		
30.6.2013		
Other payables	188,140	188,140
30.6.2012		
Other payables	188,140	188,140
1.7.2011		
Other payables	188,378	188,378

26. Financial instruments (cont'd)

26.2 Net gains and losses arising from financial instruments

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Net gains/(losses) arising on :				
Loans and receivables	187,858	(210,839)	34,754	56,109
Other financial liabilities measured at amortised cost	(940,057)	(973,376)	-	-
	(752,199)	(1,184,215)	34,754	56,109

26.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

26.4 Credit risk

Credit risk is the risk of a financial loss to the Group 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 its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given.

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.

Exposure to credit risk, credit quality and collateral

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

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 270 days, which are deemed to have higher credit risk, are monitored individually.

26. Financial instruments (cont'd)

26.4 Credit risk (cont'd)

Receivables (cont'd)

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

	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Group			
Domestic	17,676,084	19,134,071	13,743,450
Asia (excluding Malaysia)	2,185,579	324,974	361,761
Australia	326,652	-	-
Middle East	182,896	120,629	1,205,046
Others	36,733	270,167	135,704
	20,407,944	19,849,841	15,445,961

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was :

	Gross RM	Individual impairment RM	Net RM
Group			
30.6.2013			
Not past due	9,749,042	-	9,749,042
Past due 1 - 90 days	5,718,577	-	5,718,577
Past due 91 - 180 days	2,222,434	-	2,222,434
Past due 181 - 270 days	830,259	-	830,259
Past due more than 270 days	3,236,690	(1,349,058)	1,887,632
	21,757,002	(1,349,058)	20,407,944
30.6.2012			
Not past due	8,978,488	-	8,978,488
Past due 1 - 90 days	5,466,967	-	5,466,967
Past due 91 - 180 days	1,180,208	-	1,180,208
Past due 181 - 270 days	2,339,656	-	2,339,656
Past due more than 270 days	3,631,177	(1,746,655)	1,884,522
	21,596,496	(1,746,655)	19,849,841

26. Financial instruments (cont'd)

26.4 Credit risk (cont'd)

Receivables (cont'd)

Impairment losses (cont'd)

	Gross RM	Individual impairment RM	Net RM
1.7.2011			
Not past due	6,741,172	-	6,741,172
Past due 1 - 90 days	3,281,182	-	3,281,182
Past due 91 - 180 days	825,321	(4,121)	821,200
Past due 181 - 270 days	520,118	(103,835)	416,283
Past due more than 270 days	5,740,311	(1,554,187)	4,186,124
	17,108,104	(1,662,143)	15,445,961

The movements in the allowance for impairment losses of trade receivables during the financial year were :

	Group 2013 RM	Group 2012 RM
At 1 July	1,746,655	1,662,143
Impairment loss recognised	152,897	529,293
Impairment loss reversed	(346,498)	(236,181)
Impairment loss written off	(203,996)	(208,600)
At 30 June	1,349,058	1,746,655

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

26. Financial instruments (cont'd)

26.4 Credit risk (cont'd)

Financial guarantees (cont'd)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM13,821,377 (30.6.2012: RM19,519,497; 1.7.2011: RM21,550,310) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

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.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitors the ageing of the advances to the subsidiaries.

26.5 Liquidity risk

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

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its 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.

26. Financial instruments (cont'd)

26.5 Liquidity risk (cont'd)

Maturity analysis

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

	Carrying amount RM	Contractual interest rates %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Non-derivative financial liabilities							
30.6.2013							
Group							
Term loan	1,412,233	4.60	1,424,887	1,424,887	-	-	-
Finance lease liabilities	4,231,560	2.23 - 4.18	4,609,751	1,828,986	1,383,893	1,396,872	-
Off shore credit loans	462,514	1.90	462,514	462,514	-	-	-
Revolving credits	2,000,000	4.72	2,000,000	2,000,000	-	-	-
Bank overdrafts	2,803,739	7.85	2,803,739	2,803,739	-	-	-
Bankers' acceptances	4,941,000	4.25 - 5.62	4,941,000	4,941,000	-	-	-
Foreign currency loans	698,567	1.90 - 2.37	698,567	698,567	-	-	-
Trade and other payables	12,513,812	-	12,513,812	12,513,812	-	-	-
	29,063,425		29,454,270	26,673,505	1,383,893	1,396,872	-
Company							
Other payables	188,140	-	188,140	188,140	-	-	-

26. Financial instruments (cont'd)

26.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM	Contractual interest rates %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Non-derivative financial liabilities							
30.6.2012							
Group							
Term loan	6,072,176	4.60	6,267,324	4,828,620	1,438,704	-	-
Finance lease liabilities	4,118,905	2.23 - 4.18	4,426,351	1,997,279	1,268,559	1,160,513	-
Revolving credits	2,000,000	4.78 - 4.80	2,000,000	2,000,000	-	-	-
Bank overdrafts	2,099,683	7.85	2,099,683	2,099,683	-	-	-
Bankers' acceptances	5,278,000	4.45 - 5.62	5,278,000	5,278,000	-	-	-
Foreign currency loans	907,182	2.31 - 2.70	907,182	907,182	-	-	-
Trade and other payables	9,773,224	-	9,773,224	9,773,224	-	-	-
	30,249,170		30,751,764	26,883,988	2,707,263	1,160,513	-
Company							
Other payables	188,140	-	188,140	188,140	-	-	-

26. Financial instruments (cont'd)

26.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM	Contractual interest rates %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Non-derivative financial liabilities							
1.7.2011							
Group							
Term loan	10,522,085	4.60	11,082,173	4,828,620	4,828,620	1,424,933	-
Finance lease liabilities	4,064,080	2.23 - 4.18	4,381,995	1,934,961	1,317,334	1,129,700	-
Revolving credits	2,000,000	4.65 - 4.70	2,000,000	2,000,000	-	-	-
Bank overdrafts	1,080,920	7.85	1,080,920	1,080,920	-	-	-
Bankers' acceptances	5,436,000	4.40 - 5.87	5,436,000	5,436,000	-	-	-
Foreign currency loans	802,238	2.47 - 2.70	802,238	802,238	-	-	-
Trade and other payables	10,888,487	-	10,888,487	10,888,487	-	-	-
	34,793,810		35,671,813	26,971,226	6,145,954	2,554,633	-
Company							
Other payables	188,378	-	188,378	188,378	-	-	-

26. Financial instruments (cont'd)

26.6 Market risk

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

26.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD), Singapore Dollar (SGD), Japanese Yen (YEN) and New Zealand Dollar (NZD).

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.

Exposure to foreign currency risk

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

		Denominated in	
	YEN	**USD**	**SGD**
	RM	**RM**	**RM**
Group			
30.6.2013			
Foreign currency loans	-	(698,567)	-
Off shore credit loans	-	(462,514)	-
Trade and other receivables	-	1,295,565	-
Cash and cash equivalents	-	256,134	-
Trade and other payables	(195,284)	(4,537,801)	-
Net exposure	(195,284)	(4,147,183)	-
30.6.2012			
Foreign currency loans	-	(907,182)	-
Trade and other receivables	-	726,385	-
Cash and cash equivalents	-	920,167	-
Trade and other payables	-	(2,972,004)	(1,041)
Net exposure	-	(2,232,634)	(1,041)

26. Financial instruments (cont'd)

26.6 Market risk (cont'd)

26.6.1 Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

	Denominated in			
	YEN RM	USD RM	SGD RM	NZD RM
1.7.2011				
Foreign currency loans	-	(802,238)	-	-
Trade and other receivables	-	1,702,512	-	-
Cash and cash equivalents	-	813,777	-	-
Trade and other payables	(8,662)	(3,315,608)	(31,295)	(6,493)
Net exposure	(8,662)	(1,601,557)	(31,295)	(6,493)

Currency risk sensitivity analysis

A 10% strengthening of the Ringgit Malaysia (RM) against the following currencies at the end of the reporting period would have increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2013 RM	2012 RM
Group		
USD	311,039	167,448
SGD	-	78
YEN	14,646	-

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

26.6.2 Interest rate risk

The Group's investments in 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.

26. Financial instruments (cont'd)

26.6 Market risk (cont'd)

26.6.2 Interest rate risk (cont'd)

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 manage their interest rate risk by having a combination of borrowing 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 :

	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Group			
Fixed rate instruments			
Financial assets	1,138,587	2,266,289	3,210,180
Financial liabilities	(12,333,641)	(12,304,087)	(12,302,318)
	(11,195,054)	(10,037,798)	(9,092,138)
Floating rate instruments			
Financial liabilities	(4,215,972)	(8,171,859)	(11,603,005)
Company			
Fixed rate instruments			
Financial assets	1,101,042	2,266,289	3,210,180

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, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

26. Financial instruments (cont'd)

26.6 Market risk (cont'd)

26.6.2 Interest rate risk (cont'd)

(b) *Cash flow sensitivity analysis for floating 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.

	Profit or loss	
	50 bp increase RM	50 bp decrease RM
Group		
2013		
Floating rate instruments	(15,810)	15,810
2012		
Floating rate instruments	(30,644)	30,644

26.7 Fair value of financial instruments

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

The fair values of other financial liabilities, together with the carrying amounts shown in the statements of financial position, are as follows :

	30.6.2013		30.6.2012		1.7.2011	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group						
Financial liabilities						
Finance lease liabilities	4,231,560	4,232,000	4,118,905	4,119,000	4,064,080	4,064,000

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 end of the reporting period. For financial lease liabilities, the market rate of the interest is determined by reference to similar lease arrangements.

27. 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 determine to maintain an optimal debt-to-equity ratio that complied with debt covenants and regulatory requirements.

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

28. Explanation of transition to MFRSs

As stated in Note 1(a), these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2013, the comparative information presented in these financial statements for the financial year ended 30 June 2012 and in the preparation of the opening MFRS statements of financial position at 1 July 2011 (the Group's date of transition to MFRSs).

In preparing the opening consolidated statement of financial position at 1 July 2011, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous FRSs. An explanation of how the transition from previous FRSs to MFRSs has affected the Group's financial position, financial performance and cash flows is set out as follows:

28. Explanation of transition to MFRSs (cont'd)

28.1 Reconciliation of financial position

	Note	1.7.2011 FRSs RM	1.7.2011 Effect of transition to MFRSs RM	1.7.2011 MFRSs RM	30.6.2012 FRSs RM	30.6.2012 Effect of transition to MFRSs RM	30.6.2012 MFRSs RM
Group							
Assets							
Property, plant and equipment		45,978,103	-	45,978,103	43,203,959	-	43,203,959
Investment properties		1,780,110	-	1,780,110	1,467,823	-	1,467,823
Prepaid lease payments	b	7,974,212	(1,196,095)	6,778,117	7,577,156	(1,136,531)	6,440,625
Investment in an associate		1,169,798	-	1,169,798	1,459,645	-	1,459,645
Total non-current assets		56,902,223	(1,196,095)	55,706,128	53,708,583	(1,136,531)	52,572,052
Inventories		36,949,074	-	36,949,074	32,802,270	-	32,802,270
Trade and other receivables		17,002,753	-	17,002,753	21,094,008	-	21,094,008
Current tax assets		230,897	-	230,897	382,896	-	382,896
Cash and cash equivalents		5,034,318	-	5,034,318	4,610,330	-	4,610,330
Total current assets		59,217,042	-	59,217,042	58,889,504	-	58,889,504
Total assets		116,119,265	(1,196,095)	114,923,170	112,598,087	(1,136,531)	111,461,556

28. Explanation of transition to MFRSs (cont'd)

28.1 Reconciliation of financial position (cont'd)

		1.7.2011			30.6.2012		
	Note	FRSs RM	Effect of transition to MFRSs RM	MFRSs RM	FRSs RM	Effect of transition to MFRSs RM	MFRSs RM
Equity							
Share capital		40,000,000	-	40,000,000	40,000,000	-	40,000,000
Reserves	a,b,e	36,062,201	2,060,389	38,122,590	37,380,858	1,655,953	39,036,811
Total equity attributable to owners of the Company		76,062,201	2,060,389	78,122,590	77,380,858	1,655,953	79,036,811
Liabilities							
Loans and borrowings		8,372,364	-	8,372,364	3,721,966	-	3,721,966
Deferred tax liabilities	b,c	5,133,210	(3,256,484)	1,876,726	4,902,249	(2,792,484)	2,109,765
Total non-current liabilities		13,505,574	(3,256,484)	10,249,090	8,624,215	(2,792,484)	5,831,731
Loans and borrowings		15,532,959	-	15,532,959	16,753,980	-	16,753,980
Trade and other payables		10,888,487	-	10,888,487	9,773,224	-	9,773,224
Current tax liabilities		130,044	-	130,044	65,810	-	65,810
Total current liabilities		26,551,490	-	26,551,490	26,593,014	-	26,593,014
Total liabilities		40,057,064	(3,256,484)	36,800,580	35,217,229	(2,792,484)	32,424,745
Total equity and liabilities		116,119,265	(1,196,095)	114,923,170	112,598,087	(1,136,531)	111,461,556

28. Explanation of transition to MFRSs (cont'd)

28.2 Reconciliation of profit or loss and other comprehensive income for the year ended 30 June 2012

	FRSs RM	Effect of transition to MFRSs RM	MFRSs RM
Group			
Continuing operations			
Revenue	62,060,774	-	62,060,774
Cost of sales	(47,168,306)	-	(47,168,306)
Gross profit	14,892,468	-	14,892,468
Other operating income	1,087,262	-	1,087,262
Distribution expenses	(1,144,974)	-	(1,144,974)
Administrative expenses	(11,372,357)	59,564	(11,312,793)
Other operating expenses	(1,300,952)	-	(1,300,952)
Results from operating activities	2,161,447	59,564	2,221,011
Finance income	85,798	-	85,798
Finance costs	(1,087,983)	-	(1,087,983)
Operating profit	1,159,262	59,564	1,218,826
Share of profit of equity accounted associate, net of tax	509,847	-	509,847
Profit before tax	1,669,109	59,564	1,728,673
Income tax expense	(350,452)	(464,000)	(814,452)
Profit for the year representing total comprehensive income for the year	1,318,657	(404,436)	914,221

The FRS figures have been restated arising from the revised depreciation on prepaid lease payment and recognition of unutilised reinvestment allowance.

28.3 Material adjustments to the statements of cash flows for 2011

There are no material differences between the statements of cash flows presented under MFRSs and the statements of cash flows presented under FRSs.

28. Explanation of transition to MFRSs (cont'd)

28.4 Notes to reconciliations

(a) Property, plant and equipment - Deemed cost exemption - previous revalution

Under FRSs, the Group measured its land and buildings at valuation. The last valuation was carried out on 30 June 2011.

Upon transition to MFRSs, the Group elected to apply the exemption to use that previous revaluation as deemed cost under MFRSs. The revaluation reserve of RM6,709,746 at 1 July 2011 and 30 June 2012 was reclassified to retained earnings.

The aggregate fair value of the land and buildings at 30 June 2011 was determined to be RM33,002,000 compared to the then carrying amount of RM25,290,530 under FRSs.

The impact arising from the change is summarised as follows:

	1.7.2011 RM	30.6.2012 RM
Consolidated statement of financial position		
Revaluation reserve	6,709,746	6,709,746
Adjustment to retained earnings	6,709,746	6,709,746

(b) Prepaid lease payments

Under FRSs, the Group measured prepaid lease payments on leasehold land in accordance with the transitional provision in FRS 117, *Leases*. The transitional provision allowed the Group to carry the previously revalued leasehold land at the unamortised revalued amount when the Group first applied FRS 117 in 2006. This transitional provision is not available under MFRS 117.

Upon transition to MFRSs, the revalued prepaid lease payments were restated to its original cost.

The impact arising from the change is summarised as follows:

	30.6.2012 RM
Consolidated statement of profit or loss and other comprehensive income	
Administrative expenses - amortisation	59,564
Adjustment before tax	59,564

28. Explanation of transition to MFRSs (cont'd)

28.4 Notes to reconciliations (cont'd)

(b) Prepaid lease payments (cont'd)

	1.7.2011 RM	30.6.2012 RM
Consolidated statement of financial position		
Prepaid lease payments	(1,196,095)	(1,136,531)
Revaluation reserve	1,493,935	1,493,935
Deferred tax liabilities	373,484	373,484
Adjustment to retained earnings	671,324	730,888

(c) Recognition of unutilised reinvestment allowances

MFRS/IFRS does not have a standard to account for unutilised tax incentives, i.e. the unutilised reinvestment allowances or investment tax allowances. Hence, the Group selected an accounting policy to recognise unutilised tax incentives by applying the analogy of accounting of tax credit. This results in the Group recognising the unutilised reinvestment allowance as deferred tax assets and the impact arising from the change is summarised as follows :

	1.7.2011 RM	30.6.2012 RM
Consolidated statement of financial position		
Retained earnings	2,883,000	2,419,000
Deferred tax liabilities	(2,883,000)	(2,419,000)

(d) Income tax

The changes that affected the deferred tax liabilities are as follows :

	Note	1.7.2011 RM	30.6.2012 RM
Retained earnings	28.4(c)	(2,883,000)	(2,419,000)
Prepaid lease payments	28.4(b)	(373,484)	(373,484)
Decrease in deferred tax liabilities		(3,256,484)	(2,792,484)

28. Explanation of transition to MFRSs (cont'd)

28.4 Notes to reconciliations (cont'd)

(e) Retained earnings

The changes that affected the retained earnings are as follows :

	Note	1.7.2011 RM	30.6.2012 RM
Consolidated statement of financial position			
Property, plant and equipment	28.4(a)	6,709,746	6,709,746
Prepaid lease payments	28.4(b)	671,324	730,888
Deferred tax liabilities	28.4(d)	2,883,000	2,419,000
Adjustment to retained earnings		10,264,070	9,859,634

29. Supplementary information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 30 June, into realised and unrealised profits, pursuant to paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows :

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Total retained earnings of the Company and its subsidiaries :				
- realised	40,176,877	43,498,621	905,794	926,294
- unrealised	5,414,400	4,599,981	-	-
	45,591,277	48,098,602	905,794	926,294
Total share of retained earnings from an associate :				
- realised	1,357,829	1,100,702	-	-
- unrealised	28,091	10,982	-	-
	46,977,197	49,210,286	905,794	926,294
Less : Consolidation adjustments	(11,701,799)	(11,701,799)	-	-
Total retained earnings	35,275,398	37,508,487	905,794	926,294

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 23 to 84 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 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 2013 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 29 on page 85 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

....

Sin Kheng Lee

....

Sin Ching San

Penang,

Date : 23 October 2013

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, **Sin Kheng Lee**, 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 23 to 85 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang on 23 October 2013.

....

Sin Kheng Lee

Before me :

Chan Kam Chee (No. P120)
Pesuruhjaya Sumpah
(Commissioner for Oaths)
Penang

Independent Auditors' Report

To the members of SKB Shutters Corporation Berhad

Report on the Financial Statements

We have audited the financial statements of SKB Shutters Corporation Berhad, which comprise the statements of financial position as at 30 June 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 23 to 84.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts of the subsidiary of which we have not acted as auditors, which is indicated in Note 6 to the financial statements.

Independent Auditors' Report

To the members of SKB Shutters Corporation Berhad (cont'd)

Report on Other Legal and Regulatory Requirements (cont'd)

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 29 on page 85 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not part of the financial statements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

As stated in Note 1(a) to the financial statements, SKB Shutters Corporation Berhad adopted Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") on 1 July 2012 with a transition date of 1 July 2011. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2012 and 1 July 2011, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended 30 June 2012 and related disclosures. We were not engaged to report on the comparative information that is prepared in accordance with MFRS and IFRS, and hence it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the year then ended.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Ooi Kok Seng
2432/05/15 (J)
Chartered Accountant

Date : 23 October 2013

Penang

List of Properties held by the Group

As at 30 June 2013

Nos.	Description/Address	Date Revaluation	Tenure	Area	Existing Use	N.B.V 30.06.13 RM
	LAND					
1	Lot No. 47158 Indahpura Industrial Park Kulai, Johor Bahru	28/6/2011	Freehold	6,102 sq.m.	Vacant	1,084,000
2	Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya	28/6/2011	Leasehold - 30 years expiring 2031	523,524 sq.ft.	Factory	6,103,141
	BUILDING					
1	Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya	28/6/2011	Leasehold - 30 years expiring 2031	336,263 sq.ft.	Factory	29,526,416
2	Corporate Tower Subang Square CT-01-17, Jln SS 15/4G 47500 Subang Jaya, Selangor	28/6/2011	Freehold	810 sq.ft.	Rent	246,548
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	PD Perdana Condo Resort Parcel No.411, Block M Jln PD Perdana, Off Jln Pantai 71050 Sirusa, Port Dickson Negeri Sembilan	28/6/2011	Freehold	746 sq.ft.	Vacant	56,432
5	Kiambang Apartment C-1-12, Jln Putra Perdana 5F Taman Putra Perdana 47100 Puchong, Selangor	28/6/2011	Leasehold - 99 years expiring 2093	790 sq.ft.	Vacant	73,750
6	Sri Hijauan Condominium B1-01, No.1 Jlan Bukit Hijau 26/24 Seksyen 26 40000 Shah Alam, Selangor	28/6/2011	Freehold	95.97 sq.m.	Own Use	201,624
7	Mutiara Perdana Apartment M1, Tingkat 9, Mutiara Perdana Apartment Taman Bukit Mutiara, Kajang	30/4/2013 (Purchases Date)	Freehold	82 s.q.m	Vacant	229,277
	Total					**37,521,188**

Analysis of Shareholdings

As at 31 October 2013

AUTHORISED SHARE CAPITAL	:	RM50,000,000
ISSUED AND FULLY PAID-UP CAPITAL	:	RM40,000,000
CLASS OF SHARE	:	Ordinary shares of RM1 each fully paid
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	4	0.490	200	0.001
100 - 1,000	417	51.103	390,800	0.977
1,001 - 10,000	308	37.745	1,310,400	3.276
10,001 - 100,000	70	8.578	1,785,900	4.465
100,001 - 1,999,999	14	1.716	8,325,496	20.814
2,000,000 - 40,000,000	3	0.368	28,187,204	70.468
Total	816	100.000	40,000,000	100.000

SUBSTANTIAL SHAREHOLDERS AS AT 31 OCTOBER 2013

	Name	*Direct Interest*	*% of shares*	*Indirect Interest*		*% of shares*
1	SKB Glory Sdn. Bhd.	22,847,607	57.12	-		-
2	Sin Kheng Lee	2,010,000	5.03	22,857,607	*	57.14
3	Dato' Moehamad Izat Bin Achmad Habechi Emir	3,339,597	8.35	-		-
4	Chou Lee Sin	10,000	0.03	24,857,607	#	62.14
5	Sin Ching San	10,000	0.03	22,847,607	^	57.12

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

DIRECTORS' SHAREHOLDINGS AS AT 31 OCTOBER 2013

		Direct Interest	*% of shares*	*Indirect Interest*		*% of shares*
	The Company					
1	Sin Kheng Lee	2,010,000	5.03	22,857,607	*	57.14
2	Dato' Moehamad Izat Bin Achmad Habechi Emir	3,339,597	8.35	-		-
3	Chou Lee Sin	10,000	0.03	24,857,607	#	62.14
4	Sin Ching San	10,000	0.03	22,857,607	*	57.14
5	Sin Siew Huey	-	-	-		-
6	Lai Lan Man @ Lai Shuk Mee	15,000	0.04	-		-
7	You Tong Lioung @ Yew Tong Leong	10,000	0.03	-		-
8	Mohd Arif Bin Mastol	-	-	-		-
	Holding Company - SKB Glory Sdn Bhd					
1	Sin Kheng Lee	971,250	64.75	112,500		7.50
2	Sin Ching San	416,250	27.75	-		-
3	Chou Lee Sin	-	-	1,083,750	#	72.25

* Deemed interest via SKB Glory Sdn Bhd and spouse
# Deemed interest via spouse

Note : By virtue of their interest of more than 15% in the Ordinary Shares of the Company, Messrs Sin Kheng Lee and Sin Ching San are also deemed to have interest in the Ordinary Shares of all the subsidiaries to the extent that the Company has an interest.

Analysis of Shareholdings

As at 31 October 2013 (cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 31 OCTOBER 2013

NO	NAME	NO. OF SHARES	% OF SHARES
1	SKB GLORY SDN BHD	22,847,607	57.119
2	MOEHAMAD IZAT BIN ACHMAD HABECHI EMIR	3,339,597	8.349
3	SIN KHENG LEE	2,000,000	5.000
4	ABBAS BIN MEHAD	1,642,065	4.105
5	ABDUL RAHIM BIN ABDUL RAHMAN	1,313,653	3.284
6	LOOI ENG KEONG	1,056,000	2.640
7	MOHD HAFIZ BIN HASHIM	985,239	2.463
8	DAUD BIN DAROS	985,239	2.463
9	OOI SAY TUAN	700,000	1.750
10	INTEGRO HOLDING SDN BHD	407,400	1.019
11	NIELS JOHN MADSEN	291,200	0.728
12	NG FONG WAH	195,100	0.488
13	YONG KIAN SENG @ YOONG TEIN SENG	193,200	0.483
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD	177,400	0.444
	PLEDGED SECURITIES ACCOUNT FOR ONG KOK THYE (E-SPI)		-
15	LIM POH BOON	154,000	0.385
16	GOH AH THIAM	115,000	0.288
17	LEE LAM KEIONG	110,000	0.275
18	TA NOMINEES (ASING) SDN BHD	77,400	0.194
	PLEDGED SECURITIES ACCOUNT FOR CHOU, CHUN-SHENG		-
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	70,000	0.175
	PLEDGED SECURITIES ACCOUNT FOR KHOO SENG KEAT (473844)		-
20	ANG HUAT KEAT	70,000	0.175
21	TAN YEE CHIA	60,000	0.150
22	HDM NOMINEES (TEMPATAN) SDN BHD	59,700	0.149
	PLEDGED SECURITIES ACCOUNT FOR RONNIE LAI TSIN LEE (M08)		-
23	LAW WEI HONG	58,200	0.146
24	SOO SING HUAT	55,000	0.138
25	KANAI SEIICHI	55,000	0.138
26	HO, JEN-CHIH	54,200	0.136
27	YONG THAIN CHAI	50,000	0.125
28	LEE SIEW YEAN @ LEE SEW YEAN	49,900	0.125
29	DZH MANAGEMENT CONSULTANTS SDN BHD	46,000	0.115
30	LIM SEE FOOK	45,000	0.113
	TOTAL:	37,263,100	93.162

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting ("AGM") of the Company will be held at Bayan Room, Lower Level, Hotel Equatorial Penang, 1 Jalan Bukit Jambul, Bayan Lepas, 11900 Penang, on Friday, 20 December 2013 at 2.00 p.m. to transact the following business: -

As Ordinary Business:

1. To receive and adopt the Financial Statements for the year ended 30 June 2013 and the Reports of Directors and Auditors thereon.

2. To re-elect the following directors who retire pursuant to Article 125 of the Company's Articles of Association:-

i)	Mr Sin Kheng Lee	Ordinary Resolution 1
ii)	Mr Sin Ching San	Ordinary Resolution 2
iii)	Ms Chou Lee Sin	Ordinary Resolution 3
iv)	Ms Sin Siew Huey	Ordinary Resolution 4
v)	Ms Lai Lan Man @ Lai Shuk Mee	Ordinary Resolution 5
vi)	Encik Mohd Arif Bin Mastol	Ordinary Resolution 6

3. To re-elect the following directors who retire pursuant to Section 129 of the Companies Act, 1965:-

i)	Dato' Moehamad Izat bin Achmad Habechi Emir	Ordinary Resolution 7
ii)	Mr You Tong Lioung @ Yew Tong Leong	Ordinary Resolution 8

4. To approve the payment of a sum of RM160,000/- as directors' fees in respect of the year ended 30 June 2013. — Ordinary Resolution 9

5. To re-appoint Messrs KPMG as auditors of the Company and to authorise the directors to fix their remuneration. — Ordinary Resolution 10

As Special Business

6. To consider and if thought fit, to pass the following Resolutions:-

a) **Section 132D of the Companies Act, 1965** — Ordinary Resolution 11

"That pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, the directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and that the directors be and 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 and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier."

b) **Retention of Independent Directors**

"That the following Directors be retained as Independent Directors of the Company, in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting.": -

i)	Mr You Tong Lioung @ Yew Tong Leong	Ordinary Resolution 12
ii)	Ms Lai Lan Man @ Lai Shuk Mee	Ordinary Resolution 13
iii)	Encik Mohd Arif Bin Mastol	Ordinary Resolution 14

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

By Order of the Board

Chin Lee Phing (MAICSA 7057836)
Company Secretary

Penang, 28 November 2013

Notes:

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 and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not, apply to 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 shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s seal or under the hand of an officer or attorney duly authorised.

5. To be valid, the proxy form must be deposited at the Company’s Registered Office at 2nd Floor, Wisma Penang Garden, 42 Jalan Sultan Ahmad Shah, 10050 Penang, at least forty eight (48) hours before the time appointed for holding the meeting or any adjournments thereof.

6. 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 Article 75(3)(2) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors (“ROD”) as at 13 December 2013 and only a Depositor whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his/her behalf.

Explanatory Notes on Ordinary Business: -

1. Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders of the Company and hence, Agenda 1 is not put forward for voting.

2. The proposed Ordinary Resolutions 7 and 8 under Agenda 3 is in accordance with Section 129(6) of the Companies Act, 1965 which requires that a separate resolution be passed to re-appoint Dato’ Moehamad Izat bin Achmad Habechi Emir and Mr You Tong Lioung @ Yew Tong Leong who are over 70 years of age as Directors of the Company and to hold office until the conclusion of the next AGM of the Company. These resolutions shall take effect if it is passed by a majority of not less than three-fourth of such shareholders of the Company as being entitled to vote in person or where proxies are allowed, by proxy at the AGM of the Company.

Notice of Annual General Meeting

(cont'd)

Explanatory Notes on Special Business: -

1. The proposed Ordinary Resolution 11 is for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965 to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 19 December 2012 and which will lapse at the conclusion of the Sixteenth Annual General Meeting.

   The 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), working capital and/or acquisitions.

2. The proposed Ordinary Resolutions 12, 13 and 14, if passed, will retain Mr You Tong Lioung @ Yew Tong Leong, Ms Lai Lan Man @ Lai Shuk Mee and Encik Mohd Arif Bin Mastol as Independent Directors of the Company to fulfill the requirements of paragraph 3.04 of Bursa Malaysia Securities Berhad ("Bursa Securities")'s Main Market Listing Requirements ("MMLR") and in line with the recommendation no. 3.2 of the Malaysian Code of Corporate Governance 2012.

   Mr You Tong Lioung @ Yew Tong Leong, Ms Lai Lan Man @ Lai Shuk Mee and Encik Mohd Arif Bin Mastol were appointed as Independent Directors on 10 February 2001. They have served the Company for more than 12 years as at the date of the notice of the 16th AGM. However, they have met the independence guidelines as set out in Chapter 1 of the MMLR of Bursa Securities. The Board, therefore, considers them to be independent and recommends them to remain as Independent Directors.

   The details of the Board's justification and recommendation for the retention of the Independent Directors are set out in the Statement on Corporate Governance in the 2013 annual report.

Statement Accompanying Notice of Annual General Meeting

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

1. No individual is seeking election as a Director at the forthcoming Sixteenth Annual General Meeting of the Company.

Reg. Trademark No. 85/B03843
SKB Shutters Corporation Berhad
(430362-U)

Proxy Form

No. of shares held	CDS account no.

I/We ____
(Full name as per NRIC and NRIC No./Company No. in BLOCK LETTERS)

of ____
(Full address in BLOCK LETTERS and telephone no.)

being a member/members of **SKB Shutters Corporation Berhad**, hereby appoint ______________________________

Proxy 1 ____
(Full name as per NRIC and NRIC No. in BLOCK LETTERS)

Proxy 2 (Optional) ____
(Full name as per NRIC and NRIC No. in BLOCK LETTERS)

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 Sixteenth Annual General Meeting of the Company to be held at Bayan Room, Lower Level, Hotel Equatorial Penang, 1 Jalan Bukit Jambul, Bayan Lepas, 11900 Penang, on Friday, 20 December 2013 at 2.00 p.m. and at any adjournments thereof.

	ORDINARY RESOLUTIONS													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
FOR														
AGAINST														

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

Signed this ______ day of ______________ 2013.

For appointment of two (2) proxies, no. of shares and percentage of shareholdings to be represented by the proxies: -		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

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

Notes:

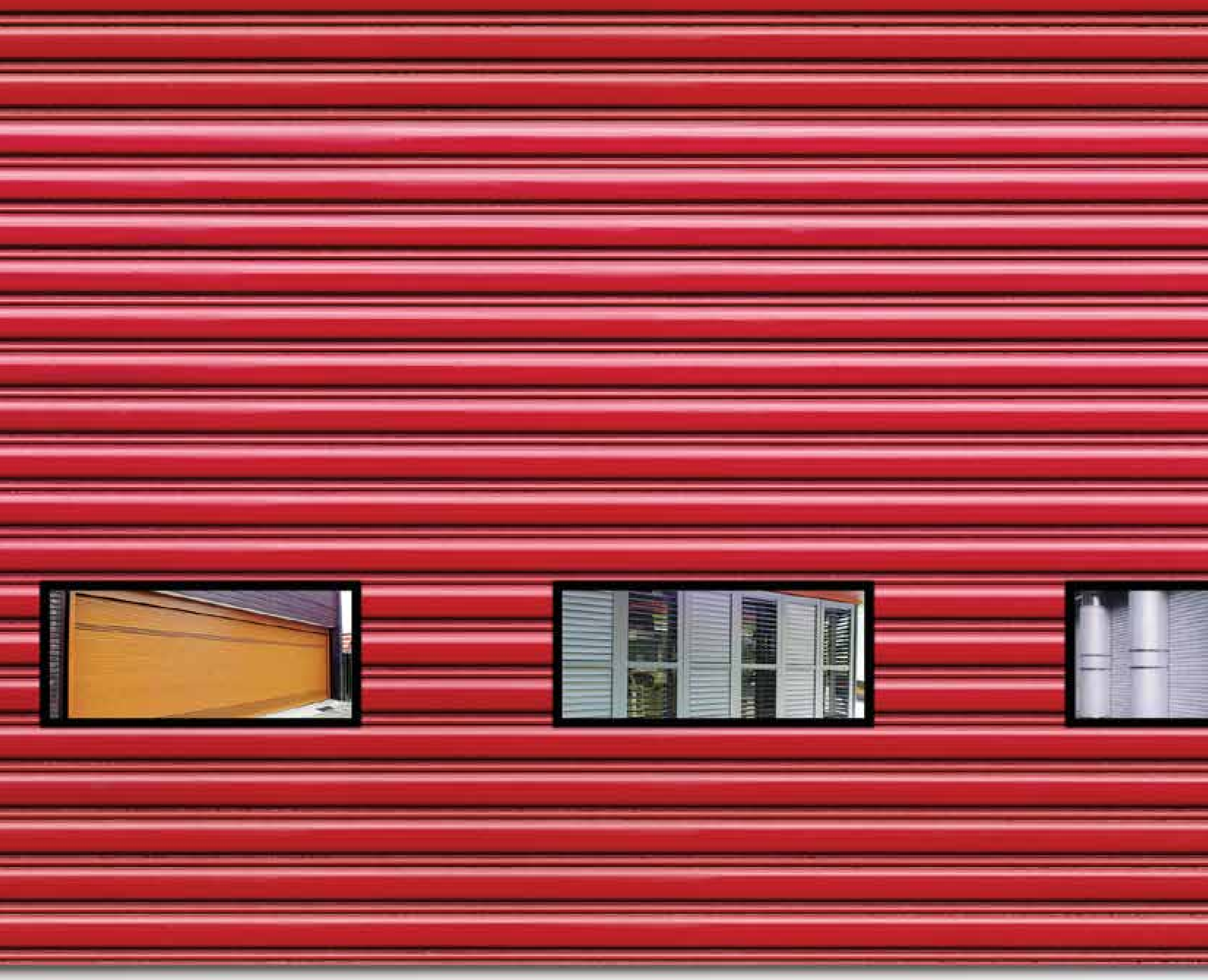
1. A Member may appoint up to two (2) proxies to attend on the same occasion. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not, apply to the Company. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies 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 shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. To be valid, the proxy form must be deposited at the Company's Registered Office at 2nd Floor, Wisma Penang Garden, 42 Jalan Sultan Ahmad Shah, 10050 Penang, at least forty eight (48) hours before the time appointed for holding the meeting or any adjournments thereof.
6. 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 Article 75(3)(2) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 13 December 2013 and only a Depositor whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his/her behalf.

Stamp

To,

The Company Secretary

SKB SHUTTERS CORPORATION BERHAD (430362U)
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah, 10050 Penang



SKB SHUTTERS CORPORATION BERHAD (430362-U)

Registered Office:

Address : 2nd Floor, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah, 10050 Penang
Tel. no. : 04-2266 862
Fax no. : 04-2272 391