



SKB SHUTTERS CORPORATION BERHAD
(430362-U)



**Building
Securities & Safety**

Annual Report 2009

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Proxy Form



CHAIRMAN'S STATEMENT

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 2009.

Financial Results

For the financial year ended 30 June 2009, the Group registered revenue of RM65.04 million as compared to RM62.74 million in the previous financial year, which represents an increase of 3.67%. The increase is mainly contributed by the higher sales generated by its business divisions. The Group recorded a slightly lower pre-tax profit of RM3.60 million in the current financial year as compared to RM4.11 million. The reduction in the pre-tax profit was mainly due to higher administrative costs in the current year and the gain on disposal of assets classified as held for sale in the previous 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 Directors anticipate that the Group will continue to strive to enhance the financial performance by practicing prudent cost management and continue to concentrate on the Group's core activities, which are the manufacturing and dealing of roller shutters, racking and storage system. Furthermore, the management is actively on the lookout for opportunities to expand and diversify its present business. Also, the Group continuously strives to improve the quality on its products and develop new innovative products to increase its market share, revenue and profitability.

Dividend

The Board of Directors is pleased to announce to recommend the payment of a first and final tax exempt dividend of 3 sen per share amounting to RM1.2 million in respect of the financial year ended 30 June 2009. The proposed final dividend is subject to the shareholders' approval in the forthcoming Twelfth Annual General Meeting ("AGM").

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 to the Group. I'm pleased to welcome the appointment of Ms Sin Siew Huey as Executive Director of the Group. Special thank is also extended to the former Board members, Mr Yap Khong and Mr Lee Lam Keong, who had retired from the Board of SKBC at the AGM held in December 2008.

SIN KHENG LEE

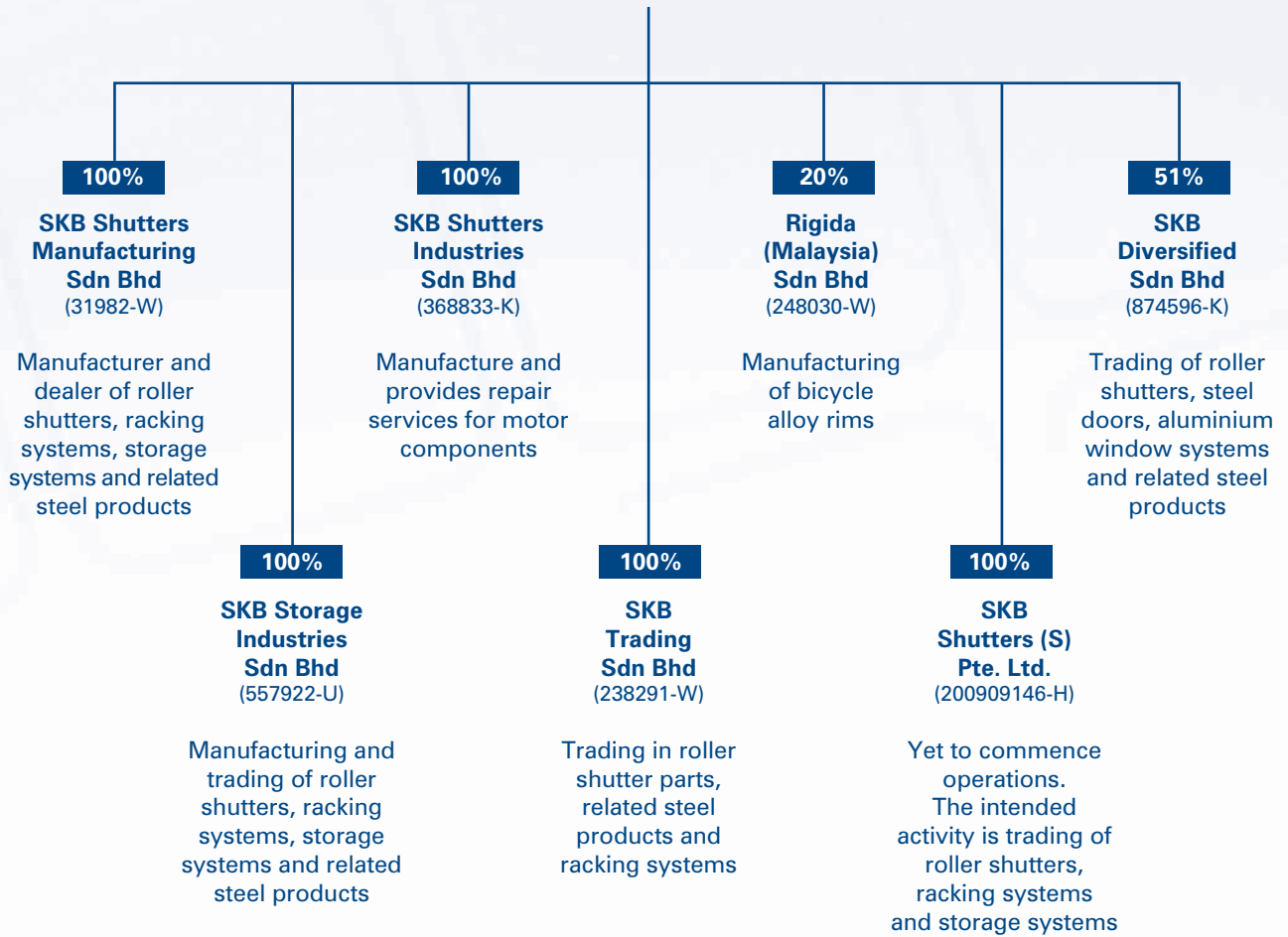
11 September 2009



CORPORATE STRUCTURE



SKB Shutters Corporation Berhad (430362-U)
Investment Holding



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)
- **Sin Siew Huey**
(Executive Director)
- **You Tong Lioung @ Yew Tong Leong**
(Independent Non-Executive Director)
- **Lai Lan Man @ Lai Shuk Mee**
(Independent Non-Executive Director)
- **Mohd Arif bin Mastol**
(Independent Non-Executive Director)

Company Secretary

Lam Voon Kean (MIA 4793)

Registered Office

Suite 2-1, 2nd Floor
Menara Penang Garden
42A, Jalan Sultan Ahmad Shah,
10050 Penang
Tel : (604) 229 4390
Fax : (604) 226 5860

Principal Bankers

Alliance Bank Malaysia Berhad (88103-W)
Malayan Banking Berhad (3813-K)
Ambank (M) Berhad (8515-D)
Bank Perusahaan Kecil &
Serdahana Malaysia Berhad (49572-H)
Public Bank Berhad (6463-H)

Audit Committee

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

Registrar

Agriteum Share Registration Services Sdn Bhd (578473-T)
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang
Tel : (604) 228 2321
Fax : (604) 227 2391

Auditors

KPMG (Firm No. AF 0758)
Chartered Accountants
1st 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
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 52

He 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 71

He 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 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.

1984-1997, he was the Chairman of the Malay Chamber of Commerce, Kuala Lumpur. 1988 – He is the founder cum President of Malay Business and Industrialists Association of Malaysia (PERDASA) since it was established in December 1998.

He acts as Chairman to various organizations, among others IMPSA (M) Sdn. Bhd., Emir Equity Sdn Bhd., Equity Acceptance Sdn Bhd., New Suttrak Sdn. Bhd. and Inno-Pacific Holding Limited.

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.

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. Currently, he is the Chairman of UMNO Setia Budi Branch. 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 41

He 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 other companies, namely, SKB Trading Sdn. Bhd. ("SKBT") and SKB Glory Sdn. Bhd. 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.

CHOU LEE SIN

Executive Director, age 50

She 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 SKBT and is responsible for its finance and administration. She has accumulated over 26 years of experience in the roller shutters and metal based industry. She also sits on the Board of several other private companies.

SIN SIEW HUEY

Executive Director, aged 27

She was appointed to the Board of SKBC 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. She is a member of the CPA Australia.

YOU TONG LIOUNG @ YEW TONG LEONG

Independent Non-Executive Director, aged 73

He was appointed to the Board of SKBC on 10 February 2001. He is also Chairman of the Audit Committee.

Upon graduation from Nanyang University in Singapore with a Bachelor of Commerce degree majoring in Banking, he joined United Malayan Banking Corporation Berhad ("UMBC") which is presently known as RHB Bank Berhad on 16 December 1960 and 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 Berhad (formerly known as French Bank, and now known as Alliance Bank Malaysia Berhad) 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 (Malaysia) Berhad, a leading general insurance company in Malaysia and Asean, as a Senior Manager until now.

He is appointed to the Board of Toyo Ink Group Berhad, listed on the Main Market of Bursa Securities as an Independent Non-Executive Director on 4 August 2003 and he is also a member of its Internal Audit and Remuneration committees.

In addition, he is also a Financial Advisor to LumiGLASS Sdn. Berhad, a subsidiary company of LTKM Berhad. LTKM Berhad is listed on the Main Market of the Bursa Securities.

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

DIRECTORS' PROFILE (CONT'D)

LAI LAN MAN @ LAI SHUK MEE

Independent Non-Executive Director, age 54

She was appointed to the Board of SKBC on 10 February 2001. 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.

MOHD ARIF BIN MASTOL

Independent Non-Executive Director, aged 55

He was appointed to the Board of SKBC on 28 June 2002. 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.

Notes :

All the directors are Malaysian except for Chou Lee Sin who is 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 Siew Huey who is the daughter of Sin Kheng Lee and Chou Lee Sin.
- (iii) Sin Kheng Lee, Sin Ching San and Chou Lee Sin who have interest in SKB Glory Sdn. Bhd., a substantial shareholder of SKBC.

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 Encik Mohd Arif Bin Mastol whose directorship has been shown as above.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors fully appreciates the importance of adopting high standards of corporate governance within the Group. The Board views corporate governance as synonymous with three key concepts, namely transparency, accountability as well as corporate performance.

As such, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is thus fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in Parts 1 and 2 of the Malaysian Code on Corporate Governance Revised 2007 ("the Revised Code") respectively.

The Board is pleased to provide the following statements, which outline the main corporate governance practices that were in place throughout the financial year, unless otherwise stated.

Principles statement

The following statement sets out how the Company has applied the principles in Part 1 of the Revised Code. The principles are dealt with under the following headings: Board of Directors, Directors' Remuneration, Shareholders and Accountability and Audit.

A Board of Directors

Board responsibilities

The Group acknowledges the pivotal role played by the Board of Directors in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including the strategic direction, establishing goals for the management and monitoring the achievement of these goals. The Board members conduct factory visits periodically to keep themselves abreast of the operations of the Group.

Meetings

The Board meets at least four (4) times a year with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the year ended 30 June 2009, the Board had four (4) meetings, where it deliberated upon mainly the Group's financial results.

Details of the Directors' attendance at the Board Meetings held during financial year ended 30 June 2009 are as follows :-

Directors	Number of Board meetings held during Directors' tenure in office	No. of meetings attended by Directors
Sin Kheng Lee	4	4
Dato' Moehamad Izat bin Achmad Habechi Emir	4	3
Sin Ching San	4	3
Chou Lee Sin	4	4
You Tong Lioung @ Yew Tong Leong	4	4
Lai Lan Man @ Lai Shuk Mee	4	3
Mohd Arif Bin Mastol	4	2
Lee Lam Keiong*	2	0
Yap Khong*	2	2
Sin Siew Huey#	0	0

* Retired on 24 December 2008

Appointed on 15 July 2009

The Board receives documents on matters requiring its consideration prior to and in advance of each meeting. All proceedings from the Board meetings are recorded and the minutes thereof are signed by the Chairman of the meeting.

Board Committees

The Board of Directors delegates certain responsibilities to the Audit Committee in order to enhance business and operational efficiency as well as efficacy. The Audit Committee terms of reference are defined in accordance with the provisions in the Chapter 15 of the Main Market Listing Requirements and the Revised Code. The Chairman of the Audit Committee reports to the Board on key matters deliberated in the Audit Committee and such reports are incorporated in the minutes of the full Board meeting.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

A Board of Directors (Cont'd)

Board Balance

As at the date of this Annual Report, the Board consists of eight (8) members, comprising one (1) Non-Independent Non Executive Director, three (3) Independent Non-Executive Directors and four (4) Executive Directors. The Directors, with their different backgrounds and specialisation, collectively bring with them a wide range of experience and expertise in areas of finance, legal and corporate affairs, marketing and operations. This mix of skill demonstrates the complement of skill sets that add value to the management of the Group. The brief profile of each Director is presented on pages 5 to 7 of this annual report.

The roles of the Chairman and Group Chief Executive Officer are currently combined. The Board is mindful that this combined roles is not consistent with the Revised Code and had balanced the composition of the Board with the presence of non-executive directors constituting half of the composition of the Board with majority of them being independent directors. Essentially, the presence of Independent Non-Executive Directors provides the alignment of interest between the management and the shareholders.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

Supply of information

The Chairman, with the assistance of the Company Secretary, ensures that all Directors have full and timely access to information with Board papers distributed in advance of meetings. Every Director also has access to the advice and services of the Company Secretary. The Board believes that the current Company Secretary is capable of carrying out her duty to ensure the effective functioning of the Board. The Articles of Association specifies that the removal of the secretary is a matter for the Board as a whole.

The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial reports, prior to releasing them to the Bursa Securities.

The Board as a whole determines, whether as a full board or in the individual capacity of the director, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense.

Directors' training

The Board, as a whole, appoints new members who possesses sufficient calibre, knowledge and experience to fulfill the duties of a Director appropriately. At the date of this Annual Report, all Directors except the newly appointed Director, Ms Sin Siew Huey, have completed the Mandatory Accreditation Programme (MAP) conducted by the Bursa Malaysia Training Sdn. Bhd.

Seminars and conferences attended by Directors during the financial year ended 30 June 2009 include the following:

Name of Director	Seminar and Conference Attended
Sin Kheng Lee	<ul style="list-style-type: none"> Managing Top Performance through Key Result Area and Key Performance Indicator ISO 9001:2008 Awareness Training Implementing an Effective Quality Management System
Chou Lee Sin	<ul style="list-style-type: none"> Managing Top Performance through Key Result Area and Key Performance Indicator ISO 9001:2008 Awareness Training Implementing an Effective Quality Management System
Sin Ching San	<ul style="list-style-type: none"> Managing Top Performance through Key Result Area and Key Performance Indicator ISO 9001:2008 Awareness Training Implementing an Effective Quality Management System
You Tong Lioung @ Yew Tong Leong	<ul style="list-style-type: none"> Weathering the Challenges of Economic Slowdown

Due to the timing of the trainings some were unable to attend the training programme arranged by the Company during the financial year.

The Company will continue to arrange further development and training programmes for the Directors in order to update and enhance their skills and knowledge, which are important for carrying out their role effectively as a Director.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Re-election

The Articles of Association provide that all the Directors shall retire from office every year but shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

The Company Secretary will ensure that all information necessary is obtained, as well as all legal and regulatory obligations are met before the appointment of director is made.

B Directors' remuneration

The Company pays its Directors annual fee, which is approved annually by the shareholders.

The Board as a whole determines the remuneration of the Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The remuneration of Directors is structured based on their responsibilities and contribution to the Group. The breakdown of the Directors' remuneration during the financial year is as follows:-

Type of remuneration	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Fees	90	50	140
Salaries	817	-	817
Bonuses	290	-	290
Others	133	-	133
Total	1,330	50	1,380

The remuneration paid or payable to Directors, analysed into bands of RM50,000 for the financial year ended 30 June 2009 are as follows:-

Range of remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	6
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	2	-
RM400,001 to RM450,000	-	-
RM450,001 to RM500,000	-	-
RM500,001 to RM550,000	-	-
RM550,001 to RM600,000	-	-
RM600,001 to RM650,000	1	-

C Shareholders

Periodic announcements, the Annual Report, AGM and Extraordinary General Meetings are the principal means of communication with the shareholders. The Board maintains an active dialogue with its shareholders with the intention of giving shareholders as clear and complete a picture of the Company's performance and position as possible where practicable. The Notice of the AGM and related papers to shareholders are circulated at least twenty-one (21) days before the meeting. At the AGM, the shareholders are encouraged to seek clarifications on the proposed resolutions and the Group's operations.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

C Shareholders (Cont'd)

In addition, the Company makes various announcements through the Bursa Securities, in particular the timely release of the quarterly results within two months from the close of a particular quarter. Copies of the full announcement are supplied to the shareholders and members of public upon request. Members of the public can also obtain the full financial results and the Company's announcement from the Bursa Securities's website at <http://www.bursamalaysia.com> or the Company's website at www.skb-shutters.com.

D Accountability and audit

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects. Primarily the financial performance and prospects of the Group are presented in the annual financial statements, quarterly announcement of the results and the Chairman's statement and review of the operations in the annual report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

State of internal controls

The Directors recognize their responsibility on the Group's system of internal control and the need to review its effectiveness regularly in order to safeguard the Group's assets and therefore shareholders' investments in the Group. The Statement on Internal Control providing the state of internal controls of the Group is reported on pages 13 and 14 of the Annual Report.

At this juncture, the Board is of the view that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's interest.

Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference. This term of reference and the summary of the activities of the Audit Committee during the year are set out in the Audit Committee Report on pages 15 to 17 of the Annual Report.

E Other information

Directors' responsibility statements in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable Financial Reporting Standards, the provisions of the Companies Act, 1965 and the Listing Requirements have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates. The Directors are also responsible to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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 SKBC.

Contract relating to loans

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

Non-audit fees

During the year, a total of RM17,535 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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

E Other information (Cont'd)

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.

Compliance With the Best Practices

Save as disclosed below, the Group has substantially complied with the Best Practices of the Code throughout the year:

- (a) A Senior Independent Non-Executive Director was not named in this Annual Report in consideration of the presence of half of the non-executive directors with majority being independent directors in the Board. The Board invites the shareholders to communicate directly to the Chairman of the Board;
- (b) The roles of the Chairman and the Group Chief Executive Officer are combined but it is balanced with the presence of the non-executive and independent directors;
- (c) No formal schedule on matters is specifically reserved to the Board for decision. Instead, it is the practice for the whole Board to deliberate on all significant matters that affect the Group collectively;
- (d) The Board has not developed position descriptions for the Board and the Chief Executive Officer. The Board recognises the importance of identification of the roles and authorisation limits of Management and will consider adopting a Board Charter to delineate the roles and responsibilities of Executive and Non-Executive Directors;
- (e) Nominating and Remuneration Committees have yet to be formed. Currently nomination and remuneration matters related to directors are conducted by the Board. Nonetheless, in the case of the directors' remuneration, no directors shall take part in the decision of their own remuneration; and
- (f) In the absence of formal directors' appraisal the Board has considered the composition, experience and skill sets of its members and view that its current composition is sufficient and optimum in addressing the issues affecting the Group.

CORPORATE SOCIAL RESPONSIBILITY

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 contributions to the social welfare and community development.

During the year, the Group has made contributions to various courses to the society. These include donations to the Persatuan Penganut Buddha Dharma, SJK (C) Choong Wen, Home of the Angel, Sekolah Menengah Chong Hwa, Lovely Nursing Home and SJK (C) Chen Moh.

STATEMENT ON INTERNAL CONTROL

Introduction

Paragraph 15.27(b) of the Listing Requirements of Bursa Securities requires the Board of Directors of public listed companies to include in its annual report a "statement about the state of internal control of the listed issuer as a group". The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement which outlines the nature and scope of internal control of the Group during the year. The Board has not considered the associated company for the purpose of this statement as the Directors are of the view that the associate is insignificant to the Group.

Board Responsibility

The Board acknowledges its responsibility for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity.

The Board recognises the need to have a formal on going process for identifying, evaluating and managing the significant risks faced by the Group. The Board also recognizes that a good control system will assist the achievement of corporate objectives. However, in view of the limitations inherent in any system of internal control, the system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

In its effort to ensure the adequacy and integrity of the system of internal control of the Group, the Board had implemented relevant procedures and processes to obtain a certain degree of assurance as to the operation and validity of the system of internal control in the Group.

Control Procedures

The Board has considered the need for an internal audit function and a formal risk management framework. The Audit Committee has outsourced an independent consulting firm to carry out the internal audit function.

To ensure that the Group has a system of internal control, the Board has put in place the following processes throughout the financial year ended 30 June 2009.

i) Meetings

Meetings are held at respective business unit levels to identify and resolve business and operational issues. During such meetings, financial statistics and operation issues are presented and discussed openly by all present. The meeting serves as an excellent platform whereby the Group's goals and objectives are communicated and potential risk areas are identified, evaluated and duly managed.

Issues discussed during the meeting, amongst others, include :-

- sales statistics and comments by various business units;
- status on debtors' collection with emphasis on potential bad debts;
- production output and status on outstanding sales orders;
- inventory levels;
- material quality issues;
- quality complaints from customers;
- status on new project implementation;
- marketing plan;
- research and development activities; and
- matters relating to operating systems

STATEMENT ON INTERNAL CONTROL (CONT'D)

Control Procedures (Cont'd)

i) Organizational Structure

The Group operates within an organizational structure that lays down defined delegation of responsibility and authority.

ii) Operating Environment

The Executive Directors are actively involved in day to day operation of the Group. The performance of the Group is constantly evaluated and monitored through their regular attendance at meetings held at various levels. Processes and controls of the Group's operations are closely monitored by the Executive Directors.

Significant changes in the business and external environment which affects the operations of the Group at large are discussed during Board meetings. The Group Financial Controller provides the Board with quarterly financial information, including pertinent explanations on the performance of the Group.

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The Management continues to review and implement measures to strengthen the control environment of the Group.

This statement is issued in accordance with a resolution of the Directors dated 11 September 2009.

AUDIT COMMITTEE REPORT

1. Formation

The Audit Committee was established on 12 February 2001.

2. Membership

The members of the Committee during the financial year ended 30 June 2009 are as follows :-

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

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

- The Committee must be composed of no fewer than three (3) members with a majority being independent Directors;
- At least one member of the Committee must be a member of the Malaysian Institute of Accountants (MIA);
- If the member is not a member of the MIA, the member must have at least 3 years' working experience and;
 - have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accounts Act 1967.

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 present.

3. 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.

4. Attendance at Meetings

The committee met on four(4) occasions during the financial year ended 30 June 2009. The agenda, together with working papers, was circulated at least one week prior to each meeting to the members of the Committee. Details of the attendance of members during the financial year are as follows: -

Members	Number of meetings held during members' tenure in office	No. of meetings attended by members
You Tong Lioung @ Yew Tong Leong	4	4
Lai Lan Man @ Lai Shuk Mee	4	3
Mohd. Arif Bin Mastol	4	2

AUDIT COMMITTEE REPORT (CONT'D)

4. Attendance at Meetings (Cont'd)

The Assistant Accountant, other Board members 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. However, the Committee shall be able to convene meetings with the external auditors without Executive Board members and employees of the Company whenever deemed necessary.

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

5. 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.

6. Terms of Reference

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.

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.

AUDIT COMMITTEE REPORT (CONT'D)

6. Terms of Reference (Cont'd)

- 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.

In performing its function, the Committee :

- (i) has had full access to and cooperation by the management and has full discretion to invite any Director and Executive Director to attend its meeting;
- (ii) has been given reasonable resources to enable it to discharge its functions properly;
- (iii) communicates directly or convene meetings with external auditors, at least once a year without the presence of executive board members; and
- (iv) is authorised to obtain professional advice at the cost of the Company.

7. Activities

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

- Reviewed and recommended the unaudited quarterly and annual audited consolidated results of the Group to the Board of Directors for approval prior to release to the Bursa Securities;
- Reviewed the audit plan of the external auditors;
- Reviewed the external auditors' report and their audit findings;
- Reviewed related party transactions and conflict of interest that may arise within the Company or the Group; and
- Considered the appointment of the internal auditors.

8. Internal Audit Function

At the issuance of this report, the Audit Committee has outsourced an independent consulting firm to carry out the internal audit function.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2009

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 June 2009.

Principal activities

The Company is an investment holding company.

The principal activities of its subsidiaries are set out in Note 4 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
Profit attributable to shareholders of the Company	<u>2,508,533</u>	<u>965,768</u>

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company paid a first and final dividend of 3% per ordinary share less 25% tax totalling RM900,000 in respect of the financial year ended 30 June 2008 on 12 March 2009.

A first and final tax exempt dividend of 3% per ordinary share totalling RM1,200,000 in respect of the financial year ended 30 June 2009 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

Directors of the Company

Directors who served since the date of the last report are :

Sin Kheng Lee - Chairman and Managing Director
 Sin Ching San
 Dato' Moehamad Izat bin Achmad Habechi Emir
 Chou Lee Sin
 Lai Lan Man @ Lai Shuk Mee
 You Tong Lioung @ Yew Tong Leong
 Mohd. Arif Bin Mastol
 Sin Siew Huey (Appointed on 15.7.2009)
 Lee Lam Keiong (Resigned on 24.12.2008)
 Yap Khong (Resigned on 24.12.2008)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2009 (CONT'D)

Directors' interests

The direct 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 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 30.6.2009
	Balance at 1.7.2008	Bought	(Sold)	
Direct interest				
<u>The Company</u>				
Sin Kheng Lee	10,000	1,300,000	-	1,310,000
Sin Ching San - own	10,000	-	-	10,000
- others *	10,000	-	-	10,000
Dato' Moehamad Izat bin Achmad Habechi Emir	3,284,597	-	-	3,284,597
Chou Lee Sin	10,000	-	-	10,000
Lai Lan Man @ Lai Shuk Mee	15,000	-	-	15,000
You Tong Lioung @ Yew Tong Leong	10,000	-	-	10,000
<u>Holding company</u>				
- SKB Glory Sdn. Bhd.				
Sin Kheng Lee	971,249	1	-	971,250
Sin Ching San	416,250	-	-	416,250
Deemed interest				
<u>The Company</u>				
Sin Kheng Lee	22,847,607	-	-	22,847,607
Sin Ching San	22,847,607	-	-	22,847,607
<u>Holding company</u>				
- SKB Glory Sdn. Bhd.				
Sin Kheng Lee	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 of more than 15% in the ordinary shares of the Company, Messrs Sin Kheng Lee and Sin Ching San are also deemed to have interests in the ordinary shares of all the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 30 June 2009 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) 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 Directors have a substantial financial interest.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2009 (CONT'D)

Directors' benefits (Cont'd)

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 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 balance sheets and income 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) all current assets have been stated at the lower of cost and net realisable value.

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 Group's and in the Company's financial statements 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, and
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 June 2009 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2009 (CONT'D)

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 : 11 September 2009

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2009

	Note	2009 RM	2008 RM
Assets			
Property, plant and equipment	3	43,245,998	45,015,395
Investment in an associate	5	1,311,593	936,610
Investment properties	6	1,992,775	2,009,443
Prepaid lease payments	7	8,768,324	9,165,380
Total non-current assets		55,318,690	57,126,828
Inventories	9	27,325,776	33,142,131
Receivables, deposits and prepayments	10	17,884,607	17,312,442
Current tax assets		1,377,974	669,990
Cash and cash equivalents	12	4,706,222	2,589,660
Total current assets		51,294,579	53,714,223
Total assets		106,613,269	110,841,051
Equity			
Share capital	13	40,000,000	40,000,000
Reserves	14	29,905,619	28,297,086
Total equity attributable to shareholders of the Company		69,905,619	68,297,086
Liabilities			
Loans and borrowings	15	13,200,246	17,025,657
Deferred tax liabilities	16	3,505,064	2,820,073
Total non-current liabilities		16,705,310	19,845,730
Payables and accruals	17	7,699,174	8,401,617
Loans and borrowings	15	12,303,166	14,295,852
Current tax liabilities		-	766
Total current liabilities		20,002,340	22,698,235
Total liabilities		36,707,650	42,543,965
Total equity and liabilities		106,613,269	110,841,051

The notes on pages 31 to 60 are an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 RM	2008 RM
Continuing operations			
Revenue	18	65,043,063	62,737,700
Cost of sales		(48,886,106)	(47,549,201)
Gross profit		16,156,957	15,188,499
Distribution costs		(1,586,879)	(1,404,408)
Administration expenses		(9,284,534)	(7,546,348)
Other operating expenses		(1,357,454)	(2,414,727)
Other operating income		823,999	1,965,239
Results from operating activities		4,752,089	5,788,255
Finance costs	21	(1,871,278)	(2,318,253)
Interest income		98,347	225,675
Operating profit	19	2,979,158	3,695,677
Share of profit after tax of an equity accounted associate		622,483	413,120
Profit before tax		3,601,641	4,108,797
Tax expense	22	(1,093,108)	(1,232,243)
Profit for the year		2,508,533	2,876,554
Profit attributable to shareholders of the Company		2,508,533	2,876,554
Dividend per ordinary share (sen) - net	23	3.00	2.25
Basic earnings per ordinary share (sen)	24	6.27	7.19

The notes on pages 31 to 60 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	← Non-distributable →			Distributable		Total equity RM
	Share capital RM	Share premium RM	Revaluation reserve RM	Capital redemption reserve RM	Retained earnings RM	
At 1 July 2007	40,000,000	1,498,324	5,771,738	30,000	18,667,725	65,967,787
Adjustment of deferred tax on disposal of revalued properties (Note 16)	-	-	328,745	-	-	328,745
Reversal of revaluation reserve on disposal of revalued properties	-	-	(3,680,405)	-	3,680,405	-
Profit for the year	-	-	-	-	2,876,554	2,876,554
Dividend (Note 23)	-	-	-	-	(876,000)	(876,000)
At 30 June 2008	40,000,000	1,498,324	2,420,078	30,000	24,348,684	68,297,086
Profit for the year	-	-	-	-	2,508,533	2,508,533
Dividend (Note 23)	-	-	-	-	(900,000)	(900,000)
At 30 June 2009	40,000,000	1,498,324	2,420,078	30,000	25,957,217	69,905,619
	Note 13	←	Note 14	→		

The notes on pages 31 to 60 are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 RM	2008 RM
Cash flows from operating activities			
Profit before tax from continuing operations		3,601,641	4,108,797
Adjustments for :			
Depreciation of property, plant and equipment	3	5,325,831	5,319,356
Depreciation of investment properties	6	16,668	16,932
Amortisation of prepaid lease payments	7	397,056	397,056
Gain on disposal of plant and equipment	19	(12,720)	(124)
Interest income	19	(98,347)	(225,675)
Share of profit after tax of an equity accounted associate		(622,483)	(413,120)
Gain on disposal of assets classified as held for sale		-	(1,370,269)
Interest expense	21	1,871,278	2,318,253
Operating profit before changes in working capital		10,478,924	10,151,206
Changes in working capital :			
Inventories		5,816,355	(7,978,453)
Receivables, deposits and prepayments		(572,165)	(4,441,224)
Payables and accruals		(702,443)	(2,223,080)
Cash generated from/(used in) operations		15,020,671	(4,491,551)
Tax (paid)/refunded		(1,116,867)	274,555
Dividend received from an associate		247,500	162,800
Net cash from/(used in) operating activities		14,151,304	(4,054,196)
Cash flows from investing activities			
Purchase of plant and equipment	A	(1,827,022)	(648,617)
Addition to prepaid lease payments		-	(26,396)
Proceeds from disposal of plant and equipment		13,250	354,920
Proceeds from disposal of assets classified as held for sale		-	18,233,345
Interest received		98,347	225,675
Net cash (used in)/from investing activities		(1,715,425)	18,138,927
Cash flows from financing activities			
Repayment of term loans		(3,910,517)	(3,804,057)
Repayment of finance lease obligations		(1,710,601)	(1,912,184)
Repayment of borrowings, net		(2,155,500)	(2,610,000)
Interest paid		(1,871,278)	(2,318,253)
Dividend paid		(900,000)	(876,000)
Net cash used in financing activities		(10,547,896)	(11,520,494)
Net increase in cash and cash equivalents		1,887,983	2,564,237
Cash and cash equivalents at 1 July		2,209,100	(355,137)
Cash and cash equivalents at 30 June	B	4,097,083	2,209,100

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009 (CONT'D)

Notes

A. Purchase of plant and equipment

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

	Note	2009 RM	2008 RM
Purchase of plant and equipment	3	3,556,964	2,083,443
Less : Acquired through finance lease		(1,729,942)	(1,434,826)
		<u>1,827,022</u>	<u>648,617</u>

B. Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statement comprise the following amounts :

	Note	2009 RM	2008 RM
Short term deposits with licensed banks	12	3,031,065	1,687,933
Cash and bank balances	12	1,675,157	901,727
Bank overdrafts	15	(609,139)	(380,560)
		<u>4,097,083</u>	<u>2,209,100</u>

The notes on pages 31 to 60 are an integral part of these financial statements.

BALANCE SHEET

AT 30 JUNE 2009

	Note	2009 RM	2008 RM
Assets			
Investment in subsidiaries	4	17,814,745	17,814,743
Investment in an associate	5	347,961	347,961
Amount due from a subsidiary	8	24,092,197	23,859,954
Total non-current assets		42,254,903	42,022,658
Receivables, deposits and prepayments	10	901,000	1,201,000
Current tax assets		157,732	124,909
Cash and bank balances	12	120,300	12,777
Total current assets		1,179,032	1,338,686
Total assets		43,433,935	43,361,344
Equity			
Share capital	13	40,000,000	40,000,000
Reserves	14	3,225,745	3,159,977
Total equity		43,225,745	43,159,977
Liability			
Payables and accruals	17	208,190	201,367
Total current liability		208,190	201,367
Total equity and liability		43,433,935	43,361,344

The notes on pages 31 to 60 are an integral part of these financial statements.

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 RM	2008 RM
Continuing operations			
Revenue	18	1,530,000	1,420,000
Administration expenses		(238,555)	(284,577)
Other operating income		24,000	24,000
Profit before tax	19	1,315,445	1,159,423
Tax expense	22	(349,677)	(16,554)
Profit for the year		965,768	1,142,869
Dividend per ordinary share (sen) - net	23	3.00	2.25

The notes on pages 31 to 60 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Share capital RM	Non-distributable Share premium RM	Distributable Retained earnings RM	Total equity RM
At 1 July 2007	40,000,000	1,498,324	1,394,784	42,893,108
Profit for the year	-	-	1,142,869	1,142,869
Dividend (Note 23)	-	-	(876,000)	(876,000)
At 30 June 2008	40,000,000	1,498,324	1,661,653	43,159,977
Profit for the year	-	-	965,768	965,768
Dividend (Note 23)	-	-	(900,000)	(900,000)
At 30 June 2009	40,000,000	1,498,324	1,727,421	43,225,745
	Note 13	←	Note 14	→

The notes on pages 31 to 60 are an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 RM	2008 RM
Cash flows from operating activities			
Profit before tax from continuing operations		1,315,445	1,159,423
Adjustment for :			
Dividend income	19	(1,530,000)	(1,420,000)
Operating loss before changes in working capital		<u>(214,555)</u>	<u>(260,577)</u>
Changes in working capital :			
Receivables, deposits and prepayment		300,000	-
Payables and accruals		6,823	18,105
Cash generated from/(used in) operations		<u>92,268</u>	<u>(242,472)</u>
Tax refunded		-	3,348
Dividend received		1,147,500	1,362,800
Net cash from operating activities		<u>1,239,768</u>	<u>1,123,676</u>
Cash flows from investing activity			
Subscription of shares in a subsidiary		(2)	-
Cash flows from financing activities			
Long term advance to a subsidiary		(232,243)	(288,667)
Dividend paid to shareholders of the Company	23	(900,000)	(876,000)
Net cash used in financing activities		<u>(1,132,243)</u>	<u>(1,164,667)</u>
Net increase/(decrease) in cash and cash equivalents		<u>107,523</u>	<u>(40,991)</u>
Cash and cash equivalents at 1 July		12,777	53,768
Cash and cash equivalents at 30 June		<u>120,300</u>	<u>12,777</u>

Note

Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise cash and bank balances as shown in the balance sheet.

The notes on pages 31 to 60 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

Suite 2-1, 2nd Floor
Menara Penang Garden
42A, 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
Malaysia

The Company is an investment holding company.

The consolidated financial statements as at and for the year ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in an associate.

The principal activities of its subsidiaries are set out in Note 4 to the financial statements.

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

The financial statements were approved by the Board of Directors on 11 September 2009.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS"), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

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

FRS/Interpretations	Effective date
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segments	1 July 2009
FRS 123, Borrowing Costs	1 January 2010

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

FRS/Interpretations	Effective date
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11, FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13, Customer Loyalty Programmes	1 January 2010
IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction	1 January 2010

The Group and the Company plan to apply FRS 8 from the annual period beginning 1 July 2009.

The Group and the Company plan to apply the other FRSs, amendments and interpretations from the annual period beginning 1 July 2010 except for FRS 2, FRS 4, IC Interpretations 11, 13 and 14 which are not applicable to the Group and the Company.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the changes in disclosures and accounting policy arising from the adoption of FRS 8, FRS 123 and IC Interpretation 10, the initial application of the remaining standards, amendments and interpretations is not expected to have any material impact on the financial statements of the Group and of the Company.

FRS 8, Operating Segments

FRS 8 will become effective for financial statements of the Group for the year ending 30 June 2010. FRS 8, which replaces FRS 114₂₀₀₄, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (see note 26). The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than the changes in disclosures.

FRS 123, Borrowing Costs

FRS 123 will become effective for the financial statements of the Group and the Company for the financial year ending 30 June 2011. FRS 123 removes the option to expense borrowing costs and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. On adoption of FRS 123, the Group and the Company will have to change their current accounting policy of expensing borrowing costs in the period in which they are incurred. In accordance with the transitional provisions, the Group and the Company will apply FRS 123 to borrowing costs related to qualifying assets for which the commencement date of capitalisation is on or after 1 July 2010. The change in accounting policy will not have any impact on the financial statements of the Group and the Company before 1 July 2010.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

IC Interpretation 10, Interim Financial Reporting and Impairment

IC Interpretation 10 will become effective for the financial statements of the Group for the financial year ending 30 June 2011. IC Interpretation 10 prohibits the reversal of an impairment loss that has been recognised in an interim period during a financial year in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. In accordance with the transitional provisions, the Group will apply IC Interpretation 10 to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date the Group first applied the measurement criteria of FRS 136, *Impairment of Assets* and FRS 139, *Financial Instruments : Recognition and Measurement* respectively. The adoption of IC Interpretation 10 is not expected to have any significant impact on the financial statements of the Group.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for property, plant and equipment as explained in Note 2(c)(i).

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and 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 estimate is 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.

2. Significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the 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. Subsidiaries are consolidated using the purchase method of accounting except for SKB Shutters Manufacturing Sdn. Bhd. and SKB Trading Sdn. Bhd. which are accounted for using the pooling-of-interests method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

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

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

(ii) Associates

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

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted associates, after adjustments 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 equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil 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 investee.

Investments in associates are stated in the Company's balance sheet at cost less impairment losses.

(iii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the purchase method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Transactions eliminated on consolidation

Intra-group balances 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 investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (Cont'd)

(b) Foreign currency

(i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

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

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments, are translated to RM at exchange rates at the balance sheet date. The income and expenses of operations in functional currencies other than RM, are translated to RM at exchange rates at the dates of the transactions.

(c) Property, plant and equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses.

The Group revalues its buildings every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statements.

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 includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other operating income" or "other operating expenses" respectively in the income statements. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) *Reclassification to investment property*

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is reclassified as investment property.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(iii) Subsequent costs

The cost of replacing part 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 part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced parts is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

(iv) Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part 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. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The straight-line method is used to write off the cost/valuation of the other assets over the term of their estimated useful lives at the following principal annual rates :

Buildings	3.33%
Plant and machinery	10% - 20%
Furniture, fittings, fixtures and equipment	20%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(d) Leased assets

(i) Finance lease

Leases in terms of which the Group and 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.

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.

(ii) Operating lease

Leases, where the Group 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 Group's balance sheet.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments, except for leasehold land classified as investment property.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (Cont'd)

(d) Leased assets (Cont'd)

(ii) Operating lease (Cont'd)

The leasehold land of the Group were revalued in June 2006 and the Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.67A when it first adopted FRS 117, Leases in 2007.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(e) Investments in debt and equity securities

Investments in debt and equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition :

- Investments in non-current equity securities other than investments in subsidiaries and associates are stated at cost less allowance for diminution in value,
- Investments in non-current debt securities are stated at amortised cost using the effective interest method less allowance for diminution in value,
- All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investment in subsidiaries and associate, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements.

All investments in equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

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

(f) Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land (other than leasehold land) held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. The straight-line method is used to write-off the cost of other investment properties over the term of their estimated useful lives at annual rates which ranged from 2% to 5%.

Reclassification to/from investment property

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (Cont'd)

(f) Investment properties (Cont'd)

Reclassification to/from investment property (Cont'd)

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the balance sheet). The difference between the net disposal proceeds and carrying amount is recognised in the income statements in the period of the retirement or disposal.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(h) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(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. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(j) Impairment of assets

The carrying amounts of assets except for inventories and financial assets (other than investment in subsidiaries and associate and assets classified as held for sale) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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. 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 groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (Cont'd)

(j) Impairment of assets (Cont'd)

Impairment losses recognised in prior periods are assessed at each reporting date 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. 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 the income statement in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

(k) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

(l) Employee benefits

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 provision 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.

The Group's contributions to statutory pension funds are charged to the income statements 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.

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 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.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(n) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (Cont'd)

(o) Income recognition

i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, 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.

ii) Services

Revenue from services rendered is recognised in the income statements upon services performed.

iii) Rental income

Rental income from investment properties is recognised in the income statement 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 when the right to receive payment is established.

(p) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred.

(q) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax 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 balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

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

Unutilised reinvestment allowance is treated as tax base of assets and is recognised as a reduction of tax expense as and when they are utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (Cont'd)

(r) Earnings per share

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

(s) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(t) Research and development

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

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. Other development expenditure is recognised in the income statements as an expense as incurred.

3. Property, plant and equipment - Group

Valuation/Cost	At valuation ←		At cost →		Total RM
	Buildings RM	Plant and machinery RM	Furniture, fittings, fixtures and equipment RM	Motor vehicles RM	
At 1 July 2007	31,563,000	31,318,202	7,926,149	2,963,255	73,770,606
Additions	-	114,950	364,374	1,604,119	2,083,443
Disposals	-	-	-	(659,125)	(659,125)
At 30 June 2008/1 July 2008	31,563,000	31,433,152	8,290,523	3,908,249	75,194,924
Additions	-	645,590	1,484,625	1,426,749	3,556,964
Disposals	-	-	(628)	(53,591)	(54,219)
At 30 June 2009	31,563,000	32,078,742	9,774,520	5,281,407	78,697,669
Accumulated depreciation					
At 1 July 2007	1,254,646	18,346,872	4,009,608	1,553,376	25,164,502
Depreciation for the year	1,254,564	2,459,494	995,227	610,071	5,319,356
Disposals	-	-	-	(304,329)	(304,329)
At 30 June 2008/1 July 2008	2,509,210	20,806,366	5,004,835	1,859,118	30,179,529
Depreciation for the year	1,254,492	2,113,379	1,197,446	760,514	5,325,831
Disposals	-	-	(100)	(53,589)	(53,689)
At 30 June 2009	3,763,702	22,919,745	6,202,181	2,566,043	35,451,671

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	At valuation ←		At cost →		Total RM
	Buildings RM	Plant and machinery RM	Furniture, fittings, fixtures and equipment RM	Motor vehicles RM	
Carrying amounts					
At 1 July 2007	30,308,354	12,971,330	3,916,541	1,409,879	48,606,104
At 30 June 2008/1 July 2008	29,053,790	10,626,786	3,285,688	2,049,131	45,015,395
At 30 June 2009	27,799,298	9,158,997	3,572,339	2,715,364	43,245,998

Revaluation

The buildings are shown at Directors' valuation based on professional valuations carried out by a firm of professional valuers on an open market value basis conducted in June 2006. The revaluation was effected on 30 June 2006.

Subsequent additions are shown at cost while deletions are at valuation or cost as appropriate.

Had the buildings been carried at historical cost less accumulated depreciation, the carrying amount of the buildings that would have been included in the financial statements at the end of the financial year is RM25,666,800 (2008 : RM26,826,151).

Assets under finance lease

Included in the carrying amounts of plant and machinery and motor vehicles are amounts of RM2,597,238 (2008 : RM3,297,937) and RM2,692,315 (2008 : RM1,988,195) respectively being assets acquired under finance lease.

Security

Property, plant and equipment with a carrying amount of RM27,625,170 (2008 : RM28,876,110) are charged to banks as securities for term loans granted to a subsidiary (Note 15).

4. Investment in subsidiaries - Company

	2009 RM	2008 RM
Unquoted shares, at cost	<u>17,814,745</u>	<u>17,814,743</u>

Details of subsidiaries are as follows :

Name of company	Effective equity interest		Principal activities
	2009 %	2008 %	
SKB Shutters Manufacturing Sdn. Bhd.	100	100	Manufacturer and dealer of roller shutters, racking systems, storage system and related steel products
SKB Trading Sdn. Bhd.	100	100	Trading in roller shutters parts, related steel products and racking systems

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Investment in subsidiaries - Company (Cont'd)

Name of company	Effective equity interest		Principal activities
	2009 %	2008 %	
SKB Shutters Industries Sdn. Bhd.	100	100	Manufacturing and providing of repair services for motor components
SKB Storage Industries Sdn. Bhd.	100	100	Manufacturing and trading of roller shutters, racking systems, storage system and related steel products
SKB Shutters (S) Pte. Ltd. #	100	-	Yet to commence operations. The intended activity is 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. The unaudited management accounts were consolidated in the Group's financial statements as no audited financial statements were available.

5. Investment in an associate

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted shares, at cost	347,961	347,961	347,961	347,961
Share of post-acquisition reserves	963,632	588,649	-	-
	<u>1,311,593</u>	<u>936,610</u>	<u>347,961</u>	<u>347,961</u>

Summary financial information on associate :

	Country of incorporation	Effective ownership interest	Revenue	Profit for the year	Total assets	Total liabilities
			(100%) RM	(100%) RM	(100%) RM	(100%) RM
2009						
Rigida (Malaysia) Sdn. Bhd.	Malaysia	20%	<u>15,350,488</u>	<u>3,112,415</u>	<u>8,744,670</u>	<u>2,186,703</u>
2008						
Rigida (Malaysia) Sdn. Bhd.	Malaysia	20%	<u>15,064,272</u>	<u>2,065,598</u>	<u>8,311,632</u>	<u>3,628,580</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. Investment properties - Group

	Note	RM
Cost		
At 1 July 2007/30 June 2008		<u>2,585,969</u>
At 1 July 2008/30 June 2009		<u>2,585,969</u>
Accumulated depreciation and impairment losses		
At 1 July 2007		
- Accumulated depreciation		152,227
- Accumulated impairment losses		407,367
		<u>559,594</u>
Depreciation for the year	19	<u>16,932</u>
At 30 June 2008/1 July 2008		
- Accumulated depreciation		169,159
- Accumulated impairment losses		407,367
		<u>576,526</u>
Depreciation for the year	19	<u>16,668</u>
At 30 June 2009		
- Accumulated depreciation		185,827
- Accumulated impairment losses		407,367
		<u>593,194</u>
Carrying amounts		
At 1 July 2007		<u>2,026,375</u>
At 30 June 2008/1 July 2008		<u>2,009,443</u>
At 30 June 2009		<u>1,992,775</u>

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

	2009 RM	2008 RM
Freehold land	1,084,000	1,084,000
Factory building, apartments and shop office	908,775	925,443
	<u>1,992,775</u>	<u>2,009,443</u>

The fair value of the investment properties is estimated at approximately RM2.03 million (2008 : RM2.01 million) based on Directors' valuation using the latest available market information.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. Investment properties - Group (Cont'd)

The following are recognised in the consolidated income statement in respect of investment properties :

	2009 RM	2008 RM
Rental income	60,000	199,700
Direct operating expenses :		
- income generating investment properties	4,985	4,985
- non-income generating investment properties	6,621	6,621
	<u>6,621</u>	<u>6,621</u>

7. Prepaid lease payments - Group

Short term leasehold land, unexpired period of less than 50 years

	Note	RM
Cost		
At 1 July 2007		9,932,000
Addition		26,396
At 30 June 2008/2009		<u>9,958,396</u>
Accumulated amortisation		
At 1 July 2007		395,960
Amortisation for the year	19	397,056
At 30 June 2008/1 July 2008		<u>793,016</u>
Amortisation for the year	19	397,056
At 30 June 2009		<u>1,190,072</u>
Carrying amounts		
At 1 July 2007		<u>9,536,040</u>
At 30 June 2008/1 July 2008		<u>9,165,380</u>
At 30 June 2009		<u>8,768,324</u>

The prepaid lease payments comprising short term leasehold land that was previously shown at Directors' valuation based on a professional valuation carried out by a firm of professional valuers on an open market value basis conducted in June 2006. The revaluation was effected on 30 June 2006. Upon the adoption of FRS 117, Leases, the unamortised revalued amount of the short term leasehold land was retained as the surrogate carrying amount.

The title deed to 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 loans granted to a subsidiary (Note 15).

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 is subject to terms and conditions to be agreed upon between the subsidiary concerned and Perbadanan Kemajuan Negeri Selangor.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Amount due from a subsidiary - Company

The long term amount due from a subsidiary is non-trade in nature, unsecured, interest-free and is not repayable within the next twelve months except to the extent where such repayment will not adversely affect the financial position of the subsidiary.

9. Inventories - Group

	2009 RM	2008 RM
At cost :		
Raw materials	16,346,939	23,564,368
Work-in-progress	1,435,104	1,875,782
Manufactured inventories	9,543,733	7,701,981
	<u>27,325,776</u>	<u>33,142,131</u>

10. Receivables, deposits and prepayments

	Note	Group 2009 RM	2008 RM	Company 2009 RM	2008 RM
Trade					
Trade receivables	10.1	18,613,993	20,082,214	-	-
Less : Allowance for doubtful debts		(1,639,773)	(4,496,155)	-	-
		<u>16,974,220</u>	15,586,059	-	-
Non-trade					
Dividend receivable from a subsidiary		-	-	900,000	1,200,000
Other receivables		246,248	296,676	-	-
Deposits		267,320	394,439	1,000	1,000
Prepayments	10.2	396,819	1,035,268	-	-
		<u>910,387</u>	1,726,383	<u>901,000</u>	1,201,000
		<u>17,884,607</u>	<u>17,312,442</u>	<u>901,000</u>	<u>1,201,000</u>

10.1 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currency of the Group entities comprise RM2,019,040 (2008 : RM2,203,343) that are denominated in US Dollar.

10.2 Prepayments

Included in prepayments is an amount of RM Nil (2008 : RM475,508) being advance payments made to suppliers for the purchase of raw materials.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. Assets classified as held for sale - Group

	2009 RM	2008 RM
At 1 July	-	17,011,000
Disposal	-	(17,011,000)
At 30 June	-	-
Depreciation		
At 1 July	-	147,924
Disposal	-	(147,924)
At 30 June	-	-
Carrying value		
At 30 June	-	-

12. Cash and cash equivalents

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term deposits with licensed banks	3,031,065	1,687,933	-	-
Cash and bank balances	1,675,157	901,727	120,300	12,777
	<u>4,706,222</u>	<u>2,589,660</u>	<u>120,300</u>	<u>12,777</u>

Cash and bank balances of the Group outstanding at year end that are not in the functional currency of the Group entities comprise RM583,239 (2008 : RM17,441) denominated in US Dollar.

13. Share capital - Group/Company

	2009		2008	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares of RM1 each				
Authorised	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Issued and fully paid	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. Reserves

	Note	2009 RM	Group 2008 RM	2009 RM	Company 2008 RM
Distributable					
Retained earnings		25,957,217	24,348,684	1,727,421	1,661,653
Non-distributable					
Share premium		1,498,324	1,498,324	1,498,324	1,498,324
Capital redemption reserve	14.1	30,000	30,000	-	-
Revaluation reserve	14.2	2,420,078	2,420,078	-	-
		3,948,402	3,948,402	1,498,324	1,498,324
		29,905,619	28,297,086	3,225,745	3,159,977

14.1 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.

14.2 Revaluation reserve

Revaluation reserve represents surplus on revaluation of land and buildings.

14.3 Section 108 tax credit

Subject to agreement with the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income account to frank/distribute its entire retained earnings as at 30 June 2009 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from year of assessment 2008. Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution. The Company has not made this election. As such, the Section 108 tax credit as at 30 June 2009 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. Loans and borrowings - Group

	2009 RM	2008 RM
Current :		
Secured		
Term loans	4,241,331	3,879,231
Finance lease obligations	1,117,696	1,545,561
	<u>5,359,027</u>	<u>5,424,792</u>
Unsecured		
Bank overdrafts	609,139	380,560
Bankers' acceptances	4,335,000	4,861,000
Revolving credit	2,000,000	3,629,500
	<u>6,944,139</u>	<u>8,871,060</u>
	<u>12,303,166</u>	<u>14,295,852</u>
Non-current :		
Secured		
Term loans	11,032,902	15,305,519
Finance lease obligations	2,167,344	1,720,138
	<u>13,200,246</u>	<u>17,025,657</u>

	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2009						
Bank overdrafts (RM)		609,139	609,139	-	-	-
Bankers' acceptances (RM)	2010	4,335,000	4,335,000	-	-	-
Revolving credit (RM)	2010	2,000,000	2,000,000	-	-	-
Term loans (RM)	2010 - 2013	15,274,233	4,241,331	3,781,629	7,251,273	-
Finance lease obligations (RM)	2010 - 2014	3,285,040	1,117,696	814,938	1,352,406	-
		<u>25,503,412</u>	<u>12,303,166</u>	<u>4,596,567</u>	<u>8,603,679</u>	<u>-</u>
2008						
Bank overdrafts (RM)		380,560	380,560	-	-	-
Bankers' acceptances (RM)	2009	4,861,000	4,861,000	-	-	-
Revolving credit						
- RM	2009	2,000,000	2,000,000	-	-	-
- US Dollar	2009	1,629,500	1,629,500	-	-	-
Term loans (RM)	2009 - 2013	19,184,750	3,879,231	4,192,271	11,113,248	-
Finance lease obligations (RM)	2009 - 2013	3,265,699	1,545,561	800,909	919,229	-
		<u>31,321,509</u>	<u>14,295,852</u>	<u>4,993,180</u>	<u>12,032,477</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. Loans and borrowings - Group (Cont'd)

Finance lease obligations are payable as follows :

	← 2009 →			← 2008 →		
	Minimum lease payments RM	Interest RM	Principal RM	Minimum lease payments RM	Interest RM	Principal RM
Within 1 year	1,263,569	145,873	1,117,696	1,681,896	136,335	1,545,561
Between 1 and 5 years	2,336,175	168,831	2,167,344	1,827,713	107,575	1,720,138
	<u>3,599,744</u>	<u>314,704</u>	<u>3,285,040</u>	<u>3,509,609</u>	<u>243,910</u>	<u>3,265,699</u>

15.1 Interest rates

Interest on the bank overdrafts is charged at 1.25% (2008 : 1.25% to 2.00%) per annum above the respective banks' base lending rates. The bankers' acceptances and revolving credit bear interest at rates ranging from 2.16% to 4.90% (2008 : 3.61% to 5.60%) and 4.14% to 4.80% (2008 : 4.50% to 5.17%) per annum respectively.

The term loans are subject to variable interest at rates ranging from 1.00% to 1.50% (2008 : 1.00% to 1.50%) per annum above the bankers' base lending rates.

Finance lease obligations are subject to fixed interest rates ranging from 2.23% to 4.18% (2008 : 2.23% to 4.18%) per annum.

15.2 Securities

The secured borrowings are secured by certain property, plant and equipment and prepaid lease payments of the Group (see Note 3 and Note 7 respectively) and are guaranteed by the Company.

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

16. Deferred tax liabilities - Group

	2009 RM	2008 RM
Property, plant and equipment		
- capital allowances	2,756,721	3,072,730
- revaluation surplus	1,006,343	1,006,343
Unabsorbed capital allowances	-	(754,000)
Provisions	(258,000)	(505,000)
	<u>3,505,064</u>	<u>2,820,073</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. Deferred tax liabilities - Group (Cont'd)

Movements in temporary differences during the year are as follows :

	At 1.7.2007 RM	Income statement (Note 22) RM	Revaluation reserve RM	At 30.6.2008 RM	Income statement (Note 22) RM	At 30.6.2009 RM
Property, plant and equipment						
- capital allowance	3,431,000	(358,270)	-	3,072,730	(316,009)	2,756,721
- revaluation surplus	1,335,088	-	(328,745)	1,006,343	-	1,006,343
Unabsorbed capital allowance	(1,902,000)	1,148,000	-	(754,000)	754,000	-
Provisions	(346,000)	(159,000)	-	(505,000)	247,000	(258,000)
	<u>2,518,088</u>	<u>630,730</u>	<u>(328,745)</u>	<u>2,820,073</u>	<u>684,991</u>	<u>3,505,064</u>

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authorities.

The corporate tax rates are at 26% for year of assessment 2008 and 25% for the subsequent year of assessment. Consequently deferred tax assets and liabilities are measured using these tax rates.

17. Payables and accruals

	Note	2009 RM	Group 2008 RM	2009 RM	Company 2008 RM
Trade payables	17.1	4,112,775	6,635,060	-	-
Non-trade					
Holding company	17.2	-	500,000	-	-
Other payables		797,325	669,181	7,088	18,231
Accrued expenses		2,789,074	597,376	201,102	183,136
		<u>3,586,399</u>	<u>1,766,557</u>	<u>208,190</u>	<u>201,367</u>
		<u>7,699,174</u>	<u>8,401,617</u>	<u>208,190</u>	<u>201,367</u>

17.1 Analysis of foreign currency exposure for significant payables

Significant payables outstanding at year end that are not in the functional currency of the Group entities are as follows :

	2009 RM	2008 RM
US Dollar	615,490	490,382
Singapore Dollar	19,290	1,200
Japanese Yen	75,956	5,498
New Zealand Dollar	10,702	-

17.2 Amount due to holding company

The non-trade amount due to holding company was unsecured, interest-free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. Revenue

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Invoiced value of goods sold less discounts and returns	65,043,063	62,737,700	-	-
Gross dividends from:				
- a subsidiary	-	-	1,200,000	1,200,000
- an associate	-	-	330,000	220,000
	<u>65,043,063</u>	<u>62,737,700</u>	<u>1,530,000</u>	<u>1,420,000</u>

19. Operating profit/Profit before tax

Operating profit/Profit before tax is arrived at :

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
After charging :				
Directors' emoluments				
- fees	140,000	150,000	140,000	150,000
- others	913,679	957,113	-	-
Auditors' remuneration				
Audit services	58,500	58,500	15,000	15,000
Non-audit services				
- current year	21,700	24,800	2,000	5,100
- prior year	-	1,800	-	-
Depreciation of property, plant and equipment (Note 3)	5,325,831	5,319,356	-	-
Depreciation of investment properties (Note 6)	16,668	16,932	-	-
Amortisation of prepaid lease payments (Note 7)	397,056	397,056	-	-
Rental of equipment	18,492	14,602	-	-
Research and development expenses	638,478	244,094	-	-
Loss on foreign exchange - realized (net)	32,743	283,828	-	-
Allowance for doubtful debts	12,647	670,035	-	-
Rental of premises	38,900	31,500	-	-
Inventories written off	1,037,135	-	-	-
And crediting :				
Dividend income from				
- subsidiary	-	-	1,200,000	1,200,000
- an associate	-	-	330,000	220,000
Gain on disposal of plant and equipment	12,720	124	-	-
Gain on disposal of assets classified as held for sale	-	1,370,269	-	-
Gain on foreign exchange - unrealised (net)	411,961	97,750	-	-
Bad debts recovered	85,823	85,827	-	-
	<u>85,823</u>	<u>85,827</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. Operating profit/Profit before tax (Cont'd)

- i) The estimated monetary value of benefits receivable by certain Directors otherwise than in cash amounted to RM32,700 (2008 : RM32,700).
- ii) Included in research and development expenses is an amount of RM326,248 (2008 : RM323,734) representing a Director's emoluments.

20. Employee information

	2009 RM	Group 2008 RM
Staff costs (including Executive Directors' remuneration)	<u>8,467,762</u>	<u>7,287,293</u>

Staff costs of the Group include contributions to the Employees' Provident Fund of RM341,244 (2008 : RM354,492).

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors				
- fee	75,000	75,000	75,000	75,000
- remuneration	1,107,003	1,143,471	-	-
Contributions to Employees' Provident Fund	132,924	137,376	-	-
- estimated monetary value of benefits-in-kind	32,700	32,700	-	-
	<u>1,347,627</u>	<u>1,388,547</u>	<u>75,000</u>	<u>75,000</u>

Key management personnel are defined as those personnel of the Group and of the Company having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel includes the Executive Directors of the Group and of the Company.

21. Finance costs - Group

	2009 RM	2008 RM
Interest expense :		
Bank overdrafts	46,816	22,273
Bankers' acceptances	245,318	198,243
Revolving credit	104,365	351,791
Finance lease obligations	195,550	214,767
Term loans	1,279,229	1,531,179
	<u>1,871,278</u>	<u>2,318,253</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Tax expense

Recognised in the income statements

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Tax expense on continuing operations	1,093,108	1,232,243	349,677	16,554
Share of tax of an equity accounted associate	211,948	131,044	-	-
Total tax expense	<u>1,305,056</u>	<u>1,363,287</u>	<u>349,677</u>	<u>16,554</u>

Major components of tax expense include :

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Current tax expense				
Based on results for the year				
- Current year	636,308	570,381	345,734	15,370
- Prior years	(16,243)	162,176	3,943	1,184
Total current tax	<u>620,065</u>	<u>732,557</u>	<u>349,677</u>	<u>16,554</u>
Deferred tax expense				
- Current year	213,722	771,506	-	-
- Prior years	471,269	(140,776)	-	-
Total deferred tax	<u>684,991</u>	<u>630,730</u>	<u>-</u>	<u>-</u>
Total tax expense	<u>1,305,056</u>	<u>1,363,287</u>	<u>349,677</u>	<u>16,554</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Tax expense (Cont'd)

Reconciliation of effective tax expense

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit for the year	2,508,533	2,876,554	965,768	1,142,869
Tax expense on continuing operations	1,093,108	1,232,243	349,677	16,554
Share of tax of an equity accounted associate	211,948	131,044	-	-
Total tax expense	1,305,056	1,363,287	349,677	16,554
Profit excluding tax	3,813,589	4,239,841	1,315,445	1,159,423
Tax calculated using Malaysian tax rate at 25% (2008 : 26%)	953,397	1,102,359	328,861	301,450
Effect of lower tax rate for certain subsidiaries *	-	(75,653)	-	-
Effect of change in tax rate **	-	(67,211)	-	-
Non taxable dividend income	-	-	-	(312,000)
Non-deductible expenses	209,310	507,741	16,873	25,920
Tax incentive	(313,395)	(233,750)	-	-
Other items	718	108,401	-	-
	850,030	1,341,887	345,734	15,370
Under provision in prior years	455,026	21,400	3,943	1,184
Total tax expense	1,305,056	1,363,287	349,677	16,554

* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000. Subsequent to year of assessment 2008, the corporate tax rate is 25%.

** The corporate tax rates are at 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently, deferred tax assets and liabilities are measured using these tax rates.

23. Dividends - Company

	Sen per share (net of tax)	Total amount RM	Date of payment
Dividend paid :			
2009 : Final dividend of 3% per ordinary share less 25% tax for financial year 2008	2.25	900,000	12 March 2009
2008 : Final dividend of 3% per ordinary share less 27% tax for financial year 2007	2.19	876,000	24 January 2008

The proposed first and final tax exempt dividend of 3% per ordinary share in respect of the financial year ended 30 June 2009 has not been accounted for in the financial statements as it is subject to the approval of shareholders at the forthcoming Annual General Meeting. The net dividend per ordinary share as disclosed in the income statements takes into account of the proposed final dividend for the financial year ended 30 June 2009.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. Basic earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit for the year attributable to ordinary shareholders of RM2,508,533 (2008 : RM2,876,554) and on the weighted average number of ordinary shares outstanding during the year of 40,000,000 (2008 : 40,000,000).

25. Related parties - Group/Company

25.1 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 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 or common significant influence. Related parties may be individuals or other entities.

- i) The Group has a controlling related party relationship with its subsidiaries, associate and holding company as disclosed in the financial statements.
- ii) The Group also has a related party relationship with the following :
 - Companies in which Messrs Sin Kheng Lee and Sin Ching San are deemed to have a substantial financial interest :
 - SKB Shutters (Johor) Sdn. Bhd.
 - Sin Kean Boon (KL) Sdn. Bhd.
 - Company in which Messrs Sin Kheng Lee and Chou Lee Sin are deemed to have a substantial financial interest :
 - Lembah Segar Sdn. Bhd.

25.2 Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows :

- i) Transaction with a subsidiary

	Company	
	2009 RM	2008 RM
Dividend income	<u>1,200,000</u>	<u>1,200,000</u>

- ii) Transactions with an associate

	Group/Company	
	2009 RM	2008 RM
Management fee income	24,000	24,000
Dividend income	<u>330,000</u>	<u>220,000</u>

Non-trade balances with related parties are disclosed in Note 17 to the financial statements. All the amounts outstanding are unsecured and are expected to be settled with cash.

25.3 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 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Segment reporting - Group

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-bearing assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group's activities are principally confined to the manufacture and sale of roller shutters, racking systems and related steel products which are principally carried out in Malaysia.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of assets.

	Malaysia RM	Singapore RM	United Arab Emirates RM	Others RM	Consolidated RM
2009					
Revenue from external customers by location of customers	45,019,779	3,948,045	3,688,143	12,387,096	65,043,063
Segment assets by location of assets	103,923,702	-	-	-	103,923,702
Capital expenditure by location of assets					
- Property, plant and equipment	3,556,964	-	-	-	3,556,964
2008					
Revenue from external customers by location of customers	41,546,783	3,843,043	10,038,318	7,309,556	62,737,700
Segment assets by location of assets	109,234,451	-	-	-	109,234,451
Capital expenditure by location of assets					
- Property, plant and equipment	2,083,443	-	-	-	2,083,443
- Prepaid lease payments	26,396	-	-	-	26,396

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. Capital commitment - Group

	2009 RM'000	2008 RM'000
Plant and equipment		
Contracted but not provided for	-	436

28. 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 RM73.24 million (2008 : RM53.52 million) of which RM23.30 million (2008 : RM30.34 million) was utilised at balance sheet date.

29. Financial instruments

Financial risk management objectives and policies

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's business whilst managing its credit, foreign currency and interest rate risks. The Group's and the Company's policy is not to engage in speculative transactions.

Credit risk

The Group's and the Company's credit risk are monitored on an ongoing basis.

At balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial asset presented in the balance sheets.

Foreign currency risk

The Group incurs foreign currency risk on sales and purchases that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily the US Dollar, Singapore Dollar and Japanese Yen.

The Group ensures that its net exposure to foreign currency risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

Interest rate risk

The Group's interest rate risk relates to interest-bearing borrowings as disclosed in Note 15 to the financial statements. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio in order to capitalise on cheaper funding during low interest rate environment.

Effective interest rates and repricing analysis

In respect of interest-earning financial asset and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. Financial instruments (Cont'd)

Group	Effective interest rate per annum %	Total RM	Within 1 year RM	1 - 5 years RM	More than 5 years RM
2009					
Financial asset					
Short term deposits with licensed bank	3.06	3,031,065	3,031,065	-	-
Financial liabilities					
Term loans					
- variable rate	7.77	15,274,233	15,274,233	-	-
Bank overdrafts	6.80	609,139	609,139	-	-
Bankers' acceptances	3.17	4,335,000	4,335,000	-	-
Revolving credit	4.64	2,000,000	2,000,000	-	-
Finance lease liabilities	2.98	3,285,040	1,117,696	2,167,344	-
2008					
Financial asset					
Short term deposits with licensed bank	3.25	1,687,933	1,687,933	-	-
Financial liabilities					
Term loans					
- variable rate	7.79	19,184,750	19,184,750	-	-
Bank overdrafts	8.00	380,560	380,560	-	-
Bankers' acceptances	4.43	4,861,000	4,861,000	-	-
Revolving credit	4.87	3,629,500	3,629,500	-	-
Finance lease liabilities	3.08	3,265,699	1,545,561	1,720,138	-

Fair values

Recognised financial instruments

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

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. Financial instruments (Cont'd)

The aggregate fair value of the other financial asset and liability carried in the balance sheet as at 30 June are shown below :

	2009		2008	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Financial liability				
Finance lease liabilities	<u>3,285,040</u>	<u>3,285,000</u>	<u>3,265,699</u>	<u>3,266,000</u>
Company				
Financial asset				
Amount due from a subsidiary	<u>24,092,197</u>	<u>*</u>	<u>23,859,954</u>	<u>*</u>

* It is not practical to estimate the fair value of the amount due from a subsidiary principally due to the lack of fixed repayment terms entered by the parties involved. However, the Directors believe that there is no significant difference between the carrying amount and the fair value of the financial asset.

There were no unrecognised financial instruments at balance sheet date.

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 22 to 60 are drawn up in accordance with 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 at 30 June 2009 and of their financial performance and cash flows for the year then ended.

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

.....
Sin Kheng Lee

.....
Sin Ching San

Penang,

Date : 11 September 2009

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 22 to 60 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 11 September 2009.

.....
Sin Kheng Lee

Before me : **CHEAH BENG SUN**
 DJN, AMN, PKT, PJM, PK (NO. P103)
 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 balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 22 to 60.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 Company's preparation and fair presentation of the financial statements 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 Company'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 have been properly drawn up in accordance with 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 2009 and of their financial performance and cash flows for the year then ended.

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 4 to the financial statements.
- 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SKB SHUTTERS CORPORATION BERHAD (CONT'D)

Other Matters

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
2432/05/11 (J)
Chartered Accountant

Date : 11 September 2009

Penang

LIST OF PROPERTIES HELD BY THE GROUP

AS AT 30 JUNE 2009

Nos.	Description/Address	Date Of Revaluation	Tenure	Area	Existing Use	N.B.V 30.06.09 RM
LAND						
1	Lot No. 47158 Indahpura Industrial Park Kulai, Johor Bahru	28/6/2006	Freehold	6,102 sq.m.	Vacant	1,084,000
2	Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya	28/6/2006	Leasehold - 30 years expiring 2031	523,524 sq.ft.	Factory	8,768,324
BUILDING						
1	Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya	28/6/2006	Leasehold - 30 years expiring 2031	336,263 sq.ft.	Factory	27,625,170
2	Corporate Tower Subang Square CT-01-17, Jln SS 15/4G 47500 Subang Jaya, Selangor	28/6/2006	Freehold	810 sq.ft.	Vacant	267,296
3	Kota Point Shopping Complex, Lot LG-20 Grant No.: 15702, Lot 346 Jalan Lombong Kota Tinggi Johor	28/6/2006	Freehold	28 sq.m.	Vacant	141,180
4	PD Perdana Condo Resort Parcel No.411, Block M Jln PD Perdana, Off Jln Pantai 71050 Sirusa, Port Dickson Negeri Sembilan	28/6/2006	Freehold	746 sq.ft.	Vacant	61,184
5	Endah Ria Condominium Lot S-209, Sapphire Tower No.9, Jalan 3/149E Taman Sri Endah Bandar Baru Seri Petaling 57000 Kuala Lumpur	28/6/2006	Leasehold - 99 years expiring 2083	128.67 sq.m.	Vacant	174,156
6	Kiambang Apartment C-1-12, Jln Putra Perdana 5F Taman Putra Perdana 47100 Puchong, Selangor	28/6/2006	Leasehold - 99 years expiring 2093	790 sq.ft.	Vacant	77,398
7	H.S. (M) 2726, PTD 3345 Tempat Parit Maimon Mukim Simpang Kiri Batu Pahat Johor	28/6/2006	Freehold	1,045 sq.m.	Vacant	187,561
8	Sri Hijauan Condominium B1-01, No.1 Jln Bukit Hijau 26/24 Seksyen 26 40000 Shah Alam, Selangor	28/6/2006	Freehold	95.97 sq.m.	Vacant	174,128
Total						38,560,397

ANALYSIS OF SHAREHOLDINGS

AS AT 12 NOVEMBER 2009

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	Total holdings	% of total holdings
Less than 100	4	0.40	200	0.00
100 - 1,000	550	55.11	522,800	1.31
1,001 - 10,000	355	35.57	1,474,100	3.69
10,001 - 100,000	71	7.11	1,866,700	4.67
100,001 - 1,999,999	16	1.60	10,003,996	25.01
2,000,000 - 40,000,000	2	0.20	26,132,204	65.33
Total	998	100.00	40,000,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 12 NOVEMBER 2009

Name	Direct Interest	% of Issued Capital	Indirect Interest	% of Issued Capital
1 SKB Glory Sdn. Bhd.	22,847,607	57.12	-	-
2 Sin Kheng Lee	1,310,000	3.28	22,857,607*	57.14
3 Dato' Moehamad Izat Bin Achmad Habechi Emir	3,284,597	8.21	-	-
4 Chou Lee Sin	10,000	0.03	24,157,607*	60.39
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 SKB Glory Sdn Bhd

STATEMENT OF DIRECTORS' SHAREHOLDINGS AS AT 12 NOVEMBER 2009

The Company	Direct Interest	%	Indirect Interest	%
1 Sin Kheng Lee	1,310,000	3.28	22,857,607*	57.14
2 Dato' Moehamad Izat Bin Achmad Habechi Emir	3,284,597	8.21	-	-
3 Chou Lee Sin	10,000	0.03	24,157,607*	60.39
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, Chou Lee Sin 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 12 NOVEMBER 2009 (CONT'D)

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 12 NOVEMBER 2009

NO	NAME	NORMAL HOLDINGS	HOLDINGS %
1	SKB GLORY SDN BHD	22,847,607	57.119
2	MOEHAMAD IZAT BIN ACHMAD HABECHI EMIR	3,284,597	8.211
3	MAJU NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNTS FOR ABBAS BIN MEHAD	1,642,065	4.105
4	ABDUL RAHIM BIN ABDUL RAHMAN	1,313,653	3.284
5	SIN KHENG LEE	1,300,000	3.250
6	LOOI ENG KEONG	1,056,000	2.640
7	MOHD HAFIZ BIN HASHIM	985,239	2.463
8	MAJU NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNTS FOR DUAD BIN DAROS	985,239	2.463
9	OOI SAY TUAN	700,000	1.750
10	CHEW HAN MENG	700,000	1.750
11	NIELS JOHN MADSEN	291,200	0.728
12	INTEGRO HOLDING SDN BHD	229,400	0.574
13	YONG KIAN SENG @ YOONG TEIN SENG	193,200	0.483
14	LIM POH BOON	154,000	0.385
15	GOH AH THIAM	115,000	0.288
16	LEE LAM KEIONG	110,000	0.275
17	LEE SIEW YEAN @ LEE SEW YEAN	105,000	0.263
18	LAW WEI HONG	81,300	0.203
19	TA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOU, CHUN-SHENG	77,400	0.194
20	LIM KA KIAN	77,000	0.193
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO SENG KEAT (473844)	70,000	0.175
22	TAN YEE CHIA	60,000	0.150
23	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RONNIE LAI TSIN LEE (M08)	59,700	0.149
24	NG FONG WAH	56,500	0.141
25	SOO SING HUAT	55,000	0.138
26	KANAI SEIICHI	55,000	0.138
27	HO, JEN-CHIH	54,200	0.136
28	YONG THAIN CHAI	50,000	0.125
29	DZH MANAGEMENT CONSULTANTS SDN BHD	46,000	0.115
30	LIM SEE FOOK	45,000	0.113
TOTAL:		36,799,300	92.001

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of the Company will be held at Bayan Room, Lower Level, Hotel Equatorial Penang, 1 Jalan Bukit Jambul, Bayan Lepas, 11900 Penang, on Monday, 21 December 2009 at 2.00 p.m. to transact the following business: -

Ordinary Resolution

- | | | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 1. | To receive and adopt the Financial Statements for the year ended 30 June 2009 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 :- | |
| | Mr Sin Kheng Lee | 1 |
| | Mr Sin Ching San | 2 |
| | Ms Chou Lee Sin | 3 |
| | Ms Sin Siew Huey | 4 |
| | Ms Lai Lan Man @ Lai Shuk Mee | 5 |
| | Encik Mohd Arif Bin Mastol | 6 |
| 3. | To re-elect the following directors who retire pursuant to Section 129 of the Companies Act, 1965: - | |
| | Dato' Moehamad Izat bin Achmad Habechi Emir | 7 |
| | Mr You Tong Lioung @ Yew Tong Leong | 8 |
| 4. | To approve a first and final tax exempt dividend of 3% for the year ended 30 June 2009. | 9 |
| 5. | To approve the payment of a sum of RM140,000/- as directors' fees in respect of the year ended 30 June 2009. | 10 |
| 6. | To re-appoint Messrs KPMG as auditors of the Company and to authorise the directors to fix their remuneration. | 11 |
| As Special Business | | |
| 7. | To consider and if thought fit, to pass the following Ordinary Resolution: | |
| | "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." | 12 |
| 8. | To transact any other business of which due notice shall have been given. | |

By Order of the Board

Lam Voon Kean (MIA 4793)
Company Secretary

Penang, 26 November 2009.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

1. A member may appoint at least one (1) proxy 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 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, 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. 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.
4. To be valid, the proxy form must be deposited at the Company's Registered Office at Suite 2-1, 2nd Floor, Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Penang, at least forty eight (48) hours before the time appointed for holding the meeting or any adjournments thereof.

Explanatory Notes on Special Business: -

5. The proposed Ordinary Resolution 12 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 23 December 2008 and which will lapse at the conclusion of the Twelfth 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.

NOTICE OF DIVIDEND PAYMENT AND BOOK CLOSURE

NOTICE IS ALSO HEREBY GIVEN that a first and final tax exempt dividend of 3% for the financial year ended 30 June 2009, if approved by the shareholders at the Twelfth Annual General Meeting, will be paid on 19 March 2010 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 22 February 2010.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- a. Shares transferred into the depositor's securities account before 4.00 p.m. on 22 February 2010 in respect of ordinary transfers/conversions; and
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGARPH 8.28(2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

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

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SKB SHUTTERS CORPORATION BERHAD (430362U)

PROXY FORM

No. of shares held	CDS account no. of authorized nominee

I/We _____
 (Full name 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 _____
 (Name of Proxy as per NRIC, in BLOCK LETTERS)

Proxy 2 _____
 (Name of Proxy as per NRIC, in BLOCK LETTERS)

or failing him _____ of _____
 as my/our proxy, to vote for me/us and on my/our behalf at the Twelfth 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 Monday, 21 December 2009 at 2.00 p.m. and at any adjournments thereof.

RESOLUTION	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		

(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 _____ 2009.

 Signature of Shareholder

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

NOTES:

1. A member may appoint at least one (1) proxy 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 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, 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. 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.
4. To be valid, the proxy form must be deposited at the Company's Registered Office at Suite 2-1, 2nd Floor, Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Penang, at least forty eight (48) hours before the time appointed for holding the meeting or any adjournments thereof.

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Stamp

To,

The Company Secretary
SKB Shutters Corporation Berhad (430362U)
Suite 2-1, 2nd Floor, Menara Penang Garden
42A, Jalan Sultan Ahmad Shah, 10050 Penang

fold along this line

SKB SHUTTERS CORPORATION BERHAD
(430362-U)

Registered Office:

Suite 2-1, 2nd Floor,
Menara Penang Garden,
42A, Jalan Sultan Ahmad Shah,
10050 Penang.