

**SKP RESOURCES BHD**  
(Company No: 524297-T)  
Incorporated in Malaysia under the Companies Act, 1965

**Notes (In compliance with FRS 134)**

**A1. Accounting policies and methods of computation**

The unaudited interim financial report has been prepared in accordance with FRS 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The interim financial report should be read in conjunction with the Group's annual audited Financial Statements for the year ended 31 March 2007.

The accounting policies and computation method adopted for the interim financial statements are consistent with those adopted for the last annual audited financial statements except for the adoption of the following new Financial Reporting Standards ("FRS") effective for the financial period beginning 1 April 2007 :-

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of FRS 124 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the FRS 117 are discussed below:

**(a) FRS 117 : Leases**

Prior to 1 April 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to classification of leases of land and buildings.

The Group has applied the change in accounting policy with respect to leasehold land in accordance with the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively by restating the balance sheet as at 31 March 2007. There were no effects on the income statement of the Group for the quarter ended 31 December 2007.

**(b) Comparatives**

The following amounts as at 31 March 2007 have been reclassified due to the adoption of FRS 117:

	Previously stated	Reclassification	Restated
	RM'000	RM'000	RM'000
Property, plant and equipment	83,006	(6,364)	76,642
Prepaid land lease payments	-	6,364	6,364

**A2. Qualification of financial statements**

There were no audit qualifications on the annual financial statements for the year ended 31 March 2007.

**A3. Seasonal or cyclical factors**

The business operations of the Group were not affected by any seasonal or cyclical factors.

**A4. Unusual items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter.

**A5. Nature and amount of changes in estimates**

There were no changes in estimates of amounts reported in the current quarter under review.

**A6. Issuance, cancellation, repurchase, resale and repayment of debt and equity securities**

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the current quarter under review. As at 31 December 2007, total shares repurchased were 1,312,800 and all the shares repurchased were held as treasury shares in accordance with Section 67A of the Companies Act, 1965. None of the shares held were resold or cancelled during the current quarter.

**A7. Dividend paid**

Final tax exempt dividend of 5% in respect of the financial year ended 31 March 2007, on 598,687,200 ordinary shares, amounting to a total dividend of RM2,993,436 (0.5 sen per share) was paid on 1 November 2007.

**A8. Segmental reporting for the current year to date****By business segments**

	Investment holding and provision of management services <u>RM'000</u>	Plastic injection moulding & secondary processes <u>RM'000</u>	Letting of property <u>RM'000</u>	Dormant <u>RM'000</u>	Elimination <u>RM'000</u>	Total <u>RM'000</u>
<b>Revenue</b>						
External sales	-	136,569	85	-	-	136,654
Inter-segment sales	563	24,210	800	-	(25,573)	-
Total	<u>563</u>	<u>160,779</u>	<u>885</u>	<u>-</u>	<u>(25,573)</u>	<u>136,654</u>
<b>Results</b>						
Operating profit	126	18,251	407	(14)		18,770
Interest expense						(522)
Interest income						232
Profit before taxation						18,480
Tax expense						(3,282)
Profit after taxation						<u>15,198</u>

**A9. Valuation of property, plant and equipment**

There was no revaluation for property, plant and equipment of the Group.

**A10. Material events subsequent to the end of the current quarter**

There were no material events subsequent to the end of the current quarter.

**A11. Effect of changes in the composition of the Group**

There were no material changes in the composition of the Group for the quarter under review and financial year to-date.

**A12. Changes in contingent liabilities or contingent assets**

As at 27 February 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), the group has no material contingent liabilities or assets, which upon materialisation would have a material impact on the profit or net assets of the group.

**Additional information required by the BMSB Listing Requirements****B1. Review of performance of the Company and its principal subsidiaries**

The group recorded a turnover of RM136.65 million with profit before tax of RM18.48 million for the current financial year to date as compared to RM118.94 million and RM13.24 million in the preceding year corresponding period respectively.

The increase in turnover was primarily attributed to increase of sales of certain products and also the contribution from the newly acquired subsidiary, SPI. In line with the increase in turnover, the profit before tax correspondingly recorded an increase.

**B2. Comparison with preceding quarter's results**

Compared with preceding quarter, the revenue reduced by 16.8% from RM51.74 million to RM 43.05 million. Despite the lower turnover, the profit before tax increased marginally by 0.16% from RM6.01 million to RM6.02 million mainly due to different products mix.

**B3. (a) Current year prospects**

Barring unforeseen circumstances, the Directors is optimistic of achieving satisfactory results for the financial year ending 31 March 2008.

**(b) Status of Profit Estimate, Forecast or Internal Targets**

In the Group's reply to Bursa Malaysia Securities Berhad's query on 27 September 2007, the Group confirmed that it was targeting an internal growth rate of 20% in revenue for the financial year ending 31 March 2008. The growth rate was based on management's expectations and information available by taking into consideration of the previous year's revenue achieved by the Group and on the assumption that current business conditions and operations remain unchanged. In this respect, the Group had achieved approximately 88% of the prorated targeted revenue for the 9 months financial period ended 31 December 2007.

Barring unforeseen circumstances and information available (particularly revenue and growth achieved in 3rd Quarter), the Board of Directors is of the view that the Group's prospect for the financial year ending 31 March 2008 will continue to be encouraging.

**B4. Variance of actual and forecasted profit**

The group has not provided any quarterly profit forecast and therefore no variance information is available for presentation.

**B5. Taxation**

	Individual period		Cummulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	992	520	3,288	1,989
Transfer to/(from) deferred taxation	-	236	(6)	514
Under/(Over) provision of income tax in prior year	-	-	-	(55)
Under/(Over) provision of deferred taxation in prior year	-	(127)	-	(2)
	<u>992</u>	<u>629</u>	<u>3,282</u>	<u>2,446</u>

The effective tax rate of the Group for the current quarter and financial year to-date is lower than the statutory income tax rate due to the utilisation of reinvestment allowances of subsidiaries.

**B6. Profit on sale of unquoted investments and/or properties**

There was no sale of unquoted investments and/or properties during the current quarter under review.

**B7. Purchase or disposal of quoted securities**

(a) There are no purchase or disposal of any quoted securities during the quarter under review.

(b) Total purchase consideration of quoted securities for the current quarter and financial year to date are as follow :-

	Current year quarter	Current year to-date
	31/12/2007	31/12/2007
	<u>RM'000</u>	<u>RM'000</u>
Total purchase consideration	-	10

(c) Investment in quoted securities as at 31 December 2007 are summarised below :-

At cost	1,865
At carrying value / book value	857
At market value	930

**B8. Status of corporate proposal**

There were no corporate proposals announced but not completed as at 27 February 2008.

**B9. Borrowings and debt securities**

The company did not issue any debt securities or long term borrowing during the quarter period.

The Group's borrowings all of which were denominated in Ringgit Malaysia as at 31 December 2007 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings	614	-	614
Short term borrowings	6,243	-	6,243
	<u>6,857</u>	<u>-</u>	<u>6,857</u>

**B10. Off balance sheet financial instruments**

There are no financial instruments with off balance sheet risk as at the date of this report.

**B11. Material litigation**

There are no material litigations as at 27 February 2008.

**B12. Dividend**

The Board of Directors has not recommended any dividend for the current financial year.

**B13. Earnings per share****(a) Basic**

Basic earnings per share is calculated by dividing the net profit for the period by the number of ordinary shares in issue during the period.

	<b>Current year quarter 31/12/2007</b>	<b>Current year to date 31/12/2007</b>
Net profit for the period (RM'000)	5,027	15,198
Number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	0.84	2.53

**(b) Diluted**

There is no diluted earnings per share as the Group does not have any convertible financial instruments as at the current quarter and current year to date.