

**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 2008.

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 2008 :-

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have any significant financial impact on the Group.

**A2. Qualification of financial statements**

There were no audit qualifications on the annual financial statements for the year ended 31 March 2008.

**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 2008, 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**

On 3 September 2008, the Board of Directors announced a Final Tax Exempt Dividend of 0.5 sen per share amounting to RM2,993,436 in respect of the financial year ended 31 March 2008 and the dividend was paid on 3 November 2008.

**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	-	134,181	93	-	-	134,274
Inter-segment sales	584	30,881	735	-	(32,201)	-
Total	<u>584</u>	<u>165,062</u>	<u>828</u>	<u>-</u>	<u>(32,201)</u>	<u>134,274</u>
<b>Results</b>						
Operating profit	<u>5,121</u>	<u>4,473</u>	<u>336</u>	<u>47</u>		<u>9,977</u>
Interest expense						(172)
Interest income						<u>219</u>
Profit before taxation						10,024
Tax expense						(1,880)
Profit after taxation						<u><u>8,144</u></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 26 February 2009 (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 RM134.27 million with profit before tax of RM10.02 million for the current financial year to date as compared to RM136.65 million and RM18.48 million in the preceding year corresponding period respectively.

Profit before tax was lower mainly due to the decline in margin arising from the global economic downturn as well as an impairment on goodwill of RM1.5 million.

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

Compared with preceding quarter, the revenue had decreased by 8.5% from RM48.14 million to RM 44.02 million. Profit before tax decreased by 90.3% from RM5.35 million to RM0.52 million due to lower gross margin and an impairment on goodwill of RM1.5 million during this quarter.

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

The Board expects the Group to remain profitable. However, the operating performance for the remaining quarter is expected to be affected by the challenges and uncertainties arising from the global economic crisis.

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

In the Group's reply to Bursa Malaysia Securities Berhad's query on 29 September 2008, the Group confirmed that it was targeting an internal growth rate of 10% in revenue for the financial year ending 31 March 2009. 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 91% of the prorated targeted revenue for the 9 months financial period ended 31 December 2008.

In view of the current world economic slowdown, the Board of Directors is of the opinion that the internal growth target of 10% in revenue is unlikely to be achieved. Nevertheless, the Board will take all necessary measures to achieve satisfactory results.

**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		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	72	992	1,886	3,288
Transfer to/(from) deferred taxation	(6)	-	(6)	(6)
Under/(Over) provision of income tax in prior year	-	-	-	-
Under/(Over) provision of deferred taxation in prior year	-	-	-	-
	<u>66</u>	<u>992</u>	<u>1,880</u>	<u>3,282</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
	31/12/2008	31/12/2008
	<u>RM'000</u>	<u>RM'000</u>
Total purchase consideration	-	-

(c) Investment in quoted securities as at 31 December 2008 are summarised below :-

At cost	1,850
At carrying value / book value	400
At market value	400

**B8. Status of corporate proposal**

There were no corporate proposals announced but not completed as at 26 February 2009.

**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 2008 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings	82	-	82
Short term borrowings	803	-	803
	<u>885</u>	<u>-</u>	<u>885</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 26 February 2009.

**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 31/12/2008</b>	<b>Current year to date 31/12/2008</b>
Net profit for the period (RM'000)	462	8,144
Number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	0.08	1.36

**(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.