

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 March 2009, 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>
Revenue						
External sales	-	168,619	148	-	-	168,767
Inter-segment sales	683	36,570	993	-	(38,246)	-
Total	<u>683</u>	<u>205,189</u>	<u>1,141</u>	<u>-</u>	<u>(38,246)</u>	<u>168,767</u>
Results						
Operating profit	<u>5,697</u>	<u>(984)</u>	<u>512</u>	<u>73</u>		<u>5,298</u>
Interest expense						(205)
Interest income						<u>255</u>
Profit before taxation						5,348
Tax expense						(2,279)
Profit after taxation						<u><u>3,069</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 May 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 RM168.77 million with profit before tax of RM5.35 million for the current financial year to date as compared to RM178.34 million and RM21.68 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 RM5.398 million.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue had increased by 78.4% from RM44.02 million to RM 78.52 million. However, profit before tax decreased from RM0.53 million in last quarter to a loss before tax of RM4.15 million mainly due to the impairment on goodwill of RM5.398 million and lower gross margin during this quarter. Excluding the impairment on goodwill, the Group would have achieved an operational profit before tax of RM1.25 million.

B3. (a) Prospects for the next financial year

The Board of Directors expects the Group to remain profitable. Despite the current economic slowdown due to global financial crisis, the Board will endeavour to achieve satisfactory results for the financial year ending 31 March 2010.

(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 ended 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 business conditions and operations remain unchanged. However, due to the world economic slowdown, the Group had achieved approximately 81% of the targeted revenue for the year ended 31 March 2009.

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
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	330	239	2,150	2,895
Transfer to/(from) deferred taxation	415	609	409	603
Under/(Over) provision of income tax in prior year	189	(272)	189	(272)
Under/(Over) provision of deferred taxation in prior year	(469)	161	(469)	161
	-	-	-	-
	465	737	2,279	3,387

The effective tax rate of the Group for the current quarter and financial year to-date is higher than the statutory income tax rate due to the impairment on goodwill.

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
	31/03/2009	31/03/2009
	<u>RM'000</u>	<u>RM'000</u>
Total purchase consideration	-	-

(c) Investment in quoted securities as at 31 March 2009 are summarised below :-

At cost	1,850
At carrying value / book value	370
At market value	370

B8. Status of corporate proposal

There were no corporate proposals announced but not completed as at 26 May 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 March 2009 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings	17	-	17
Short term borrowings	558	-	558
	575	-	575

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 March 2009.

B12. Dividend

The Board of Directors has proposed a final tax-exempt dividend for the financial year ended 31 March 2009 of 0.5 sen per share for the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

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.

	Current year quarter 31/03/2009	Current year to date 31/03/2009
Net (loss) / profit for the period (RM'000)	(4,613)	3,069
Number of ordinary shares in issue ('000)	600,000	600,000
Basic (loss) / earnings per share (sen)	(0.77)	0.51

(b) Diluted

N/A

N/A

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.