

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 2009.

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 following new Financial Reporting Standards ("FRS") and interpretation which were issued but not yet effective and have not been applied by the Group and the Company :-

FRS 7 Financial Instruments : Disclosure
FRS 8 Operating Segments
FRS 123 Borrowing Costs
FRS 139 Financial Instruments : Recognition and Measurement
Amendments to FRS 1 : First-time Adoption of Financial Reporting Standards
Amendments to FRS 2 : Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 127 : Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IC Interpretation 9 : Reassessment of Embedded Derivatives
IC Interpretation 10 : Interim Financial Reporting and Impairment
IC Interpretation 11 : FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13 : Customer Loyalty programmes
IC Interpretation 14 : FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The new FRS and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 8.

The Group and the Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

A2. Qualification of financial statements

There were no audit qualifications on the annual financial statements for the year ended 31 March 2009.

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 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 27 August 2009, the Board of Directors has announced a Final Tax Exempt Dividend of 0.5 sen per share amounting to RM2,993,436 in respect of the financial year ending 31 March 2009 and the dividend was paid on 25 November 2009.

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	-	145,373	98	-	-	145,471
Inter-segment sales	562	5,877	701	-	(7,140)	-
Total	<u>562</u>	<u>151,250</u>	<u>799</u>	<u>-</u>	<u>(7,140)</u>	<u>145,471</u>
Results						
Operating profit	417	12,912	222	7		13,558
Interest expense						(57)
Interest income						<u>268</u>
Profit before taxation						13,769
Tax expense						<u>(3,086)</u>
Profit after taxation						<u><u>10,683</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 23 February 2010 (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 RM145.47 million with profit before tax of RM13.77 million for the current financial year to date as compared to RM134.27 million and RM10.02 million in the preceding year corresponding period respectively.

Profit before tax was higher mainly due to different products mix.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue had increased by 19.4% from RM47.08 million to RM56.23 million. Profit before tax increased from RM4.48 million in last quarter to RM5.01 million mainly due to higher sales during this quarter.

B3. (a) Company's Prospects

Barring unforeseen circumstances, the Directors are optimistic on the Group's performance for the remaining quarter ending 31 March 2010.

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

The Group has not provided any profit estimate, forecast or internal targets during the quarter under review.

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
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
Current taxation	1,118	72	3,103	1,886
Transfer to/(from) deferred taxation	-	(6)	(17)	(6)
Under/(Over) provision of income tax in prior year	-	-	-	-
Under/(Over) provision of deferred taxation in prior year	-	-	-	-
	<u>1,118</u>	<u>66</u>	<u>3,086</u>	<u>1,880</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

Particulars of purchase and disposal of quoted securities by the Group are as follows:

(a) Total purchase consideration, sales proceeds and profits results arising there from :

	Current year quarter	Current year to-date
	31/12/2009	31/12/2009
	RM'000	RM'000
Total purchase consideration	100	100
Total sales proceeds	147	286
Gain on disposal	3	70

(b) Investment in quoted securities as at 31 December 2009 are summarised below : -

At cost	1,358
At carrying value / book value	474
At market value	474

B8. Status of corporate proposal

There were no corporate proposals announced but not completed as at 23 February 2010.

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 2009 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings	-	-	-
Short term borrowings	48	-	48
	<u>48</u>	<u>-</u>	<u>48</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 23 February 2010.

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.

	Current year quarter 31/12/2009	Current year to date 31/12/2009
Net profit for the period (RM'000)	3,897	10,683
Number of ordinary shares in issue ('000)	598,687	598,687
Basic earnings per share (sen)	0.65	1.78

(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.