

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 interim financial statements have been prepared under the historical cost convention except for derivatives financial instruments, available for sale investments and investment property which have been stated at fair value.

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 2011.

Changes in Accounting Policies

The significant accounting policies adopted in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2011.

The Group has adopted the following new and revised Financial Reporting Standards ("FRS"), Issues Committee ("IC") Interpretations and amendments to FRSs and IC interpretations which are relevant to the Group's operations with effect from 1 April 2011:-

FRSs, Interpretations and Amendments effective for financial periods beginning on or after 1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

FRSs, Interpretations and Amendments effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Improvements to FRS issued in 2010	
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfer of Assets from Customers
TR i - 4	Shariah Compliant Sale Contracts

The adoption of the above FRSs, Interpretations and Amendments to FRSs, did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

The following revised FRSs, new IC Interpretations and Amendments to FRSs applicable to the Group have been issued and are effective for financial periods commencing on or after 1 July 2011 and 1 January 2012, and have yet to be adopted by the Group.

FRSs, Interpretations and Amendments effective for financial periods beginning on or after 1 July 2011

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

FRSs, Interpretations and Amendments effective for financial periods beginning on or after 1 January 2012

FRS 124	Related Party Disclosures (Revised)
IC Interpretation 15	Agreements for the Construction of Real Estate

The initial application of the above FRSs, Interpretations and Amendments to FRSs is not expected to have any significant 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 2011.

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 30 September 2011, 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

No dividend was paid or declared during the quarter under review.

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	-	169,031	79	-	-	169,110
Inter-segment sales	361	14,630	533	-	(15,524)	-
Total	<u>361</u>	<u>183,661</u>	<u>612</u>	<u>-</u>	<u>(15,524)</u>	<u>169,110</u>
Results						
Operating profit	<u>(40)</u>	<u>18,760</u>	<u>328</u>	<u>44</u>		<u>19,092</u>
Interest expense						-
Interest income						<u>613</u>
Profit before taxation						19,705
Tax expense						(5,275)
Profit after taxation						<u>14,430</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

There were no contingent liabilities for the Group for the current financial period to date.

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 RM169.11 million with profit before tax of RM19.71 million for the current financial year to date as compared to RM109.21 million and RM14.02 million in the preceding year corresponding period respectively.

Profit before tax was higher mainly due to the higher revenue during the period.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue had increased by 85% from RM59.31 million to RM109.80 million. Profit before tax increased from RM7.01 million in last quarter to RM12.70 million mainly due to higher sales during this quarter.

B3. (a) Company's Prospects

The Board of Directors expects the Group to remain profitable. Despite the global economic uncertainty, the Board is optimistic to achieve positive results for the financial year ending 31 March 2012.

(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
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	3,514	2,146	5,075	3,200
Transfer to/(from) deferred taxation	200	100	200	200
Under/(Over) provision of income tax in prior year	-	-	-	-
Under/(Over) provision of deferred taxation in prior year	-	-	-	-
	<u>3,714</u>	<u>2,246</u>	<u>5,275</u>	<u>3,400</u>

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 certain expenses are not deductible for tax purposes.

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
	30/09/2011	30/09/2011
	<u>RM'000</u>	<u>RM'000</u>
Total purchase consideration	-	-
Total sales proceeds	-	630
Gain on disposal	-	53

(b) Investment in quoted securities as at 30 September 2011 are summarised below : -

At cost	-
At carrying value / book value	-
At market value	-

B8. Status of corporate proposal

There were no corporate proposals announced but not completed as at to date.

B9. Borrowings and debt securities

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

There was no group borrowing as at 30 September 2011.

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 the date of this quarterly report.

B12. Dividend

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

B13. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 30 September 2011 into realised and unrealised profits, is as follows :

	As at the end of current quarter 30.09.2011 RM'000	As at the end of financial year 31.03.2011 RM'000
Total retained profits / (accumulated losses) of the Group		
- Realised	169,285	154,202
- Unrealised	(7,371)	(7,025)
	<u>161,914</u>	<u>147,177</u>
Less : Consolidated adjustment	(49,435)	(49,128)
Total retained earnings as per condensed consolidated statement of changes in equity	<u>112,479</u>	<u>98,049</u>

B14. 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 30/09/2011	Current year to date 30/09/2011
Net profit for the period (RM'000)	8,983	14,430
Number of ordinary shares in issue ('000)	598,687	598,687
Basic earnings per share (sen)	1.50	2.41

(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.