

**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 31 March 2012, 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 2 March 2012, the Board of Directors had announced an Interim Tax Exempt Dividend of 1.5 sen per share amounting to RM 8,980,308 in respect of the financial year ended 31 March 2012 and the dividend was paid on 28 March 2012.

**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	-	418,979	118	-	-	419,097
Inter-segment sales	741	36,989	1,067	-	(38,797)	-
Total	<u>741</u>	<u>455,968</u>	<u>1,185</u>	<u>-</u>	<u>(38,797)</u>	<u>419,097</u>
<b>Results</b>						
Operating profit	<u>(463)</u>	<u>48,764</u>	<u>599</u>	<u>77</u>		<u>48,977</u>
Interest expense						(4)
Interest income						<u>1,449</u>
Profit before taxation						50,422
Tax expense						(12,183)
Profit after taxation						<u><u>38,239</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**

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 RM419.09 million with profit before tax of RM50.42 million for the current financial year to date as compared to RM256.99 million and RM26.24 million in the preceding year corresponding period respectively.

Profit before tax was higher mainly due to the higher revenue recorded from existing customers during the period. The increase in revenue was contributed by the strong surge in demand for the plastic injection moulding segment as well as value added services such as assemblies of plastic products and components for the electrical and electronics industry.

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

	<b>Current Quarter</b> <b>31/03/2012</b> <b>RM'000</b>	<b>Preceding Quarter</b> <b>31/12/2011</b> <b>RM'000</b>
Revenue	127,566	122,430
Profit before taxation	15,633	15,081

Compared with preceding quarter, the revenue had increased by 4.2% from RM122.43 million to RM127.56 million. Profit before tax increased marginally from RM15.08 million in last quarter to RM15.63 million mainly due to higher sales during this quarter. The increase in both revenue and profit was mainly due to strong demand for certain manufactured plastic products and components.

### B3. (a) Company's Prospects

The Board of Directors expects the Group to remain profitable. Prospects remain promising and the Board is optimistic and expect orders from existing and new customers to contribute significantly to the Group's performance for the financial year ending 31 March 2013.

### (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

	<b>Individual period</b>		<b>Cummulative period</b>	
	<b>Current</b> <b>year quarter</b>	<b>Preceding year</b> <b>corresponding</b> <b>quarter</b>	<b>Current year to-</b> <b>date</b>	<b>Preceding year</b> <b>corresponding</b> <b>period</b>
	<b>31/03/2012</b> <b>RM'000</b>	<b>31/03/2011</b> <b>RM'000</b>	<b>31/03/2012</b> <b>RM'000</b>	<b>31/03/2011</b> <b>RM'000</b>
Current taxation	4,236	551	12,736	5,165
Transfer to/(from) deferred taxation	(458)	390	(458)	559
Under/(Over) provision of income tax in prior year	(95)	(589)	(95)	(191)
Under/(Over) provision of deferred taxation in prior year	-	-	-	153
	<u>3,683</u>	<u>352</u>	<u>12,183</u>	<u>5,686</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. Status of corporate proposal

On 19 March 2012, it was announced that the Group proposed to implement the following :

- (a) a bonus issue of up to 300,000,000 new ordinary shares of RM0.10 each on the basis of one (1) Bonus Share for every two (2) existing shares at an entitlement date to be determined later; and
- (b) an issuance of up to 180,000,000 free warrants on the basis of one (1) Free Warrant for every five (5) SKP Shares held after the Proposed Bonus Issue.

Bursa Malaysia Securities Berhad has approved the listing application for the Bonus Shares and Free Warrants to be issued as well as the new SKP Shares to be issued arising from the exercise of the Free Warrants, with conditions on 8 May 2012.

On 28 May 2012, an Extraordinary General Meeting ("EGM") for the corporate proposal was held at Cempaka Room, Level 3, Hotel Equatorial Bangi-Putrajaya at 10.30 am for the approval of shareholders. The shareholders of SKP had approved all the resolutions at the EGM.

**B7. 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 31 March 2012.

**B8. Material litigation**

There are no material litigations as at the date of this quarterly report.

**B9. Dividend**

On 29 February 2012, the Board of Directors announced that the Company has adopted a dividend policy where SKP will endeavour to distribute a minimum of 50% of its after tax profits annually to shareholders with effect from the financial year ending 31 March 2012.

The Company will endeavour to maintain the dividend policy subject to amongst others, factors such as the availability of distributable reserves as well as the Company's future cash flow or capital expenditure requirements, investment opportunities, regulatory and statutory restrictions and market conditions.

**B10. Disclosure of realised and unrealised profits**

The breakdown of the retained profits of the Group as at 31 March 2012 into realised and unrealised profits, is as follows :

	<b>As at the end of current quarter 31/03/2012 RM'000</b>	<b>As at the end of financial year 31.03.2011 RM'000</b>
Total retained profits / (accumulated losses) of the Group		
- Realised	177,468	154,202
- Unrealised	<u>(6,713)</u>	<u>(7,025)</u>
	170,755	147,177
Less : Consolidated adjustment	<u>(49,434)</u>	<u>(49,128)</u>
Total retained earnings as per condensed consolidated statement of changes in equity	<u>121,321</u>	<u>98,049</u>

**B11. Notes to the Statement of Comprehensive Income**

Profit before taxation is arrived at after crediting/(charging) the following income/(expenses) :

	<b>Individual period</b>		<b>Cummulative period</b>	
	<b>Current year quarter</b>	<b>Preceding year corresponding quarter</b>	<b>Current year to- date</b>	<b>Preceding year corresponding period</b>
	<b>31/03/2012 RM'000</b>	<b>31/03/2011 RM'000</b>	<b>31/03/2012 RM'000</b>	<b>31/03/2011 RM'000</b>
Interest income	(570)	(108)	(1,449)	(950)
Other income (including investment income)	(1,776)	(1,261)	(5,466)	(2,530)
Interest expense	(2)	-	4	-
Depreciation and amortisation	2,161	2,354	8,887	9,195
Amortisation of intangible assets	-	134	223	535
Property, plant and equipment written off	-	-	-	1,085
Provision for and write-off of receivables	-	-	-	90
Provision for and write-off of inventories	-	-	-	-
Loss/(gain) on disposal of investment securities	-	-	(53)	-
Loss/(gain) on disposal of property, plant and equipment	924	(3)	665	(47)
Impairment of assets	-	-	-	-
Loss/(gain) on foreign exchange	-	-	-	(146)
Loss/(gain) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

**B12. 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 31/03/2012</b>	<b>Current year to date 31/03/2012</b>
Net profit for the period (RM'000)	11,950	38,239
Number of ordinary shares in issue ('000)	598,687	598,687
Basic earnings per share (sen)	2.00	6.39

**(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.