

Condensed consolidated interim financial statements
For the third quarter period ended 31 December 2020

Condensed consolidated statements of comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		31 December 2020 (Unaudited) RM'000	31 December 2019 (Unaudited) RM'000	31 December 2020 (Unaudited) RM'000	31 December 2019 (Unaudited) RM'000
Revenue	7	713,341	551,316	1,838,197	1,400,720
Cost of sales		(630,921)	(490,230)	(1,636,534)	(1,243,765)
Gross profit		82,420	61,086	201,663	156,955
Other operating income		3,125	94	6,334	3,268
Operating expenses		(28,531)	(30,309)	(81,449)	(77,351)
Operating profit		57,014	30,871	126,548	82,872
Interest expense		(13)	(4)	(163)	(10)
Interest income		461	1,565	2,079	4,960
Profit before tax	9	57,462	32,432	128,464	87,822
Income tax expense	10	(13,933)	(7,459)	(30,831)	(20,199)
Profit for the period		43,529	24,973	97,633	67,623
Other comprehensive income		-	-	-	-
Total comprehensive income for the period, net of tax		43,529	24,973	97,633	67,623
Total comprehensive income for the period, net of tax attributable to:					
Owners of the Company		43,529	25,251	97,633	68,648
Non-controlling interests		-	(278)	-	(1,025)
		43,529	24,973	97,633	67,623
Earnings per share attributable to equity holders of the Company (sen per share) :					
-Basic	11	3.48	2.02	7.81	5.49
-Diluted	11	3.48	2.02	7.81	5.49

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

Condensed consolidated interim financial statements

For the third quarter period ended 31 December 2020

Condensed consolidated statements of financial position

	Note	31 December 2020 Unaudited RM'000	31 March 2020 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	254,861	248,492
Right of used assets		27,930	29,916
Investment properties		3,620	3,662
Other investments	15,17	139	139
Other non-current asset		74	74
Deferred tax assets		2,268	2,268
		<u>288,892</u>	<u>284,551</u>
Current assets			
Inventories	13	148,362	164,138
Trade and other receivables		577,913	358,680
Other current asset		21,095	8,743
Other investments	15,17	108,874	126,125
Tax recoverable		-	5,033
Cash and bank balances	14	56,843	55,339
		<u>913,087</u>	<u>718,058</u>
TOTAL ASSETS		<u><u>1,201,979</u></u>	<u><u>1,002,609</u></u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		296,126	296,126
Merger deficit		(95,002)	(95,002)
Treasury share	16	(208)	(208)
Other reserve		(1,388)	(1,388)
Retained earnings		472,693	411,682
Total equity		<u>672,221</u>	<u>611,210</u>
Non-current liabilities			
Borrowing	18	-	69
Lease liabilities		1,984	3,300
Deferred tax liabilities		17,838	17,488
		<u>19,822</u>	<u>20,857</u>
Current liabilities			
Trade and other payables		493,224	363,359
Contract liabilities		8,077	5,257
Borrowing	18	100	106
Lease liabilities		1,704	1,820
		<u>509,936</u>	<u>370,542</u>
Total liabilities		<u>529,758</u>	<u>391,399</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,201,979</u></u>	<u><u>1,002,609</u></u>
Net assets per share (RM)		<u>0.54</u>	<u>0.49</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

**Condensed consolidated interim financial statements
For the third quarter period ended 31 December 2020****Condensed consolidated statements of changes in equity**

	ATTRIBUTABLE TO OWNERS OF THE PARENT					NON- CONTROLLING INTERESTS RM'000	EQUITY, TOTAL RM'000
	NON DISTRIBUTABLE		DISTRIBUTABLE				
	SHARE CAPITAL RM'000	MERGER DEFICIT RM'000	TREASUREY SHARE RM'000	OTHER RESERVE RM'000	RETAINED EARNINGS RM'000		
Opening balance at 1 April 2019	296,126	(95,002)	-	-	386,528	1,012	588,664
Total comprehensive income	-	-	-	-	68,648	(1,025)	67,623
Transactions with owners							
Dividends	-	-	-	-	(48,007)	-	(48,007)
Acquisition of non-controlling interests	-	-	-	-	-	13	13
Premium paid on acquisition of non-controlling interests	-	-	-	(1,388)	-	-	(1,388)
Closing balance at 31 December 2019	<u>296,126</u>	<u>(95,002)</u>	<u>-</u>	<u>(1,388)</u>	<u>407,169</u>	<u>-</u>	<u>606,905</u>
Opening balance at 1 April 2020	296,126	(95,002)	(208)	(1,388)	411,682	-	611,210
Total comprehensive income	-	-	-	-	97,633	-	97,633
Transactions with owners							
Dividends	-	-	-	-	(36,622)	-	(36,622)
Closing balance at 31 December 2020	<u>296,126</u>	<u>(95,002)</u>	<u>(208)</u>	<u>(1,388)</u>	<u>472,693</u>	<u>-</u>	<u>672,221</u>

(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

Condensed consolidated interim financial statements
For the third quarter period ended 31 December 2020
Condensed consolidated statements of cash flows

	Note	9 months ended	
		31 December 2020 (Unaudited) RM'000	31 December 2019 (Unaudited) RM'000
Cash flows from operating activities			
Profit before taxation		128,464	87,822
Adjustments for:			
Depreciation and amortisation		25,985	19,211
Property, plant and equipment written off		48	-
Gain on disposal of other investment		(129)	-
Gain on disposal of property, plant and equipment	12	(168)	(764)
Loss on unrealised foreign exchange		98	77
Interest expense		163	10
Interest income		(2,079)	(4,960)
Operating profit before working capital changes		152,382	101,396
Decrease/(Increase) in inventories		15,776	(36,668)
Increase in receivables		(219,302)	(156,340)
Decrease in other current assets		(12,352)	(7,236)
Increase in payables		132,685	160,615
Cash flows generated from operations		69,189	61,767
Taxes paid		(18,617)	(19,306)
Net cash flows generated from operating activities		50,572	42,461
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(30,496)	(56,378)
Purchase of right of used assets		-	(1,898)
Acquisition of non-controlling interests	5	-	(1,375)
Proceeds from disposal of property, plant and equipment	12	290	1,227
Proceeds from disposal other investments		17,380	60,591
Interest received		2,079	4,960
Net cash flows (used in)/generated from investing activities		(10,747)	7,127
Cash flows from financing activities			
Repayment of finance lease liability	18	(75)	(75)
Payment of principal portion of lease liabilities		(1,432)	-
Interest expenses		(163)	(10)
Dividend paid	19	(36,622)	(48,007)
Net cash flows used in financing activities		(38,292)	(48,092)
Net increase in cash and cash equivalents			
		1,533	1,496
Effects of foreign exchange rate changes		(29)	(41)
Cash and cash equivalents at beginning of year		55,339	40,035
Cash and cash equivalents at end of period	14	56,843	41,490

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

Explanatory notes pursuant to MFRS 134 For the third quarter period ended 31 December 2020

1. Corporate information

SKP Resources Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 25 February 2021.

2. Basis of preparation

These condensed interim financial statements, for the period ended 31 December 2020, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards board.

The consolidated financial statements of the Group for the year ended 31 March 2020, which were prepared under MFRS are available upon request from the Company registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 March 2020.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2020.

3. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

At the date of approval these condensed consolidated interim financial statements, the Company has adopted the following new and amended MFRS.

Description

Amendments to MFRS 3 Business Combination - Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139 Interest Rate Benchmark Reform
Amendments to MFRS 101 Presentation of Financial Statements - Definition of Material
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
Amendments to MFRS 16 Covid-19 - Related Rent Concessions

The directors are of opinion that the Standard and Amendments above would not have any material impact on the financial statements in the year of initial adoption.

4. Change in estimates

There were no significant changes in estimates that have had a material effect in the current interim results.

5. Changes in composition of the Group

There were no significant changes in composition of the Group for the current financial quarter.

6. Segment information

The Group is an Electronics Manufacturing Services ("EMS") provider, principally involved in manufacturing of plastic products and fabrication of moulds, which are predominantly carried out in Malaysia. Segment information is not prepared as the manufacturing of moulds is insignificant to the Group.

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

**Explanatory notes pursuant to MFRS 134
For the third quarter period ended 31 December 2020****7. Revenue**

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Rental Income	47	47	105	139
Moulding and modification works	10,123	15,620	25,072	30,545
Sales of goods	703,171	535,649	1,813,020	1,370,036
Total revenue, representing revenue recognised at point of time	<u>713,341</u>	<u>551,316</u>	<u>1,838,197</u>	<u>1,400,720</u>

8. Seasonality of operations

The business operations of the Group are not significantly affected by any seasonal factors.

9. Profit before tax

Included in the profit before tax are the following items :

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Interest income	(461)	(1,565)	(2,079)	(4,960)
Interest expense	13	4	163	10
Depreciation and amortisation	8,804	7,041	25,985	19,211
Property, plant and equipment written off	48	-	48	-
Gain on disposal of property, plant and equipment	(63)	(466)	(168)	(764)
(Gain)/Loss on foreign exchange - realised	(2,133)	1,504	(3,387)	(322)
Loss on foreign exchange - unrealised	16	129	98	77

10. Income tax expense

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Current income tax				
- Malaysia income tax	13,733	7,209	30,481	19,680
Deferred tax				
- Origination and reversal of temporary difference	200	250	350	519
Income tax expense recognised in profit or loss	<u>13,933</u>	<u>7,459</u>	<u>30,831</u>	<u>20,199</u>

The effective tax rate of the Group for the current quarter and financial period-to-date is slightly lower than the statutory income tax rate due to utilisation of reinvestment allowances and acquisition of new property, plant and equipments.

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

**Explanatory notes pursuant to MFRS 134
For the third quarter period ended 31 December 2020****11. Earnings Per Share**

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the period :

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Profit net of tax attributable to equity holders of the Company used in the computation of earnings per share (RM'000)	43,529	25,251	97,633	68,648
Weighted average number of ordinary shares in issue ('000)	1,249,889	1,250,189	1,249,889	1,250,189
Effects of dilution	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,249,889	1,250,189	1,249,889	1,250,189
Basic earnings per share (sen)	3.48	2.02	7.81	5.49
Diluted earnings per share (sen)	3.48	2.02	7.81	5.49

12. Property, plant and equipment

During the nine months period ended 31 December 2020, the Group acquired assets at a cost of RM30.5 million (31 December 2019: RM56.4 million).

Assets with a carrying amount of RM122,000 were disposed off by the Group during the nine months period ended 31 December 2020 (31 December 2019: RM463,000), resulting in a gain on disposal of RM168,000 (31 December 2019: RM764,000), recognised as other income in the statement of comprehensive income.

13. Inventories

There was no write-down of inventories to net realisable value for the current quarter (31 March 2020: Nil).

14. Cash and cash equivalents

Cash and cash equivalents comprised of the following amounts:

	31 December 2020 RM'000	31 March 2020 RM'000
Cash at banks and on hand	56,676	55,339
Fixed deposits with licensed banks	167	-
Total cash and cash equivalents	<u>56,843</u>	<u>55,339</u>

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

**Explanatory notes pursuant to MFRS 134
For the third quarter period ended 31 December 2020****15. Fair value hierarchy**

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs that are based on observable market data, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

As at the reporting date, the Group held the following financial instruments that are measured at fair value:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
At 31 March 2020				
Assets measured at fair value:				
Investment in cash management fund	126,097	-	126,097	-
Assets for which fair value information is disclosed:				
Investment properties	8,150	-	3,930	4,220
At 31 December 2020				
Assets measured at fair value:				
Investment in cash management fund	108,874	-	108,874	-
Assets for which fair value information is disclosed:				
Investment properties	8,150	-	3,930	4,220

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

**Explanatory notes pursuant to MFRS 134
For the third quarter period ended 31 December 2020****16. Share capital and treasury shares**

At the AGM held on 25 September 2020, the Proposed Share Buy-Back Authority to purchase and/or hold its own shares up to ten per centum (10%) of the total number of issued shares of the Company ("Proposed Share Buy-Back Authority") was approved by the shareholders, with effective from 25 September 2020 until the conclusion of the 21st AGM of the Company to be convened in Year 2021.

As at 31 December 2020, the Company repurchased a total of 300,000 of its issued ordinary shares from the open market for a total consideration of RM208,000. All these repurchased shares are being held as Treasury Shares in accordance with Section 127 of the Companies Act, 2016 and no Treasury Shares have been cancelled or resold to date. The repurchase of these shares were financed by internally generated funds.

17. Other investments

Investment in cash management fund is placed with licensed investment banks and asset management companies in Malaysia which are highly liquid.

18. Interest-bearing borrowing

	31 December 2020 RM'000	31 March 2020 RM'000
Current		
<u>Secured:</u>		
Obligation under finance lease	100	106
	<u>100</u>	<u>106</u>
Non-Current		
<u>Secured:</u>		
Obligation under finance lease	-	69
	<u>-</u>	<u>69</u>
Total borrowing	<u>100</u>	<u>175</u>

19. Dividends

No interim dividend has been declared for the financial period ended 31 December 2020 (31 December 2019: Nil).

On 25 August 2020, the directors have approved a final single-tier dividend in respect of the financial year ended 31 March 2020 amounting to a dividend payable of approximately RM36,622,000 (2.93 sen per ordinary share for 1,249,888,549 shares which excluded 300,000 treasury shares) to shareholders whose names appear in the Record of Depositors on 25 September 2020, being the Book Closure Date. The dividend has been paid out on 23 October 2020.

The Company will endeavour to maintain the dividend policy of minimum 50% payout 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.

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

**Explanatory notes pursuant to MFRS 134
For the third quarter period ended 31 December 2020****20. Commitment**

The Group did not have any material commitment for contracted capital expenditure which might have a material impact on the financial position or business of the Group.

	31 December 2020 RM'000	31 March 2020 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	20,671	11,612
Approved and not contracted for:		
Property, plant and equipment	45,000	140

21. Contingencies

There were no contingent assets and no changes in the contingent liability for the Group for the current financial period to date.

SKP RESOURCES BHD.

Company No. 200001021690 (524297-T)

**Explanatory notes pursuant to Bursa Malaysia Listing Requirement: Chapter 9, Appendix 9B, Part A
For the nine-month period ended 31 December 2020****22. Significant related party transactions**

There were no significant recurrent related party transactions.

23. Events after the reporting period

On 29 January 2021, the Company had announced to undertake the following Proposals:-

I. Proposed Bonus Issue of Shares

An issuance of 312,547,137 new ordinary shares in SKP ("SKP Shares") ("Bonus Shares") on the basis of one (1) Bonus Share for every four (4) existing SKP Shares held on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Bonus Issue of Shares"); and

II. Proposed Free Warrants Issue

An issuance of up to 250,037,709 free warrants in SKP ("Warrants B") on the basis of one (1) Warrant B for every five (5) existing SKP Shares held on the Entitlement Date ("Proposed Free Warrants Issue").

An application in relation to the Proposals have been submitted to Bursa Securities on 19 February 2021.

Save for the above, there was no material events that have arisen subsequent to the financial period ended 31 December 2020 to the date of this report.

24. Performance review

	Current quarter		Variance (%)	Cumulative quarter		Variance (%)
	3 months ended			9 months ended		
	31 December 2020 RM'000	31 December 2019 RM'000		31 December 2020 RM'000	31 December 2019 RM'000	
Revenue	713,341	551,316	29.4%	1,838,197	1,400,720	31.2%
Operating profit	57,014	30,871	84.7%	126,548	82,872	52.7%
Profit before tax	57,462	32,432	77.2%	128,464	87,822	46.3%
Profit after tax	43,529	24,973	74.3%	97,633	67,623	44.4%
Profit attributable to equity holders of the Company	43,529	25,251	72.4%	97,633	68,648	42.2%

The Group continued to deliver a strong performance and recorded a revenue of RM713.3 million with profit before tax of RM57.4 million for the current quarter.

For the current financial period to date, the Group recorded a turnover of RM1.84 billion with profit before tax of RM128.4 million compared to RM1.40 billion and RM87.8 million in the preceding year respectively mainly due to strong demand from existing key customers as well as improvement in operational efficiencies and cost control measures.

SKP RESOURCES BHD.

Company No. 200001021690 (524297-T)

**Explanatory notes pursuant to Bursa Malaysia Listing Requirement: Chapter 9, Appendix 9B, Part A
For the nine-month period ended 31 December 2020****25. Comment on material change in profit before tax**

	Current Quarter 31 December 2020 RM'000	Preceding Quarter 30 September 2020 RM'000	Variance (%)
Revenue	713,341	726,308	-1.8%
Operating profit	57,014	57,305	-0.5%
Profit before tax	57,462	57,798	-0.6%
Profit after tax	43,529	44,069	-1.2%
Profit attributable to equity holders of the Company	43,529	44,069	-1.2%

Compared to preceding quarter, the revenue had decreased marginally by 1.8% from RM726.3 million to RM713.3 million.

The profit before tax also decreased marginally by 0.6% from RM57.8 million to RM57.4 million. The decrease in profit was mainly due to different products sales mix.

26. Commentary on prospects

With the outbreak of Covid-19 pandemic which still remains as a threat to overall economic climate, the Group continues to focus on implementing preventive measures and strict compliance with Standard Operating Procedures in our operations to safeguard the health and safety of employees.

The Group has taken relevant actions to minimise the impact of the Covid-19 pandemic to its operations and will continue to pay close attention to developments and evaluate their impact on the financial position, operating results and cash flows of the Group.

On 8 January 2021, the Group announced that five (5) of its employees from its wholly-owned subsidiary, Syarikat Sin Kwang Plastic Industries Sdn Bhd, had tested positive for COVID-19. The management had then immediately notified the Ministry of Health and had identified the close contacts of the affected employees for swab test as well as to ensure that the affected employees were provided proper medical care and placed in quarantine.

On 11 January 2021, following a surge in COVID-19 cases in Malaysia, the Government had reinstated the MCO restrictions in the states of Penang, Selangor, Melaka, Johor and Sabah as well as the federal territories of Kuala Lumpur, Putrajaya and Labuan for a period of two (2) weeks starting from 13 January 2021 until 26 January 2021 and further extended until 4 February 2021. On 2 February 2021, it was announced that MCO 2.0 imposed on all states except Sarawak has been extended to 18 February 2021. On 16 February 2021, it was announced that MCO 2.0 imposed in Selangor, Kuala Lumpur, Johor and Penang has been extended to 4 March 2021. Other states that were under MCO 2.0 previously will be placed under CMCO, effective from 19 February 2021 to 4 March 2021, while Perlis will be placed under RMCO.

On 15 January 2021, the Group had announced the voluntary shutdown of its Johor Bahru operations for two (2) weeks from 16 January 2021 to 29 January 2021 as a health precautionary measure and to facilitate the COVID-19 screening for its employees. The Group will continue to carry out disinfection and sanitisation measures at all facilities and workers hostels. In addition, the Group has notified all employees, suppliers and customers about the temporary factory shutdown. As a result of this precautionary measure, the capacity loss is estimated to be at 3% of the Group's total annual output. However, the Group's other production facilities which are located at other different cities continued to operate as normal. The temporary shutdown of the Johor Bahru operations is expected to cause some delay in the delivery schedule for about two (2) weeks. The Group estimates about 3% of its sales revenue to be impacted for the financial year ending 31 March 2021. On 1 February 2021, the Johor Bahru factories fully resumed its operations.

The PCBA division has started to contribute positively to our group revenue and earnings and it is currently working on several new products to cater for our own in-house consumption.

SKP RESOURCES BHD.

Company No. 200001021690 (524297-T)

**Explanatory notes pursuant to Bursa Malaysia Listing Requirement: Chapter 9, Appendix 9B, Part A
For the nine-month period ended 31 December 2020****26. Commentary on prospects - continued**

The Group is strategically well positioned in the EMS industry and continue to pursue opportunities to grow its market share from existing customers. We will continue to expand our PCBA, injection moulding and engineering capabilities to take advantage of a widened product portfolio. The Group remains driven to achieve profitable growth, focusing on the continuous pursuit of operational excellence.

Notwithstanding the current market conditions, the Group continues to receive enquires from both existing and potential new customers for new projects.

Prospects remain good and the Board is optimistic and expects to achieve profit growth for the financial year ending 31 March 2021.

27. Profit forecast or profit guarantee

Not applicable as no profit forecast or profit guarantee announced as at the date of this quarterly report.

28. Corporate proposals

On 29 January 2021, the Company had announced to undertake the following Proposals:-

I. Proposed Bonus Issue of Shares

An issuance of 312,547,137 new ordinary shares in SKP ("SKP Shares") ("Bonus Shares") on the basis of one (1) Bonus Share for every four (4) existing SKP Shares held on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Bonus Issue of Shares"); and

II. Proposed Free Warrants Issue

An issuance of up to 250,037,709 free warrants in SKP ("Warrants B") on the basis of one (1) Warrant B for every five (5) existing SKP Shares held on the Entitlement Date ("Proposed Free Warrants Issue").

Save for the above, there was no other corporate proposal announced and not completed as at the date of this report.

29. Changes in material litigation

There were no material litigation as at the date of this quarterly report.

30. Dividend payable

Please refer to Note 19 for details.

31. Disclosure of nature of outstanding derivatives

There are no outstanding derivative as at reporting period.

32. Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 31 December 2020 or the previous financial year ended 31 March 2020.

33. Risks and policies of derivatives

The Group did not enter into any derivatives during the period ended 31 December 2020 or the previous financial year ended 31 March 2020.

34. Disclosure of gains / losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2020 and 31 March 2020.

35. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 March 2020 was not qualified.