

Condensed consolidated interim financial statements For the fourth quarter year ended 31 March 2024

Condensed consolidated statements of comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31 March 2024 (Unaudited) RM'000	31 March 2023 (Unaudited) RM'000	31 March 2024 (Unaudited) RM'000	31 March 2023 (Audited) RM'000
Revenue	7	458,799	483,282	1,863,415	2,515,038
Cost of sales		(405,833)	(446,079)	(1,617,593)	(2,195,377)
Gross profit		<u>52,966</u>	<u>37,203</u>	<u>245,822</u>	<u>319,661</u>
Other operating income		6,132	8,771	7,757	10,983
Operating expenses		(29,407)	(29,187)	(133,069)	(153,582)
Operating profit		<u>29,691</u>	<u>16,787</u>	<u>120,510</u>	<u>177,062</u>
Finance costs		859	(729)	(1,252)	(1,716)
Interest income		1,971	485	6,647	1,838
Profit before tax	9	<u>32,521</u>	<u>16,543</u>	<u>125,905</u>	<u>177,184</u>
Income tax expense	10	(7,850)	(425)	(29,142)	(36,666)
Total comprehensive income for the year, net of tax		<u>24,671</u>	<u>16,118</u>	<u>96,763</u>	<u>140,518</u>
Total comprehensive income for the period, net of tax attributable to:					
Owners of the Company		24,671	16,118	96,763	140,518
Non-controlling interests		-	-	-	-
		<u>24,671</u>	<u>16,118</u>	<u>96,763</u>	<u>140,518</u>
Earnings per share attributable to equity holders of the Company (sen per share) :					
-Basic/Diluted	11	1.58	1.03	6.19	8.99

Note :

The Group does not have any potential dilutive ordinary shares as the market price of the share was lower than exercise price of warrant. As a result, these warrants are anti-dilutive in nature and have not been considered in the computation of diluted earnings per share.

(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 fourth quarter year ended 31 March 2024

Condensed consolidated statements of financial position

	Note	31 March 2024 Unaudited RM'000	31 March 2023 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	367,995	362,628
Right of use assets		85,365	68,251
Investment properties		2,818	2,067
Other investments	15	139	139
Other non-current asset		74	74
Prepayment		4,344	4,344
		<u>460,735</u>	<u>437,503</u>
Current assets			
Inventories	13	184,919	252,836
Trade and other receivables		480,999	475,025
Contract assets		1,388	2,090
Prepayments		15,677	9,082
Other investments	15,17	174,724	70,099
Tax recoverable		3,576	-
Cash and bank balances	14	44,498	46,907
		<u>905,781</u>	<u>856,039</u>
TOTAL ASSETS		<u><u>1,366,516</u></u>	<u><u>1,293,542</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		695,250	668,793
Total equity		<u>894,778</u>	<u>868,321</u>
Non-current liabilities			
Trade and other payables		222	222
Loan and borrowings	18	8,950	11,950
Lease liabilities		14,797	2,185
Deferred tax liabilities		16,668	17,137
		<u>40,637</u>	<u>31,494</u>
Current liabilities			
Trade and other payables		354,139	312,215
Contract liabilities		18,244	25,029
Tax payable		-	2,663
Loan and borrowings	18	48,000	48,720
Lease liabilities		10,718	5,100
		<u>431,101</u>	<u>393,727</u>
Total liabilities		<u>471,738</u>	<u>425,221</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,366,516</u></u>	<u><u>1,293,542</u></u>
Net assets per share (RM)		<u>0.57</u>	<u>0.56</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 fourth quarter year ended 31 March 2024****Condensed consolidated statements of changes in equity**

	ATTRIBUTABLE TO OWNERS OF THE PARENT					EQUITY, TOTAL RM'000
	NON DISTRIBUTABLE				DISTRIBUTABLE	
	SHARE CAPITAL RM'000	MERGER DEFICIT RM'000	TREASURY SHARES RM'000	OTHER RESERVE RM'000	RETAINED EARNINGS RM'000	
Opening balance at 1 April 2022	296,126	(95,002)	(208)	(1,388)	614,986	814,514
Profit for the financial period	-	-	-	-	140,518	140,518
Transactions with owners						
Dividend on ordinary shares	-	-	-	-	(86,711)	(86,711)
Closing balance at 31 March 2023	<u>296,126</u>	<u>(95,002)</u>	<u>(208)</u>	<u>(1,388)</u>	<u>668,793</u>	<u>868,321</u>
Opening balance at 1 April 2023	296,126	(95,002)	(208)	(1,388)	668,793	868,321
Profit for the financial period	-	-	-	-	96,763	96,763
Transactions with owners						
Dividend on ordinary shares	-	-	-	-	(70,306)	(70,306)
Closing balance at 31 March 2024	<u>296,126</u>	<u>(95,002)</u>	<u>(208)</u>	<u>(1,388)</u>	<u>695,250</u>	<u>894,778</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 fourth quarter year ended 31 March 2024

Condensed consolidated statements of cash flows

	Note	12 months ended	
		31 March 2024 (Unaudited) RM'000	31 March 2023 (Audited) RM'000
Operating activities			
Profit before taxation		125,905	177,184
Adjustments for:			
Depreciation and amortisation		45,942	44,874
Fair value loss on financial assets at fair value through profit and loss		(20)	(6)
Gain on disposal of other investments		(46)	-
Gain on disposal of property, plant and equipment	12	(666)	(1,397)
Gain on derecognition of right-of-use assets		(210)	(6)
(Gain)/loss on unrealised foreign exchange		(472)	345
Impairment loss on trade and other receivables		-	243
Interest expense		1,252	1,716
Interest income		(6,647)	(1,838)
Loss on disposal of other investment		-	20
Property, plant and equipment written off		143	47
Provision of slow moving and obsolete inventories		-	3,220
Provision for onerous contract		-	221
Operating profit before working capital changes		165,181	224,623
Decrease/(increase) in inventories		67,917	(1,639)
(Increase)/decrease in receivables		(6,028)	55,336
(Increase)/decrease in prepayments		(6,595)	9,269
Decrease in contract assets		702	8,086
(Decrease)/increase in contract liabilities		(6,785)	227
Increase/(decrease) in payables		41,721	(75,337)
Cash flows generated from operations		256,113	220,565
Interest paid		(1,252)	(1,716)
Tax refunded		-	455
Tax paid		(35,850)	(36,287)
Net cash flows generated from operating activities		219,011	183,017
Investing activities			
Purchase of property, plant and equipment	12	(47,379)	(114,574)
Proceeds from disposal of property, plant and equipment		1,699	4,909
Placement of other investments		(104,559)	(48,527)
Interest received		6,647	1,838
Net cash flows used in investing activities		(143,592)	(156,354)
Financing activities			
Repayment of bank borrowings		(3,720)	(11,548)
Drawdown of bank borrowings		-	72,218
Payment of principal portion of lease liabilities		(4,531)	(4,977)
Dividends paid	19	(70,306)	(86,711)
Net cash flows used in financing activities		(78,557)	(31,018)
Net decrease in cash and cash equivalents		(3,138)	(4,355)
Effects of foreign exchange rate changes		729	2
Cash and cash equivalents at beginning of year		46,907	51,260
Cash and cash equivalents at end of year		44,498	46,907

(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 fourth quarter year ended 31 March 2024

1. Corporate information

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 31 May 2024.

2. Basis of preparation

These condensed consolidated interim financial statements, for the year ended 31 March 2024, have been prepared in accordance with Malaysian Financial Reporting Standard ("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 International Accounting Standards ("IAS") 34: Interim Financial Reporting issued by the IAS Board.

The consolidated financial statements of the Group for the year ended 31 March 2023 which were prepared under MFRS are available upon request from the registered office of the Company 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 2023.

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 2023.

3. Changes in accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at 31 March 2024 and for the financial year ended 31 March 2023.

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.

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

**Explanatory notes pursuant to MFRS 134
For the fourth quarter year ended 31 March 2024****6. Segment information**

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

7. Revenue

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Rental Income	-	-	-	11
Moulding and modification works	4,953	11,084	26,348	39,179
Sales of goods	453,846	472,198	1,837,067	2,475,848
Total revenue	<u>458,799</u>	<u>483,282</u>	<u>1,863,415</u>	<u>2,515,038</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 12 months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Interest income	(1,971)	(485)	(6,647)	(1,838)
Interest expense	(859)	729	1,252	1,716
Depreciation and amortisation	11,087	12,463	45,942	44,874
Gain on disposal of property, plant and equipment	(592)	(102)	(666)	(1,397)
Gain on disposal of other investment	-	60	(46)	-
(Gain)/loss on foreign exchange - realised	(3,146)	2,551	5,725	9,575
(Gain)/loss on foreign exchange - unrealised	(968)	(62)	(472)	345

10. Income tax expense

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Income tax				
- Malaysian income tax	8,744	2,805	29,611	37,056
Deferred tax				
- Origination and reversal of temporary difference	(894)	(2,380)	(469)	(390)
Income tax expense recognised in profit or loss	<u>7,850</u>	<u>425</u>	<u>29,142</u>	<u>36,666</u>

The effective tax rate of the Group for the current quarter is slightly higher than the statutory income tax rate due to factors such as differing tax treatments of certain income and expenditures. Conversely, the effective tax rate for the financial year to date is lower than the statutory income tax rate, primarily due to the recognition of reinvestment allowances arising from the acquisition of property, plant, and equipment, which has resulted in a reduction of tax expenses.

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

Explanatory notes pursuant to MFRS 134 For the fourth quarter year ended 31 March 2024

11. Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company, 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 financial year:

(a) Basic Earnings Per Share

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Profit net of tax attributable to equity holders of the Company used in the computation of earnings per share (RM'000)	24,671	16,118	96,763	140,518
Weighted average number of ordinary shares in issue ('000)	1,562,360	1,562,360	1,562,360	1,562,360
Basic earnings per share (sen)	1.58	1.03	6.19	8.99

(b) Diluted Earnings Per Shares

The Group does not have any potential dilutive ordinary shares as the market price of the share was lower than the exercise price of warrant. These warrants have not been considered in the computation of diluted earnings per share as these warrants are anti-dilutive in nature.

12. Property, plant and equipment

During the twelve-month year ended 31 March 2024, the Group acquired assets at a cost of approximately RM47.4 million (31 March 2023: RM114.6 million).

Assets with a carrying amount of RM1.0 million (31 March 2023: RM5.5 million) were disposed off by the Group during the twelve months year ended 31 March 2024, resulting in a gain on disposal of RM666,000 (31 March 2023: RM1,397,000), 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 2023: RM20,000).

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

Explanatory notes pursuant to MFRS 134 For the fourth quarter year ended 31 March 2024

14. Cash and cash equivalents

Cash and cash equivalents comprised of the following amounts:

	31 March 2024 RM'000	31 March 2023 RM'000
Cash at banks and on hand	<u>44,498</u>	<u>46,907</u>

15. Fair value hierarchy

The Group classifies fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in the making of the measurements. The fair value hierarchy has the following levels:

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

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at the reporting date, the Group held the following assets that are measured or information are disclosed at fair value:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
At 31 March 2023				
Assets measured at fair value:				
Investment in cash management funds	<u>70,068</u>	-	70,068	-
Assets for which fair value information are disclosed:				
Investment properties	<u>2,420</u>	-	820	1,600
At 31 March 2024				
Assets measured at fair value:				
Investment in cash management funds	<u>174,724</u>	-	174,724	-
Assets for which fair value information are disclosed:				
Investment properties	<u>2,420</u>	-	820	1,600

No transfers between any levels of the fair value hierarchy took place during the reporting period. There was also no changes in the purpose of any financial assets that subsequently resulted in a different classification of that asset.

16. Treasury shares

At the Annual General Meeting ("AGM") held on 29 September 2023, 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 effect from 29 September 2023 until the conclusion of the 23rd AGM of the Company to be convened in Year 2024.

There were no issuance, cancellation, repurchase, resale and repayment of treasury shares for the current financial quarter and year ended 31 March 2023.

As at 31 March 2024, the Company repurchased a total of 375,000 (inclusive bonus issue) 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. The repurchase of these shares were financed by internally generated funds.

SKP RESOURCES BHD.

Company No. : 200001021690 (524297-T)

**Explanatory notes pursuant to MFRS 134
For the fourth quarter year ended 31 March 2024****17. Other investments**

Investment in cash management funds are placed with licensed investment banks and asset management companies in Malaysia which are highly liquid and not readily convertible to known amounts of cash.

18. Interest-bearing loan and borrowings

	31 March 2024 RM'000	31 March 2023 RM'000
Current		
<u>Secured:</u>		
Revolving credits	45,000	45,000
Bankers' acceptance	-	720
Term loan	3,000	3,000
Total current loan and borrowings	<u>48,000</u>	<u>48,720</u>
Non-Current		
<u>Secured:</u>		
Term loan	<u>8,950</u>	<u>11,950</u>
Total loan and borrowings	<u><u>56,950</u></u>	<u><u>60,670</u></u>

19. Dividends

No interim dividend has been declared for the financial year ended 31 March 2024 (31 March 2023: RM Nil).

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.

20. Commitment

Authorised capital expenditures not provided for in the financial statement are as follows:

	31 March 2024 RM'000	31 March 2023 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	15,885	23,471
Approved and not contracted for:		
Property, plant and equipment	2,000	2,600

21. Contingencies

There were neither contingent asset recognised nor any changes in the contingent liabilities for the Group for the current financial year 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 twelve-month year ended 31 March 2024****22. Significant related party transactions**

There were no significant recurrent related party transactions.

23. Events after the reporting period

There was no material events that have arisen subsequent to the financial year ended 31 March 2024 until the date of this report.

24. Performance review

	Current quarter		Variance (%)	Cumulative quarter		Variance (%)
	3 months ended			12 months ended		
	31 March 2024 RM'000	31 March 2023 RM'000		31 March 2024 RM'000	31 March 2023 RM'000	
Revenue	458,799	483,282	-5.1%	1,863,415	2,515,038	-25.9%
Operating profit	29,691	16,787	76.9%	120,510	177,062	-31.9%
Profit before tax	32,521	16,543	96.6%	125,905	177,184	-28.9%
Profit after tax, representing profit attributable to equity holders of the Company	24,671	16,118	53.1%	96,763	140,518	-31.1%

For the current quarter ended 31 March 2024, the Group reported a revenue of RM458.8 million, reflecting a decrease of 5.1% compared to RM483.3 million in the same quarter of the previous year.

The further climb in profit before tax margin ("PBT Margin") of 7.1% (PBT Margin of 3.4% for previous year corresponding quarter) for the current quarter ended 31 March 2024 and profit after tax margin ("PAT Margin") of 5.4% (PAT Margin of 3.3% for previous year corresponding quarter) for the current quarter ended 31 March 2024 as compared to the same period in previous year were testimony of continual cost optimization efforts in addition to various initiatives to enhance operational efficiency at the Group's existing manufacturing bases.

SKP RESOURCES BHD.

Company No. 200001021690 (524297-T)

**Explanatory notes pursuant to Bursa Malaysia Listing Requirement: Chapter 9, Appendix 9B, Part A
For the twelve-month year ended 31 March 2024****25. Comment on material change in profit before tax**

	Current Quarter 31 March 2024 RM'000	Preceding Quarter 31 December 2023 RM'000	Variance (%)
Revenue	458,799	453,100	1.3%
Operating profit	29,691	29,029	2.3%
Profit before tax	32,521	30,030	8.3%
Profit after tax, representing profit attributable to equity holders of the Company	24,671	23,436	5.3%

The Group recorded a modest increase in revenue to RM458.8 million for the current quarter compared to RM453.1 million in the preceding quarter, representing minimal growth of 1.3%. Meanwhile, profit before tax increased by 8.3% from RM30.0 million in the preceding quarter to RM32.5 million in the current quarter. The improvement in profit before tax primarily attributable to the above-mentioned reason in Note 24.

Against the backdrop of reduced sale orders received from customers, the Group relentlessly implemented various cost optimization efforts to mitigate the rise in production costs.

26. Commentary on prospects

In view of challenging business landscape which persistently exert inflationary pressure which in turn results in heightened production costs, the Group will remain vigilant with future order book received from customers in addition to exercise prudence to ensure a lean and highly efficient operating structure.

We will continue to expand our Printed Circuit Board Assembly ("PCBA"), injection moulding and engineering capabilities to take advantage of a widened product assortment.

Meanwhile, the Group is mindful of significant credit concentration risk that may arise from major customer and continuously seek to diversify its customer base. All in all, against the aforementioned headwinds, the Board is positive that the Group will sustain its resilience by maintaining robust financial position at all time.

SKP RESOURCES BHD.

Company No. 200001021690 (524297-T)

**Explanatory notes pursuant to Bursa Malaysia Listing Requirement: Chapter 9, Appendix 9B, Part A
For the twelve-month year ended 31 March 2024**

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

There were 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 further details.

31. Disclosure of nature of outstanding derivatives

There is no outstanding derivative as at reporting period.

32. Rationale for entering into derivatives

The Group did not enter into any derivatives during the year ended 31 March 2024 or the previous financial year ended 31 March 2023.

33. Risks and policies of derivatives

The Group did not enter into any derivatives during the year ended 31 March 2024 or the previous financial year ended 31 March 2023.

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 March 2024 and 31 March 2023.

35. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 March 2023 was not qualified.