

DPS RESOURCES BERHAD
(Company No. 630878-X)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2011
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2011 RM'000	Preceding Year Corresponding Period 31.03.2010 RM'000	Current Year To Date 31.03.2011 RM'000	Preceding Year Corresponding Period 31.03.2010 RM'000
Revenue	22,971	27,750	22,971	27,750
Cost of sales	(18,951)	(22,749)	(18,951)	(22,749)
Gross profit	4,020	5,001	4,020	5,001
Operating expenses	(2,399)	(4,424)	(2,399)	(4,424)
Other operating income	2,191	604	2,191	604
Profit / (Loss) from operations	3,812	1,181	3,812	1,181
Finance cost	(976)	(1,003)	(976)	(1,003)
Profit / (Loss) before tax	2,836	178	2,836	178
Taxation	-	-	-	-
Profit / (Loss) after tax	2,836	178	2,836	178
Minority interest	-	-	-	-
Net profit / (loss) for the period	2,836	178	2,836	178
OTHER COMPREHENSIVE INCOME				
AVAILABLE-FOR -SALE INVESTMENT				
(Loss) arising during the period	(3)	(8)	(3)	(8)
TOTAL COMPREHENSIVE (EXPENDITURE)/INCOME FOR THE PERIOD	2,833	170	2,833	170
Weighted average number of shares ('000s)	264,000	264,000	264,000	264,000
Earning per share (sen)				
- Basic	1.07	0.07	1.07	0.07
- Diluted	1.07	0.07	1.07	0.07

The unaudited Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

DPS RESOURCES BERHAD
(Company No. 630878-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 MARCH 2011
(The figures have not been audited)

	As At End Of Current Quarter 31.03.2011 RM'000	As At Preceding Financial Year End 31.12.10 RM'000
Non-current assets		
Property, plant and equipment	161,151	161,180
Prepaid land lease payments	15,953	15,970
Investment properties	13,780	13,780
	<u>190,884</u>	<u>190,930</u>
Current assets		
Inventories	24,764	24,763
Trade and other receivables	18,045	21,266
Tax refundable	221	221
Available-for-sale investments	5,222	5,195
Cash, deposit and bank balances	425	290
	<u>48,677</u>	<u>51,735</u>
Total Assets	<u>239,561</u>	<u>242,665</u>
EQUITY		
Share capital	132,000	132,000
Reserves	26,422	23,589
Total equity	<u>158,422</u>	<u>155,589</u>
LIABILITIES		
Non-current liabilities		
Long term borrowings	29,921	30,037
Deferred Tax Liability	8,503	8,503
	<u>38,424</u>	<u>38,540</u>
Current liabilities		
Borrowings	30,217	29,960
Bank overdraft	2,354	2,433
Trade and other payable	10,141	16,140
Provision for taxation	3	3
	<u>42,715</u>	<u>48,536</u>
Total Liabilities	<u>81,139</u>	<u>87,076</u>
Total equity & liabilities	<u>239,561</u>	<u>242,665</u>
Net Tangible Assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.60</u>	<u>0.59</u>

The unaudited Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

DPS RESOURCES BERHAD
(Company No. 630878-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2011
(The figures have not been audited)

	Share Capital RM'000	<u>Distributable</u> Retained Profit RM'000	← Share Premium RM'000	<u>Non-Distributable</u> Revaluation reserve	→ Fair value reserve RM'000	Total RM'000
Balance as at 1 January 2010	132,000	41,181	185	5,475		178,841
Revaluation increase					-	-
Tax effect thereon					-	-
Net profit not recognized in income statement	-	-	-	-	-	-
Revaluation decrease which reverses the previous increase					-	-
Tax effect thereon					-	-
Expenses on right issue written off			-			-
Net loss not recognized in income statement	-	-	-	-	-	-
Issue of ordinary share on right issue	-					-
Net profit for the financial year		(23,248)			(4)	(23,252)
Balance as at 31 December 2010	132,000	17,933	185	5,475	(4)	155,589
Net loss for the financial year	-	2,836	-	-	(3)	2,833
Balance as at 31 March 2011	132,000	20,769	185	5,475	(7)	158,422

The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.

DPS RESOURCES BERHAD
(Company No. 630878-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2011
(The figures have not been audited)

	Cumulative Current Year Quarter 31.03.11 RM'000	Cumulative Preceding Year Period 31.12.10 RM'000
Net cash inflow from operating activities	1,797	2,152
Net cash (outflow) from investing activities	(185)	2,543
Net cash (outflow) from financing activities	(1,381)	(6,073)
Net increase/(decrease) in cash and cash equivalents	231	(1,378)
Cash and bank balances as at 1 January 2011	(2,160)	(782)
Cash and cash equivalents as at 31 March 2011	<u>(1,929)</u>	<u>(2,160)</u>
Reconciliation :		
Fixed deposit with a licensed bank	-	-
Cash and bank balances	425	290
Bank overdrafts	(2,354)	(2,449)
Cash and cash equivalents as at 31 March 2011	<u>(1,929)</u>	<u>(2,160)</u>

The unaudited Condensed Consolidated Statement Of Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

PART A: EXPLANATORY NOTES IN ACCORDANCE WITH FRS 134 REQUIREMENTS

A1. Accounting Policies

The Financial statement of the Group for the current reporting period have been prepared in accordance with FRS 134- Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and should be read in conjunction with the Group's financial statements for the year ended 31 December 2010.

Except as described below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements of the Group for the year ended 31 December 2010.

With effect from 1 January 2011, the Group adopted the following new or Revised financial reporting standards ("FRS") and amendments to existing standards that are relevant to its operations. These FRSs became effective for the financial periods beginning after 1 January 2010.

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures and additional Exemptions for First-time adopters
Amendments to FRS 3	Business Combinations
Amendments to FRS 7	Improving Disclosures about financial Instruments
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 128	Investment in Associates
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting

The adoption of the above FRSs and amendemnts to existing standards did not result in any changes to the Group's accounting policies or have any significant impact on the financial statements of the Group.

Revised FRS 124 Related Party Disclosures

The Group has not adopted the revised FRS 124, Related Party Disclosures that has been issued by MASB, which is relevant to the Group and effective for annual periods beginning on or after 1 January 2012. The Group will apply the revised FRS 124 from 1 January 2012 and its adoption is unlikely to have any impact on the financial position or results of the Group.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

A3. Comments about Seasonality or Cyclicity

The Group's performance is not subject to seasonality or cyclicity.

A4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter under review due to their nature, size or incidence.

A5. Changes in Estimates

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

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt securities nor any movement in the share capital for the quarter and financial period under review.

A7. Dividends Paid

There were no dividends paid during the quarter under review.

A8. Segmental Information

Business segments

The principal activities of the Group consist of those relating to manufacturing of wood based products, trading, property and agro-based farming. The Group's segmental reporting for business segments is as below:

Primary Reporting Format-Business Segments	Revenue		Quarter Ended 31.03.10	
	Quarter Ended 31.03.11	Profit/(loss)	Quarter Ended 31.03.10	Profit/(loss)
	Revenue	before taxation	Revenue	before taxation
	RM '000	RM '000	RM '000	RM '000
Manufacturing of wood based products	22,588	2,886	27,437	138
Trading	-	-	-	-
Property investment	146	(5)	146	59
Agro-based industry	238	(45)	167	(19)
	<u>22,971</u>	<u>2,836</u>	<u>27,750</u>	<u>178</u>
<u>ADD: Inter-segment revenue</u>				
Investment holding	180		105	
Manufacturing of wood based products	<u>133</u>		<u>3,733</u>	
	<u>23,285</u>		<u>31,588</u>	

Geographical segments

The Group's operations are principally carried out in Malaysia. In determining the geographical segments of the Group, sales of goods are based on the country in which the customer is located.

The Group's goods are mainly sold to customers located in Malaysia, Europe, America, Asia Pacific, Middle East and Africa.

	Current	Current Year
	Quarter	To Date
	31.03.11	31.03.11
	RM '000	RM '000
Malaysia	7,918	7,918
Europe	4,426	4,426
America	5,142	5,142
Asia Pacific	3,207	3,207
Middle East	1,143	1,143
Africa	1,136	1,136
	<u>22,971</u>	<u>22,971</u>

A9. Valuations of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the year ended 31 December 2010

A10. Subsequent Events

Refer to Note B10

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current year to date.

A12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets of a material nature since the last audited financial statements for the year ended 31 December 2010.

A13. Capital Commitments

Capital commitments of the Group for the period ended 31 March 2011 are as follows:

	As at 31.03.11 RM'000
Approved and contracted for	526
-Deposit Paid	
Capital commitments	<u>526</u>

PART B: ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B1 Review of Performance

The DPS Group's performance for the quarter under review versus the corresponding quarter of the previous financial year is tabled below:

Description	1st Qtr 2011 RM '000	1st Qtr 2010 RM '000	Increase / RM'000	(Decrease) %
Revenue	22,971	27,750	(4,779)	-17.2%
Profit before tax (PBT)	2,836	178	2,658	1493.3%
Loss after tax (PBT)	2,836	178	2,658	1493.3%
Other Comprehensive Income	(3)	(8)	5	0.0%
Total Comprehensive Expenditure	2,833	170	2,663	1566.5%

Reduction of group revenue by 17.2% or 4.779 million was mainly due to the strengthening of RM vs. USD of approximately 10.5% (average RM 3.0495 in 1st qtr 2011 vs. average RM3.4090 in 1st qtr 2010) and to review of the buyer term of payment to reduce risk at current global / regional situation. Our innovation committee team to continuously improve over all cost saving, wastage consolidating production process to reduce man power and increase output and a bad debt recovery of RM1,630,500.00

B2 Comparison with immediate preceding quarter's results

The DPS Group's current quarter performance versus the preceding quarter is tabled below:

Description	1st Qtr 2011 RM '000	4th Qtr 2010 RM '000	Increase / RM'000	(Decrease) %
Revenue	22,971	23,513	(542)	-2.3%
Profit/(Loss) before tax (PBT)	2,836	(1,566)	4,402	155.2%
Profit/(Loss) after tax (PBT)	2,836	(1,566)	4,402	155.2%
Other Comprehensive Income	(3)	-	(3)	0.0%
Total Comprehensive Expenditure	2,833	(1,566)	4,399	155.3%

Group revenue decrease compared to the preceding quarter by 2.3% or RM542K was due to reviewing shipment and credit risk to middle east countries. The increase in profit was mainly due to consolidating production and continuous improvements of costs saving, reduction of wastage and a bad debt recovery of RM1,630,500.00

B3 Commentary on Prospects

The Group continues to operate in a challenging environment due to uncertainty in the global economy.

B4 Taxation

Current Quarter 31.03.11 RM'000	Current Year To Date 31.03.11 RM'000
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Taxation comprise the following :

Malaysian income tax

Current Tax Expense

-	-
<u>-</u>	<u>-</u>

The effective tax rate for the periods presented above is lower than the statutory tax rate due to the availability of reinvestment allowance, double tax deduction incentive for exports and tax incentive for approved food production project under agro-based industries in reducing taxable income and utilisation of tax losses brought forward.

B5 Sales of Unquoted Investments and/or Properties

There were no material sales of unquoted investments and/or properties for the current quarter and financial period under review except for as disclosed. as follows:

Unquoted unit trusts

The total available for sales investment as at 31.03.2011 are as follows:

	Available for sales investment
At Cost	5,194
At Book value / carrying amount	5,222
At fair value	5,222

B6 Purchase or Disposal of Quoted Securities

- a) There were no purchases or disposals of quoted securities for the current quarter under review.
 b) There were no investments in quoted securities as at the end of the financial period.

B7 Corporate Proposal**Proposal:**

There was no corporate proposal proposed or undertaken during the quarter under review.

B8 Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2011 were as follows :-

	Secured RM'000	Unsecured RM'000	As at 31.03.11 Total RM'000
Short term borrowings			
Bank Overdrafts	899	1,455	2,354
Bankers Acceptance	9,715	13,841	23,556
Finance Lease Creditor	50	-	50
Revolving Credit	3,000	-	3,000
Term Loans	3,343	269	3,612
	<u>17,007</u>	<u>15,565</u>	<u>32,571</u>
Long term borrowings			
Finance Lease Creditors	-	-	-
Term Loans	26,332	3,589	29,921
	<u>26,332</u>	<u>3,589</u>	<u>29,921</u>
Total borrowings	<u>43,339</u>	<u>19,154</u>	<u>62,492</u>

B9 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this announcement.

B10 Material Litigation

The Board of Director of DPS Resources Berhad ("the Company") wishes to announce that a Winding Up Notice under Section 218 of the Companies Act 1965 dated 6 April 2010("Notice") has been served on Shantawood Manufacturing Sdn. Bhd. (Company no. 215539-H) (SMSB), a wholly-owned subsidiary of the Company on 14 April 2010 by Messrs. Lee Swee Seng & Co, the solicitors for Mr. Chwa Yeou Toh("CYT).

Pursuant to an Award No. 225 of 2010 ("the Award") given by the Industrial Court of Malaysia under Case No. 19/4-1605/07 dated 25 February 2010, the Industrial Court had awarded to CYT the sum of RM84,000.00 being back wages for twenty (24) months and compensation of RM3,500.00 in lieu of reinstatement, which total up to RM87,500.00.

Pursuant to the Notice, SMSB is required to pay to CYT the sum of RM87,500.00 with the statutory interest of 8% per annum from 6 April 2010 to date of full settlement within 21 days from the date of the service of the Notice.

On 5 August 2010, the Melaka High Court thereafter granted an order for the judicial review proceedings to be transferred to the Kuala Lumpur High Court; and an order for stay of the Award pending hearing of the application for leave to apply for judicial review, the date for which will be determined by the Kuala Lumpur High Court once the matter has been transferred.

B11 Dividend Payable

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the year under review.

B12 Earnings per Share**a) Basic**

The earnings per share for the current quarter and cumulative year to date are computed as follows:

	Individual Current Year Quarter 31.03.11	Cumulative Current Year To Date 31.03.11
Loss attributable to ordinary equity holders of the parent (RM'000)	<u>2,833</u>	<u>2,833</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>264,000</u>	<u>264,000</u>
Basic Earnings Per Share (sen)	<u>1.07</u>	<u>1.07</u>

b) Diluted

The calculation of the diluted earnings per share is based on the profit attributable to ordinary equity holders of the parent for the current quarter quarter and cumulative year to date divided by the adjusted weighted average number of ordinary shares of RM0.50 each in issue and issuable under the exercise of share options granted under the DPS Employees' Share Option Scheme.

	Individual Current Year Quarter 31.03.11	Cumulative Current Year To Date 31.03.11
Loss attributable to ordinary equity holders of the parent (RM'000)	<u>2,833</u>	<u>2,833</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>264,000</u>	<u>264,000</u>
Basic Earnings Per Share (sen)	<u>1.07</u>	<u>1.07</u>
Diluted Earnings Per Share (sen)	<u>1.07</u>	<u>1.07</u>

B13 Disclosure of Realised and Unrealised Profits

On 25 March 2010, Bursa Malaysia Securities Berhad (Bursa Malaysia) issued a directive to all listed issuers and requires to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses. On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The determination of realised and unrealised profits is complied based on Guidance of Special Matter No. 1. Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

The group's retained earnings as at reporting date may be analysed as follows:

	Group 31.03.2011 RM'000	31.12.2010 RM'000
Total retained profits		
- Realised profits	61,453	57,224
- Unrealised losses	<u>(5,090)</u>	<u>(3,697)</u>
	56,363	53,527
Less : Consolidation adjustments	<u>(35,594)</u>	<u>(35,594)</u>
Total group retained profits as per statements of financial position	<u>20,770</u>	<u>17,933</u>