

SKP RESOURCES BHD
(Company No: 524297-T)
Incorporated in Malaysia under the Companies Act, 1965

Notes (In compliance with MASB 26)

A1. Accounting policies and methods of computation

The unaudited interim financial report has been prepared in accordance with MASB 26 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad("BMSB").

A2. Qualification of financial statements

There were no audit qualifications on the annual financial statements for the year ended 31 March 2004.

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.

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

	Group Revenue	Group profit before taxation and minority interest
	<u>RM'000</u>	<u>RM'000</u>
Investment holding and provision of management services	-	109
Plastic injection moulding & secondary processes	19,617	3,020
Letting of property	93	16
Mould making	-	(7)
Total	19,710	3,138

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 that has not been reflected in the financial statement.

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 period to-date.

A12. Changes in contingent liabilities or contingent assets

As at 10 August 2004 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), the group has no material contingent liabilities or assets, which upon materialisation would have a material impact on the profit or net assets of the group.

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 RM19.71 million with profit after tax and minority interest of RM2.594 million for the current quarter and financial year to date. The increase in revenue is mainly attributable to increase in demand for plastic parts and components by multi-national corporations.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue increased by 7.6% from RM18.32 million to RM 19.71 million. The profit before tax decreased by 14% from RM3.64 million to RM3.14 million due to change in product mix with higher proportions of lower margin products sold.

B3. Current year prospects

Barring unforeseen circumstances, the Directors is optimistic of achieving satisfactory results for the financial year ending 31 March 2005.

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		Cummulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
		30/06/04	30/06/04	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	490	557	490	557
Transfer (from) / to deferred taxation	54	163	54	163
	<u>544</u>	<u>720</u>	<u>544</u>	<u>720</u>

The effective tax rate of the Group for the current quarter and financial year to-date is lower than the statutory income tax rate due to the utilisation of reinvestment allowances of subsidiaries.

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

There are no purchase or disposal of any quoted securities during the quarter under review.

B8. Status of corporate proposals

On 14 April 2004, the Board of Directors had announced to implement the following :

- (I) a bonus issue of up to 13,200,000 new ordinary shares of RM1.00 each in SKPRB, to be credited as fully paid-up on the basis of one (1) new ordinary share of RM1.00 each for every four (4) existing ordinary shares of RM1.00 each held in SKPRB ("Proposed Bonus Issue");
- (II) a share split involving the subdivision into ten(10) new ordinary shares of RM0.10 each in SKPRB for every one (1) ordinary share of RM1.00 each held in SKPRB ("Proposed Share Split");
- (III) transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of SKPRB from the Second Board to the Main Board of BMSB after the Proposed Bonus Issue and Proposed Share Split ("Proposed Listing Transfer");
- (IV) a proposal to seek authorisation from the shareholders of SKPRB to buy-back its own shares up to 10% of the issued and paid-up share capital of the Company through BMSB ("Proposed Share Buy-Back"); and
- (V) amendments to the Memorandum and Articles of Association ("M&A") of SKPRB ("Proposed Amendments to M&A")

The above corporate proposal was approved by the Securities Commission and Bursa Malaysia Securities Berhad on 9 June 2004 and 9 July 2004 respectively, and is still subject to the approval of the shareholders of the Company.

Status of Utilisation of Proceeds

The proceeds from public issue of RM10.80 million are expected to be fully utilised for the core business of the company and its subsidiaries by year 2004 as follows:

	RM'000
Unutilised	
Purchase of machinery	6,060
Upgrading of computer hardware and software	2,100
Working capital	640
	<hr/> 8,800
Utilised	
Listing expenses	2,000
	<hr/>
Total Proceeds	<hr/> 10,800 <hr/>

B9. Borrowings and debt securities

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

The Group's borrowings all of which were denominated in Ringgit Malaysia as at 30 June 2004 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings	259	-	259
Short term borrowings	252	-	252
	<hr/> 511	<hr/> -	<hr/> 511 <hr/>

B10. Off balance sheet financial instruments

There are no material financial instruments with off balance sheet risk as at the date of this report.

B11. Material litigation

There are no material litigations as at 30 June 2004.

B12. Dividend

The board of directors has recommended the payment of final tax exempt dividend of 1% in respect of the financial year ended 31 March 2004, on 48,000,000 ordinary shares, amounting to a total dividend of RM480,000 (1 sen per share).

B13. Earnings per share

The earnings per share (basic) is calculated by dividing the Group's profit after taxation and minority interest of RM2.594 million for the current quarter and the financial year to date by the number of shares in issue of 48.0 million.