

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") (formerly known as Malaysia Securities Exchange Berhad).

The interim financial report should be read in conjunction with the Group's annual audited Financial Statements for the year ended 31 March 2004.

The accounting policies and computation method adopted for the interim financial statements are consistent with those adopted for the last annual audited financial statements.

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 except for the following :-

- (i) allotment of 12,000,000 bonus shares of RM1.00 each on 8 November 2004, by way of capitalisation of RM12 million from the Share Premium Account and the Retained Profit Account as at 31 December 2004; and
- (ii) share split of 60,000,000 ordinary shares of RM1.00 each into 600,000,000 ordinary shares of RM0.10 each.

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**

	Investment holding and provision of of management services <u>RM'000</u>	Plastic injection moulding & secondary processes <u>RM'000</u>	Letting of property <u>RM'000</u>	Mould making <u>RM'000</u>	Elimination <u>RM'000</u>	Total <u>RM'000</u>
Revenue						
External sales	-	60,335	279	-	-	60,614
Inter-segment sales	742	-	863	-	(1,605)	-
Total	<u>742</u>	<u>60,335</u>	<u>1,142</u>	<u>-</u>	<u>(1,605)</u>	<u>60,614</u>
Results						
Operating profit	<u>68</u>	<u>9,697</u>	<u>40</u>	<u>(34)</u>		<u>9,771</u>
Interest expense						(26)
Interest income						<u>590</u>
Profit before taxation						10,335
Tax expense						(1,572)
Profit after taxation						<u><u>8,763</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 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 17 February 2005 (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 RM60.61 million and profit before tax of RM10.34 million for the current financial year to date as compared to RM48.93 million and RM8.90 million in the preceding year corresponding period respectively.

The increase in turnover was primarily contributed by the sales of vacuum cleaners plastic component. In line with the growth in the turnover, the profit before tax also increased.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue decreased by 5.7% from RM21.06 million to RM 19.85 million. The profit before tax decreased by 10% from RM3.79 million to RM3.41 million following the decrease in revenue and lower margin product mix during this quarter.

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		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	31/12/2004 <u>RM'000</u>	31/12/2003 <u>RM'000</u>	31/12/2004 <u>RM'000</u>	31/12/2003 <u>RM'000</u>
Current taxation	370	(457)	1,438	899
Transfer (from) / to deferred taxation	79	(282)	173	65
(Over)/Under provision of income tax in prior period/year	-	15	(30)	26
Under provision of deferred taxation in prior year	-	(274)	(9)	(209)
	<u>449</u>	<u>(998)</u>	<u>1,572</u>	<u>781</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

(a) Total purchase consideration of quoted securities for the current quarter and financial year to date are as follow :-

	Current year quarter 31/12/2004 <u>RM'000</u>	Current year to-date 31/12/2004 <u>RM'000</u>
Total purchase consideration	1,855	1,855

(b) Investment in quoted securities as at 31 December 2004 are summarised below :-

At cost	1,855
At carrying value / book value	1,855
At market value	1,560

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 proposals were completed on 24 November 2004.

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 the end of this financial year.

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

* Pending Securities Commission's approval.

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 31 December 2004 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings	202	-	202
Short term borrowings	172	-	172
	<hr/> 374	<hr/> -	<hr/> 374

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 31 December 2004.

B12. Dividend

The board of directors does not recommend the payment of dividend for the quarter under review.

B13. 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.

	Current year quarter 31/12/2004	Current year to date 31/12/2004
Net profit for the period (RM'000)	2,958	8,763
Number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	0.49	1.46

(b) Diluted

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.