

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 FRS 134 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 2005.

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 2005.

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 :-

Treasury Shares

On 24 September 2004, the shareholders of the Company approved the Company's plan to repurchase its own ordinary shares.

Details of the share buy-back during the current quarter are as follows :-

<u>Month</u>	<u>No.of shares repurchase</u>	<u>Purchase Price</u>		<u>Average price</u> RM	<u>Total Consideration</u> RM
		<u>Lowest</u> RM	<u>Highest</u> RM		
April 2005	100,000	0.115	0.115	0.115	11,500
May 2005	1,276,800	0.115	0.130	0.125	159,681
June 2005	1,874,000	0.110	0.130	0.122	228,499
Balance c/f	3,250,800	0.110	0.130	0.123	399,680

The total consideration paid for the repurchase was financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

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>	Dormant <u>RM'000</u>	Elimination <u>RM'000</u>	Total <u>RM'000</u>
Revenue							
External sales	-	21,497	94	-	-	-	21,591
Inter-segment sales	90	6,591	195	-	-	(6,876)	-
Total	90	28,088	289	-	-	(6,876)	21,591
Results							
Operating profit	145	2,808	25	(9)	(5)		2,964
Interest expense							(9)
Interest income							171
Profit before taxation							3,126
Tax expense							(448)
Profit after taxation							<u>2,678</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.

A11. Effect of changes in the composition of the Group

On 3 June 2005, the Company acquired Billion Prospects Sdn. Bhd. (Company No. 689027-K) as a wholly owned subsidiary for a total consideration of RM2. The company has not commenced operations since incorporation.

A12. Changes in contingent liabilities or contingent assets

As at 17 August 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 RM21.59 million and profit before tax of RM3.13 million for the current financial year to date as compared to RM19.71 million and RM3.14 million in the preceding year corresponding period respectively.

The increase in turnover was primarily contributed by increase of sales of certain products. The profit before tax decreased slightly by 0.3% from RM3.14 million to RM3.13 million due to the Group ventured into assembly project which is generally lower value-added.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue increased by 3.9% from RM20.78 million to RM 21.59 million. The profit before tax decreased by 24.6% from RM4.15 million to RM3.13 million due to the Group ventured into assembly project which is generally lower value-added.

B3. Current year prospects

Barring unforeseen circumstances, the Directors is optimistic of achieving satisfactory results for the financial year ending 31 March 2006.

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
	30/06/2005	30/06/2004	30/06/2005	30/06/2004
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	288	490	288	490
Transfer (from) / to deferred taxation	160	54	160	54
	<u>448</u>	<u>544</u>	<u>448</u>	<u>544</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) There were no purchases or disposals of marketable securities during the current quarter.

(b) Investment in quoted securities as at 30 June 2005 are summarised below : -

At cost	1,855
At carrying value / book value	1,080
At market value	935

B8. Status of corporate proposals

There were no corporate proposals announced but not completed as at 17 August 2005.

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.

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

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 2005 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings	7,854	-	7,854
Short term borrowings	282	-	282
	<u>8,136</u>	<u>-</u>	<u>8,136</u>

B10. Off balance sheet financial instruments

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

B11. Material litigation

There are no litigations as at 30 June 2005.

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 30/06/2005	Current year to date 30/06/2005
Net profit for the period (RM'000)	2,678	2,678
Number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	0.45	0.45

(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.