

SKP RESOURCES BHD*(Company No: 524297-T)**Incorporated in Malaysia under the Companies Act, 1965***Notes (In compliance with FRS 134)****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		
Balance b/f	3,250,800	0.110	0.130	0.124	402,626 *
July 2005	419,700	0.120	0.125	0.125	52,754
Balance c/f	<u>3,670,500</u>				<u>455,380</u>

* The b/f amount included brokerage charges of RM2,946 as compare with last quarter.

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 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	-	49,088	188	-	-	-	49,276
Inter-segment sales	206	14,307	389	-	-	(14,902)	-
Total	206	63,395	577	-	-	(14,902)	49,276
Results							
Operating profit	283	5,478	51	(18)	(5)		5,789
Interest expense							(79)
Interest income							602
Profit before taxation							6,312
Tax expense							(1,214)
Profit after taxation							<u>5,098</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

There were no material changes in the composition of the Group for the quarter under review.

A12. Changes in contingent liabilities or contingent assets

As at 16 November 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 RM49.28 million with profit before tax of RM6.31 million for the current financial year to date as compared to RM40.77 million and RM6.93 million in the preceding year corresponding period respectively.

The increase in turnover was primarily attributed to increase of sales of certain products. The profit before tax decreased by 8.9% from RM6.93 million to RM6.31 million mainly due to increase in assembly projects which used higher externally purchased parts and components.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue increased by 28.3% from RM21.59 million to RM 27.69 million. The profit before tax increased by 1.9% from RM3.13 million to RM3.19 million following an increase in revenue.

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		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	30/09/2005	30/09/2004	30/09/2005	30/09/2004
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	675	578	963	1,068
Transfer (from) / to deferred taxation	54	40	214	94
(Over)/Under provision of income tax in prior period/year	28	(30)	28	(30)
Over provision of deferred taxation in prior year	8	(9)	8	(9)
	<u>765</u>	<u>579</u>	<u>1,214</u>	<u>1,123</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 September 2005 are summarised below : -

At cost	1,855
At carrying value / book value	1,080
At market value	870

B8. Status of corporate proposals

There were no corporate proposals announced but not completed as at 16 November 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.

	RM'000
<u>Unutilised</u>	
Upgrading of computer hardware and software	2,100
Working capital	640
	<u>2,740</u>
<u>Utilised</u>	
Purchase of machinery	6,060
Listing expenses	2,000
	<u>8,060</u>
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 September 2005 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings	7,133	-	7,133
Short term borrowings	858	-	858
	<u>7,991</u>	<u>-</u>	<u>7,991</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 September 2005.

B12. Dividend

At the Annual General Meeting held on 23 September 2005, the shareholders approved a final tax exempt dividend of 5% in respect of the financial year ended 31 March 2005, on 600,000,000 ordinary shares, amounting to a total dividend of RM3,000,000 (0.5 sen per share).

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 30/09/2005	Current year to date 30/09/2005
Net profit for the period (RM'000)	2,420	5,098
Number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	0.40	0.85

(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.