

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

Quarterly report on results for the 1st quarter ended 30 June 2008. The figures have not been audited.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2008 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2007 RM'000 (Unaudited)	CURRENT YEAR TO DATE 30/06/2008 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2007 RM'000 (Unaudited)
Revenue	42,112	41,861	42,112	41,861
Cost of sales	(35,066)	(33,035)	(35,066)	(33,035)
Gross profit	7,046	8,826	7,046	8,826
Other operating income	814	1,293	814	1,293
Operating expenses	(3,741)	(3,547)	(3,741)	(3,547)
Operating profit	4,119	6,572	4,119	6,572
Interest expense	(56)	(190)	(56)	(190)
Interest income	79	68	79	68
Profit before taxation	4,142	6,450	4,142	6,450
Tax expense	(821)	(1,326)	(821)	(1,326)
Profit for the period	3,321	5,124	3,321	5,124
Attributable to:				
Equity holders of the parent	3,321	5,124	3,321	5,124
Minority Interest	-	-	-	-
	3,321	5,124	3,321	5,124
Earning per share attributable to equity holders of the parent (sen):				
-Basic	0.55	0.85	0.55	0.85
-Diluted	N/A	N/A	N/A	N/A

Remarks

-The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual financial statements for the year ended 31 March 2008.

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF CURRENT QUARTER 30/06/2008 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31/03/2008 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	78,433	79,873
Prepaid land lease payments	6,193	6,227
Investment property	1,814	1,821
Intangible Assets	1,694	1,828
Goodwill	5,398	5,398
Other investments	540	685
	<u>94,072</u>	<u>95,832</u>
Current assets		
Inventories	15,059	14,021
Trade receivables	30,918	35,902
Other receivables and prepayments	4,766	3,236
Cash and bank balances	24,180	17,423
	<u>74,923</u>	<u>70,582</u>
TOTAL ASSETS	<u><u>168,995</u></u>	<u><u>166,414</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	60,000	60,000
Share premium	174	174
Treasury shares	(162)	(161)
	<u>60,012</u>	<u>60,013</u>
Reserves	73,021	69,548
	<u>133,033</u>	<u>129,561</u>
Reserve on consolidation	-	-
	<u>133,033</u>	<u>129,561</u>
Minority interests	-	-
Total equity	<u>133,033</u>	<u>129,561</u>
Non-current liabilities		
Long term borrowings	294	1,557
Deferred taxation	7,961	7,966
	<u>8,255</u>	<u>9,523</u>
Current liabilities		
Short term borrowings	1,267	2,895
Trade payables	18,519	12,758
Other payables	7,375	11,363
Dividends payable	-	-
Tax payable	546	314
	<u>27,707</u>	<u>27,330</u>
Total liabilities	<u>35,962</u>	<u>36,853</u>
TOTAL EQUITY AND LIABILITIES	<u><u>168,995</u></u>	<u><u>166,414</u></u>
Net assets per share (RM)	<u>0.22</u>	<u>0.22</u>

Remarks

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual financial statements for the year ended 31 March 2008.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	SHARE CAPITAL RM'000	NON DISTRIBUTABLE		DISTRIBUTABLE	TOTAL RM'000
		TREASURY SHARES RM'000	SHARE PREMIUM RM'000	RETAINED PROFITS RM'000	
At 1 April 2007	60,000	(455)	-	54,460	114,005
Sale of treasury shares	-	293	174	-	467
Net profit for the period	-	-	-	5,124	5,124
At 30 June 2007	60,000	(162)	174	59,584	119,596
At 1 April 2008	60,000	(162)	174	69,700	129,712
Sale of treasury shares	-	-	-	-	-
Net profit for the period	-	-	-	3,321	3,321
At 30 June 2008	60,000	(162)	174	73,021	133,033

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 March 2008.

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended 30/06/2008 RM'000 (Unaudited)	3 months ended 30/06/2007 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before taxation	4,142	6,450
Adjustments for:		
Depreciation	2,547	2,268
Diminution in value of quoted shares	145	-
(Gain)/Loss on disposal of property, plant and equipment	-	(21)
Interest expense	56	190
Dividend income	-	-
Interest income	(79)	(68)
Operating profit before working capital changes	<u>6,811</u>	<u>8,819</u>
(Increase)/decrease in inventories	(14)	(1,038)
(Increase)/decrease in receivables	(173)	3,513
Increase / (decrease) in payables	<u>3,867</u>	<u>1,212</u>
Cash generated from operations	10,491	12,506
Interest paid	(56)	(190)
Taxes paid	(472)	(924)
Net cash generated from operating activities	<u>9,963</u>	<u>11,392</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(541)	(2,869)
Purchase of other investment	-	-
Proceeds from disposal of property, plant and equipment	-	424
Sales / (Purchase) of other investments	-	23
Dividend received	-	-
Interest received	79	68
Net cash used in investing activities	<u>(462)</u>	<u>(2,354)</u>
Cash flows from financing activities		
Repayment of hire purchase	(720)	(924)
Additional hire purchase finance	-	-
Repayment of term loan	(2,023)	(83)
Sale of treasury shares	-	467
Dividend paid	-	-
Net cash generated from financing activities	<u>(2,743)</u>	<u>(540)</u>
Net decrease in cash and cash equivalents	6,758	8,498
Effects of exchange rate changes	-	-
Cash and cash equivalents at beginning of period	17,422	10,117
Cash and cash equivalents at end of period	<u><u>24,180</u></u>	<u><u>18,615</u></u>
 # Represented by:		
Cash at Bank	<u>24,180</u>	<u>18,615</u>
	<u><u>24,180</u></u>	<u><u>18,615</u></u>

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual financial statements for the year ended 31 March 2008.

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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").

The interim financial report should be read in conjunction with the Group's annual audited Financial Statements for the year ended 31 March 2008.

The accounting policies and computation method adopted for the interim financial statements are consistent with those adopted for the last annual audited financial statements except for the adoption of the following new Financial Reporting Standards ("FRS") effective for the financial period beginning 1 April 2008 :-

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have any significant financial impact on the Group.

A2. Qualification of financial statements

There were no audit qualifications on the annual financial statements for the year ended 31 March 2008.

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. As at 30 June 2008, total shares repurchased were 1,312,800 and all the shares repurchased were held as treasury shares in accordance with Section 67A of the Companies Act, 1965. None of the shares held were resold or cancelled during the current quarter.

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>	Dormant <u>RM'000</u>	Elimination <u>RM'000</u>	Total <u>RM'000</u>
Revenue						
External sales	8	42,073	31	-	-	42,112
Inter-segment sales	172	10,515	267	-	(10,954)	-
Total	<u>180</u>	<u>52,588</u>	<u>298</u>	<u>-</u>	<u>(10,954)</u>	<u>42,112</u>
Results						
Operating profit	<u>(73)</u>	<u>3,974</u>	<u>155</u>	<u>63</u>		<u>4,119</u>
Interest expense						(56)
Interest income						<u>79</u>
Profit before taxation						4,142
Tax expense						(821)
Profit after taxation						<u><u>3,321</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.

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 year to-date.

A12. Changes in contingent liabilities or contingent assets

As at 27 August 2008 (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 RM42.11 million with profit before tax of RM4.14 million for the current financial year to date as compared to RM41.86 million and RM6.45 million in the preceding year corresponding period respectively.

Despite the marginal increase in turnover, profit before tax was lower mainly due to different products mix.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue reduced by 10.1% from RM46.86 million to RM 42.11 million. Despite the lower turnover, the profit before tax increased by 3.2% from RM4.01 million to RM4.14 million.

B3. Current year prospects

Barring unforeseen circumstances, the Directors is optimistic of achieving satisfactory results for the financial year ending 31 March 2009.

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
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	821	1,332	821	1,332
Transfer to/(from) deferred taxation	-	(6)	-	(6)
Under/(Over) provision of income tax in prior year	-	-	-	-
Under/(Over) provision of deferred taxation in prior year	-	-	-	-
	<u>821</u>	<u>1,326</u>	<u>821</u>	<u>1,326</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 are no purchase or disposal of any quoted securities during the quarter under review.

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

	Current year quarter	Current year to-date
	30/06/2008	30/06/2008
	<u>RM'000</u>	<u>RM'000</u>
Total purchase consideration	-	10

(c) Investment in quoted securities as at 30 June 2008 are summarised below :-

At cost	1,865
At carrying value / book value	540
At market value	540

B8. Status of corporate proposal

There were no corporate proposals announced but not completed as at 27 August 2008.

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 2008 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings	294	-	294
Short term borrowings	1,267	-	1,267
	<u>1,561</u>	<u>-</u>	<u>1,561</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 material litigations as at 30 June 2008.

B12. Dividend

The Board of Directors has not recommended any dividend for the current financial year.

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 30/06/2008	Current year to date 30/06/2008
Net profit for the period (RM'000)	3,321	3,321
Number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	0.55	0.55

(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.