

12. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)



AF: 0039

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Date : 17 December 2002

The Board of Directors
SKP RESOURCES BERHAD
Suite 11.1A, Level 11, Menara Weld
76, Jalan Raja Chulan
50200 Kuala Lumpur

Dear Sirs,

This report has been prepared by Ernst & Young, an approved company auditor, for inclusion in the Prospectus to be dated 28 December 2002 in connection with the public issue of 7,200,000 new ordinary shares of RM1.00 each in SKP RESOURCES BERHAD (hereinafter referred to as "SKPRB" or "the Company") at an issue price of RM1.50 per ordinary share and the listing of and quotation for the entire issued and fully paid-up share capital of SKPRB comprising 48,000,000 ordinary shares of RM1.00 each on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE").

This report has been prepared on a basis consistent with the accounting policies normally adopted by SKPRB and its subsidiaries, which are in accordance with applicable approved accounting standards issued or adopted by the Malaysian Accounting Standards Board.

A. GENERAL INFORMATION

1. Incorporation

The Company was incorporated in Malaysia on 23 August 2000 as a private limited company under the name of Vital Conglomerate Sdn. Bhd.. On 12 December 2000, the Company was converted to a public limited company under the name of Vital Conglomerate Berhad. On 8 October 2002, the Company assumed its present name.

2. Principal activities

The principal activities of the Company are investment holding and provision of management services to its subsidiaries.

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3. Restructuring and flotation scheme

In conjunction with the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE, the Company undertook the following restructuring scheme:

- (i) acquisition of the entire issued and paid up share capital of Syarikat Sin Kwang Plastic Industries Sdn. Bhd. ("SKP"), Goodhart Industries Sdn. Bhd. ("GHI") and Goodhart Land Sdn. Bhd. ("GHL") for a total purchase consideration of RM45,506,086. The amount was satisfied by an issue of 40,799,998 new ordinary shares of RM1.00 each in the Company at an issue price of approximately RM1.12 per ordinary share as follows:

Company	No. of shares acquired	Equity interest acquired %	Purchase consideration RM	No. of new shares in SKPRB issued
SKP	6,762,728	100	29,110,877	26,100,327
GHI	10,000,000	100	6,674,970	5,984,667
GHL	2,000,000	100	9,720,239	8,715,004
			<u>45,506,086</u>	<u>40,799,998</u>

- (ii) public issue of 7,200,000 new ordinary shares of RM1.00 each in SKPRB at an issue price of RM1.50 per ordinary share.

4. Share capital

The authorised share capital of the Company is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each.

The present issued and paid-up share capital of the Company is RM40,800,000 comprising 40,800,000 ordinary shares of RM1.00 each.

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Details of changes in the issued and paid-up share capital of SKPRB since incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1 each	Consideration	Cumulative total paid-up share capital RM
23 August 2000	2	Subscribers' share	2
30 November 2002	28,793,848*	Issued as consideration for the acquisition of SKP, GHL and GHI	28,793,850
2 December 2002	12,006,150#	Issued as consideration for the acquisition of SKP	40,800,000

* Only 14,094,177 SKPRB ordinary shares of RM1.00 each were issued pursuant to the acquisition of SKP on 30 November 2002. The remaining 12,006,150 SKPRB ordinary shares of RM1.00 each were in the form of rights to allotment.

Issuance of the remaining 12,006,150 SKPRB ordinary shares pursuant to the acquisition of SKP pursuant to the call on the rights to allotment by Jalur Gala Sdn Bhd and Ubiquity Sdn Bhd.

5. Subsidiaries

The information on the subsidiaries, all of which are private limited companies are as follows:

(i) SKP

SKP was incorporated in Malaysia on 19 June 1974. The authorised share capital of SKP as at the date of this report is RM10,000,000 divided into 10,000,000 ordinary shares of RM1.00 each of which 6,762,728 ordinary shares of RM1.00 each have been issued and fully paid.

The principal activities of SKP are manufacturing of plastic parts and components, sub-assembly process and other secondary processes.

Information on SKP's subsidiary, a private limited company incorporated in Malaysia is as follows:

Name	Date of incorporation	Authorised share capital RM	Issued and fully paid up share capital RM	Effective interest %	Principal activity
Goodhart Technology Sdn. Bhd. ("GHT")	3 August 1993	500,000	317,332	63	Manufacturer of precision injection moulds

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(ii) **GHI**

GHI was incorporated in Malaysia on 18 September 1996 under the name of Copious World Sdn. Bhd. and assumed its present name on 22 October 1998. The authorised share capital of GHI as at the date of this report is RM25,000,000 divided into 25,000,000 ordinary shares of RM1.00 each of which 10,000,000 ordinary shares of RM1.00 each have been issued and fully paid.

The principal activities of GHI are manufacturing of precision and engineering plastic parts and components, sub-assembly process and other secondary processes. GHI commenced manufacturing operation in May 1999.

(iii) **GHL**

GHL was incorporated in Malaysia on 9 July 1994. The authorised share capital of GHL as at the date of this report is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each of which 2,000,000 ordinary shares of RM1.00 each have been issued and fully paid.

The principal activities of GHL are letting of property and property holding.

B. FINANCIAL STATEMENTS AND AUDITORS

We are the auditors of SKPRB and all its subsidiaries for the financial period ended 31 July 2002. The financial statements were reported on without any qualification.

The financial statements of SKPRB and all its subsidiaries prior to our appointment as auditors were audited by other firms of chartered accountants and their reports for the years under review were not subject to any qualification.

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C. SUMMARISED INCOME STATEMENTS

We set out below the proforma consolidated financial results of SKPRB and its subsidiaries ("the Group") for the past five financial years ended 31 March 1998 to 2002 and for the four-month period ended 31 July 2002 based on their audited financial statements. The proforma consolidated results are provided for illustrative purposes only, based on the assumption that the Group had been in existence throughout the financial years/period under review.

	← Financial year ended 31 March →					4-month period ended 31 July
	1998	1999	2000	2001	2002	2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	24,772	33,594	53,652	75,469	62,917	23,229
Profit before depreciation, interest and taxation	7,690	8,365	9,550	12,307	15,001	5,851
Interest expense	(492)	(383)	(254)	(294)	(206)	(69)
Depreciation	(1,278)	(1,597)	(2,016)	(3,085)	(3,570)	(1,267)
Profit before taxation	5,920	6,385	7,280	8,928	11,225	4,515
Taxation	(1,488)	(333)	(1,199)	(1,852)	(2,555)	(1,166)
Profit after taxation	4,432	6,052	6,081	7,076	8,670	3,349
Number of ordinary shares of RM1.00 each assumed to be in issue ('000)	40,800	40,800	40,800	40,800	40,800	40,800
Gross earnings per share (RM)	0.15	0.16	0.18	0.22	0.28	0.33*
Net earnings per share (RM)	0.11	0.15	0.15	0.17	0.21	0.25*

* Annualised

- (1) There were no exceptional or extraordinary items in all the financial years/period under review.

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- (2) There were no minority interests in all the financial years under review.
- (3) The gross earnings per share has been calculated based on the profit before taxation divided by the issued and paid up share capital of 40,800,000 ordinary shares assumed to be in issue before the public issue.
- (4) The net earnings per share has been calculated based on the profit after taxation divided by the issued and paid up share capital of 40,800,000 ordinary shares assumed to be in issue before the public issue.
- (5) Taxation has been adjusted to reflect the under/over provision in the respective financial years/period. The effective tax rate for 1999 was lower than the statutory tax rate as there was no tax charge for Malaysian companies and the amount payable was waived in accordance with the Income Tax (Amendment) Act, 1999. The effective tax rate for other years were lower than the statutory tax rate mainly due to the following reasons:
 - Utilisation of brought forward capital allowances by GHI and GHT; and
 - SKP was entitled to claim reinvestment allowances.
- (6) The growth in revenue and pretax profit by 35.61% and 7.85% respectively in 1999 was due to strong performance of the economy in United States of America ("US") and in particular, the electrical and electronic sector whereby sales of the Group's customers to US increased. Increase in export of the customers to US had indirectly increased the sales volume of the Group.
- (7) The revenue for 2000 increased by 59.71% mainly due to the increase in demand from the Group's existing and new customers. Political instability in a neighbouring country resulted in several of the multi national companies ("MNC") sourcing their materials from other producers in Malaysia. In addition, the increase was attributed to growth in the electrical and electronic sector. Pretax profit increased by 14.02% in 2000 as a result of the significant growth in sales.
- (8) Revenue for year 2001 rose by 40.66% and pretax profit increased by 22.64% mainly due to the increase in demand from major customers and production capacity. SKP invested approximately RM5.18 million in property, plant and equipment of which RM3.76 million was incurred on plant and machinery comprising mainly plastics injection moulding machines.
- (9) The revenue for year 2002 deteriorated by 16.63% mainly due to the impact of 11 September 2001 whereby the Group's major customers' orders declined drastically. Nevertheless, the pretax profit margin increased from 11.83% to 17.84%. This was mainly attributable to the increase in production efficiency, tighter cost control and lower labour cost as a result of the on-going production automation process.
- (10) The annualised revenue for year 2003 is 10.76% higher than the preceding year mainly due to increase in sales order for this period as a result of stronger demand in the electrical and electronic industry globally. As such, the Group recorded revenue of RM23.23 million with a pretax profit of RM4.52 million.

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**The Company**

	Financial period from 23 August 2000 to 31 March 2001 RM'000	Financial year ended 31 March 2002 RM'000	4-months period ended 31 July 2002 RM'000
Revenue	-	-	-
Other expenses	(6)	(4)	(2)
Net loss for the year/period	(6)	(4)	(2)

- (1) There were no exceptional or extraordinary items in all the financial years/period under review.
- (2) The Company commenced its operation of investment holding and provision of management services to its subsidiaries upon completion of the acquisition of subsidiaries.

SKP

	← Financial year ended 31 March →					4-months period ended 31 July
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2002 RM'000
Revenue	23,922	32,900	52,607	72,596	55,972	20,844
Profit before depreciation, interest and taxation	6,982	7,400	8,384	10,315	11,480	4,491
Interest expense	(129)	(44)	(45)	(76)	(77)	(25)
Depreciation	(1,156)	(1,425)	(1,694)	(2,462)	(2,652)	(860)
Profit before taxation	5,697	5,931	6,645	7,777	8,751	3,606
Taxation	(1,420)	(249)	(1,125)	(1,617)	(2,331)	(1,082)
Profit after taxation	4,277	5,682	5,520	6,160	6,420	2,524
Number of ordinary shares in issue ('000)	6,763	6,763	6,763	6,763	6,763	6,763
Gross earnings per share (RM)	0.84	0.88	0.98	1.15	1.29	1.60*
Net earnings per share (RM)	0.63	0.84	0.82	0.91	0.95	1.12*

* Annualised

12. ACCOUNTANTS' REPORT *(Cont'd)*



- (1) There were no exceptional or extraordinary items in all the financial years/period under review.
- (2) The gross earnings per share has been calculated based on the profit before taxation divided by the number of ordinary shares in issue at the respective years/period.
- (3) The net earnings per share has been calculated based on the profit after taxation divided by the number of ordinary shares in issue at the end of the respective years/period.
- (4) The taxation has been adjusted to reflect the under/over provision in the respective financial years. There was no tax charge for the year 1999 as the amount payable was waived in accordance with the Income Tax (Amendment) Act, 1999. The provision made in 1999 was due to provision for deferred tax liability. The effective tax rates for other years, except 31 July 2002, were lower than the statutory tax rate due to the claims of reinvestment allowances. The effective tax rate for period ended 31 July 2002 was higher than the standard rate of tax applicable due principally to certain expenses being disallowed for taxation purposes.
- (5) The growth in revenue and profit before taxation by 37.53% and 4.11% respectively in 1999 was due to strong performance of the US economy and in particular, the electrical and electronic sector whereby sales of SKP's customers to US increased, which had indirectly increased the sales volume of SKP.
- (6) Revenue and profit before tax for financial year ended 2000 increased to approximately RM52.61 million and RM6.65 million respectively, representing a 59.90% and 12.04% growth. The increase was attributed to the growth in the electrical and electronic sector. In addition, political instability in a neighbouring country resulted in several of the MNC sourcing their materials from other producers in Malaysia.
- (7) The revenue for year 2001 increased by 38.00% while pretax profit increased by 17.04%. The revenue increased mainly due to increase in demand from major customers and production capacity. SKP invested approximately RM5.18 million in property, plant and equipment of which RM3.76 million were incurred on plant and machinery comprising mainly plastics injection moulding machines.
- (8) The revenue for year 2002 deteriorated by 22.90% mainly due to impact of 11 September 2001 whereby its major customers' orders declined drastically. Nevertheless, the pretax profit margin increased from 10.71% to 15.63% contributed by increase in production efficiency, tighter cost control and lower labour cost as a result of the on-going production automation process.
- (9) The annualised revenue for the period ended 31 July 2002 is 11.72% higher than the preceding year mainly due to the increase in sales order for this period which resulted from stronger demand in the electrical and electronic industry globally. As such, SKP recorded revenue of RM20.84 million with a pretax profit of RM3.61 million.

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**GHI**

	Financial period from 18 September 1996 to 31 December 1997 RM'000	Financial year ended 31 December 1998 RM'000	15-months financial period ended 31 March 2000 RM'000	Financial year ended 31 March 2001 2002 RM'000		4-months period ended 31 July 2002 RM'000
Revenue	-	-	875	2,857	20,898	9,628
Profit before depreciation, interest and taxation	-	-	292	703	2,159	852
Interest expense	-	-	(32)	(64)	(51)	(17)
Depreciation	-	-	(178)	(333)	(653)	(318)
Profit before taxation	-	-	82	306	1,455	517
Taxation	-	-	(25)	(42)	-	-
Profit after taxation	-	-	57	264	1,455	517
Weighted average number of issued and paid up share capital ('000)	#	#	130	4,366	10,000	10,000
Gross earnings per share (RM)	-	-	0.51*	0.07	0.15	0.16*
Net earnings per share (RM)	-	-	0.35*	0.06	0.15	0.16*

* Annualised

RM2

- (1) GHI was incorporated on 18 September 1996 and commenced operation in May 1999.
- (2) There were no exceptional or extraordinary items in all the financial years/periods under review.
- (3) The gross earnings per share has been calculated based on the profit before taxation divided by the weighted average issued and paid up share capital of the respective years/period.
- (4) The net earnings per share has been calculated based on the profit after taxation divided by the weighted average number of issued and paid up share capital for the respective years/periods.

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- (5) The taxation has been adjusted to reflect the under/over provision in the respective financial years/periods. The effective tax rate for year 2000 was higher than the standard rate of tax applicable due principally to certain expenses being disallowed for taxation purposes. The effective tax rate for year 2001 was lower than the standard rate of tax applicable due principally to utilisation of brought forward capital allowances. There was no tax charge for year 2002 due to utilisation of brought forward capital allowances.
- (6) Revenue for GHI mainly consisted of sub-contract income received from SKP. Even though GHI is engaged in a similar manufacturing activity as SKP, the gross profit margin before depreciation was lower than SKP. This was mainly because GHI was still in start up position resulting in higher operational costs.
- (7) Revenue increased to approximately RM2.86 million for year 2001, representing a growth of more than 300% as compared to the annualised revenue in the prior financial period. Increase in revenue was mainly due to increase in the sub-contract income from SKP. Despite the great improvement in revenue, profit before taxation margin increased slightly from 9.37% to 10.71% mainly due to decrease in other income coupled with increase in operating expenses and depreciation.
- (8) Revenue in 2002 increased by 631.47% as GHI started its full operation. As such, the profit before tax increased by 375.49% to RM1.46 million.
- (9) The annualised revenue for the financial period ended 31 July 2002 is 38.21% higher than the preceding year mainly due to increase in sales order for this period resulting from stronger demand in the electrical and electronic industry globally. As such, GHI recorded revenue of RM9.62 million with a pretax profit of RM0.52 million. The net profit margin dropped from 6.96% to 5.37% due to decrease in other income i.e. insurance claim coupled with increase in operating expenses and depreciation.

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**GHL**

	Financial year ended		3-months	Financial year ended		4-months
	31 December	31 December	financial period ended 31 March	31 March	31 March	period ended 31 July
	1998	1999	2000	2001	2002	2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,044	1,115	272	1,070	1,133	384
Profit before depreciation, interest and taxation	841	1,016	248	971	1,037	348
Interest expense	(378)	(196)	(18)	(127)	(67)	(17)
Depreciation	(129)	(155)	(39)	(152)	(149)	(49)
Profit before taxation and exceptional item	334	665	191	692	821	282
Exceptional item	-	-	-	304	-	-
Profit before taxation	334	665	191	996	821	282
Taxation	(105)	-	(54)	(193)	(224)	(84)
Profit after taxation	229	665	137	803	597	198
Number of ordinary shares in issue ('000)	2,000	2,000	2,000	2,000	2,000	2,000
Gross earnings per share (RM)	0.17	0.33	0.38*	0.50	0.41	0.42*
Net earnings per share (RM)	0.11	0.33	0.27*	0.40	0.30	0.30*

* Annualised

- (1) There were no exceptional or extraordinary items in all the financial years/periods under review except for the financial year ended 31 March 2001. The exceptional item for the year ended 31 March 2001 represented gain on disposal of two lots of long term leasehold land net of real property gain tax.
- (2) The gross earnings per share has been calculated based on the profit before taxation divided by the number of ordinary shares in issue at the respective years/period.

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- (3) The net earnings per share has been calculated based on the profit after taxation divided by the number of ordinary shares in issue at the end of the respective years/periods.
- (4) The taxation have been adjusted to reflect the under/over provision in the respective financial years/periods. There was no tax charge for the year 1999 as the amount payable was waived in accordance with the Income Tax (Amendment) Act, 1999. The effective tax rates for year 1998, 3-month period ended 31 March 2000 and 4-month period ended 31 July 2002 were higher than the standard rate of tax applicable due principally to certain expenses being disallowed for taxation purposes.
- (5) Revenue increased in the year 1999 from approximately RM1.04 million to approximately RM1.12 million, representing a 6.80% increase. The increase in revenue was mainly due to GHL receiving a full year of rental income from tenants who had entered into tenancy agreements during the prior year. Profit before taxation increased to approximately RM0.67 million as compared to approximately RM0.33 million in prior year, representing a 99.10% increase. Significant increase in profit before taxation was mainly due to decrease in expenses especially interest expense.
- (6) Revenue for the financial period 2000 was approximately RM0.27 million or approximately RM1.09 million stated on an annualised basis, representing a 2.42% decrease compared to the prior year. The slight decrease in revenue was mainly due to revised rental rates with existing tenants in the light of excess supply and weak demand in the property sector which has caused rental rates to decline. Finance charges dropped as interest rates continued to decrease coupled with decrease in loan outstanding.
- (7) Revenue for the financial year 2001 was approximately RM1.07 million, which was 1.65% lower than the prior financial period annualised revenue. Reduction in revenue for the year under review was mainly due to termination of a rental agreement. Significant increase in profit before taxation for the current financial year was mainly due to the gain on disposal of two lots of long term leasehold land to GHL.
- (8) The revenue for financial year 2002 increased by 5.89% compared to preceding year. The increase was contributed by full year rental income for a rented lot rather than 6.5 months rental income in prior year. However, the pretax profit deteriorated as compare to the preceding year. Significant decrease in profit before taxation for the current financial year was mainly due to the inclusion of the gain on disposal for the two lots of long term leasehold land to GHI in the prior year's pretax profit.
- (9) The annualised revenue for the 4-month period ended 31 July 2002 is RM1.15 million, which is 1.68% higher than the previous year. As such, GHL recorded a 4-month pretax profit of RM0.28 million.

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**GHT**

	Financial year ended		6-months financial period ended	Financial year		4-months period ended
	30 September 1998	1999	31 March 2000	ended 31 March 2001	2002	31 July 2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,876	1,689	622	2,317	1,674	647
Profit before depreciation, interest and taxation	178	(9)	(114)	337	330	159
Interest expense	(49)	(41)	(35)	(27)	(11)	(10)
Depreciation	(240)	(95)	(47)	(138)	(116)	(39)
(Loss)/profit before taxation	(111)	(145)	(196)	172	203	110
Taxation	-	-	-	-	-	-
(Loss)/profit after taxation	(111)	(145)	(196)	172	203	110
Weighted average number of issued and paid up share capital ('000)	117	117	232	317	317	317
Gross (loss)/earnings per share (RM)	(0.95)	(1.24)	(1.69)*	0.54	0.64	1.04*
Net (loss)/earnings per share (RM)	(0.95)	(1.24)	(1.69)*	0.54	0.64	1.04*

* Annualised

- (1) There were no exceptional or extraordinary items in all the financial years/period under review.
- (2) The gross earnings per share has been calculated based on the profit before taxation divided by the weighted average number of issued and paid up share capital for the respective years/period.
- (3) The net earnings per share has been calculated based on the profit after taxation divided by the weighted average number of issued and paid up share capital for the respective years/periods.
- (4) The taxation has been adjusted to reflect the under/over provision in the respective financial years/periods. There was no tax charge from year 1998 to 2000 as GHT was in a tax loss position. There was no tax charge for other years/periods under review due to the utilisation of brought forward capital allowances and tax losses.

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- (5) Revenue for the year ended 30 September 1999 decreased by 9.97% as compared to the prior year. In order to reduce the possibility of non-collection of debts from the trade debtors due to the economic crisis, GHT became more selective in terms of customers resulting in decreased revenue for the year under review. GHT recorded a higher loss before taxation margin of 8.58% in year 1999 due to increase in directors' remuneration and provision of bad and doubtful debts.
- (6) Revenue for the period ended 31 March 2000 decreased by 26.35% on an annualised basis as compared to the prior financial year. Decrease in revenue was mainly due to loss of some existing customers as a result of the relocation of factory.
- (7) Revenue increased to approximately RM2.32 million for the financial year ended 31 March 2001, representing a growth of 86.25% as compared to the previous financial period on an annualised basis. Increase in revenue was mainly due to increase in sales from existing major customers coupled with new customers which were secured by its new management team.
- (8) The revenue for year 2002 deteriorated by 27.75% mainly due to impact of 11 September 2001 whereby its major customers' orders declined drastically. Despite the decline in revenue, the pretax profit improved by 18.02%. The improvement was mainly due to lower sub-contract charges as most of the orders can be done in-house.
- (9) The annualised revenue for period ended 31 July 2002 is 15.95% higher than the preceding year mainly due to improvement in orders from its customers. As such, GHT recorded revenue of approximately RM0.65 million with a pretax profit of approximately RM0.11 million.

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D. SUMMARISED BALANCE SHEETS

As the subsidiaries are consolidated using the acquisition method of accounting, the proforma consolidated balance sheets as at 31 July 2002 resulted in a reserve on consolidation of approximately RM14.5 million based on the purchase consideration of approximately RM45.5 million as stated in part (i) of Section A.3 of this report. The reserve on consolidation would be different for each of the past five financial years as at 31 March 1998 to 2002, as such, the consolidated balance sheets of the Proforma Group for the past five financial years were not included in the report as the information would not be relevant. Accordingly, consolidated balance sheets of the Proforma Group has only been presented by way of proforma statement of assets and liabilities as at 31 July 2002 based on the latest audited financial statements as at 31 July 2002 of SKPRB and its subsidiaries as shown in Section F of this report.

The audited balance sheets of the Company and its subsidiaries based on their respective financial years/period end are summarized as follows:

The Company

	← As at 31 March →		As at
	2001	2002	31 July
	RM'000	RM'000	2002
			RM'000
CURRENT ASSETS			
Prepayment	-	1	1
Cash in hand	*	*	*
	-	1	1
CURRENT LIABILITY			
Other payables	6	2	4
Due to a subsidiary	-	9	9
	6	11	13
	(6)	(10)	(12)
FINANCED BY:			
Share capital	*	*	*
Accumulated loss	(6)	(10)	(12)
Shareholders' equity	(6)	(10)	(12)
Net tangible assets ("NTA") / (Net liabilities) per ordinary share (RM)	(2,922)	(5,155)	(5,955)

* This represents RM2

12. ACCOUNTANTS' REPORT (Cont'd)

**SKP**

The audited balance sheets of SKP for the past six (6) financial years/period are as follows:

	← As at 31 March →					As at 31 July
	1998	1999	2000	2001	2002	2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS						
Subsidiary	-	-	200	200	200	200
Property, plant and Equipment	13,367	15,415	20,177	22,484	21,426	19,585
	<u>13,367</u>	<u>15,415</u>	<u>20,377</u>	<u>22,684</u>	<u>21,626</u>	<u>19,785</u>
CURRENT ASSETS						
Inventories	2,192	3,777	6,805	5,852	2,928	2,995
Trade receivables	2,364	4,206	7,157	6,863	8,717	13,397
Other receivables	509	298	2,558	1,292	3,070	4,535
Other investments	-	-	-	-	-	1,000
Cash and bank balances	7,496	7,198	3,112	10,063	15,643	16,158
	<u>12,561</u>	<u>15,479</u>	<u>19,632</u>	<u>24,070</u>	<u>30,358</u>	<u>38,085</u>
CURRENT LIABILITIES						
Trade payables	3,046	3,358	6,238	7,828	6,961	9,849
Other payables	2,132	2,704	2,934	2,351	1,829	2,191
Hire purchase payables	200	-	355	351	146	29
Taxation	1,605	1,173	526	-	439	668
Proposed dividend	1,217	-	-	-	-	-
	<u>8,200</u>	<u>7,235</u>	<u>10,053</u>	<u>10,530</u>	<u>9,375</u>	<u>12,737</u>
NET CURRENT ASSETS	<u>4,361</u>	<u>8,244</u>	<u>9,579</u>	<u>13,540</u>	<u>20,983</u>	<u>25,348</u>
	<u>17,728</u>	<u>23,659</u>	<u>29,956</u>	<u>36,224</u>	<u>42,609</u>	<u>45,133</u>
FINANCED BY:						
Share capital	6,763	6,763	6,763	6,763	6,763	6,763
Reserves	9,630	15,312	20,832	26,992	33,412	35,936
Shareholders' equity	<u>16,393</u>	<u>22,075</u>	<u>27,595</u>	<u>33,755</u>	<u>40,175</u>	<u>42,699</u>
Hire purchase payables	-	-	497	146	-	-
Deferred taxation	1,335	1,584	1,864	2,323	2,434	2,434
	<u>1,335</u>	<u>1,584</u>	<u>2,361</u>	<u>2,469</u>	<u>2,434</u>	<u>2,434</u>
	<u>17,728</u>	<u>23,659</u>	<u>29,956</u>	<u>36,224</u>	<u>42,609</u>	<u>45,133</u>
NTA per ordinary share (RM)	2.42	3.26	4.08	4.99	5.94	6.31

12. ACCOUNTANTS' REPORT (Cont'd)



Included in the above balance sheets are related companies balances classified in the following accounts :

	← As at 31 March →					As at
	1998	1999	2000	2001	2002	31 July
	RM'000	RM'000	RM'000	RM'000	RM'000	2002
Trade receivables	-	-	-	-	1,040	654
Other receivables	123	123	1,925	569	2,042	3,308
Trade payables	-	-	11	49	-	-
Other payables	-	248	-	36	-	-

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