

SKP RESOURCES BHD
(formerly known as Vital Conglomerate Berhad)
(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 9.2.2 of the Listing Requirements of Kuala Lumpur Stock Exchange ('KLSE').

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 following: -

With effect from 1 April 2003, the group has modified its accounting policy to conform with the new accounting standard issued by the Malaysian Accounting Standard Board, MASB 25 on Income Taxes. With the change in accounting policy, the group's retained profits as at 31 March 2003 was reduced by RM0.143 million, from RM3.073 million to RM2.93 million and the reserve on consolidation was reduced by RM0.886 million from RM17.869 million to RM16.983 million.

A2. Qualification of financial statements

There were no audit qualifications on the annual financial statements for the year ended 31 March 2003.

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, repurchases, 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.

A7. Dividend paid

No dividend was paid or declared during the quarter under review.

A8. Segmental reporting for the current quarter

By business segments

	Group Revenue	Group profit before taxation and minority interest
	<u>RM'000</u>	<u>RM'000</u>
Investment holding and provision of management services	-	(13)
Plastic injection moulding & secondary processes	14,105	2,510
Letting of property	93	25
Mould making	258	(31)
Total	<u>14,456</u>	<u>2,491</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 12 August 2003 (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 KLSE Listing Requirements

B1. Review of performance of the Company and its principal subsidiaries

The group recorded a turnover of RM14.5 million with profit after tax and minority interest of RM1.78 million for the current quarter and financial year to date.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue increased by 10% from RM13.2 million to RM 14.5 million. The profit before tax decreased by 17% from RM3.0 million to RM2.5 million due to lower margin products mixed during this quarter.

B3. Current year prospects

Barring unforeseen circumstances, the Directors expect to maintain performance for the financial year ending 31 March 2004.

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
	30/06/2003 <u>RM'000</u>	30/06/2002 <u>RM'000</u>	30/06/2003 <u>RM'000</u>	30/06/2002 <u>RM'000</u>
Current taxation	557	N/A	557	N/A
Transfer (from) / to deferred taxation	163	N/A	163	N/A
	<u>720</u>	<u>N/A</u>	<u>720</u>	<u>N/A</u>

The effective tax rate of the Group for the current quarter and financial period to-date is slightly higher than the statutory income tax rate due to certain expenses were not allowable for tax purposes.

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

There are no purchase or disposal of any quoted securities during the quarter under review.

B8. Status of corporate proposals

Save for the proposed listing and quotation of the Company's entire share capital of 48,000,000 ordinary shares of RM 1.00 each on the Second Board of the Kuala Lumpur Stock Exchange, which were listed on 10 February 2003, there are no other further changes in the corporate proposals announced but not completed at the latest practicable date which shall not be earlier than 7 days from the date of this quarterly report.

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 year 2004 as follows:

	RM'000
<u>Unutilised</u>	
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 2003 were as follows:

	Secured <u>RM'000</u>	Unsecured <u>RM'000</u>	Total <u>RM'000</u>
Long term borrowings	927	-	927
Short term borrowings	440	33	473
	<u>1,367</u>	<u>33</u>	<u>1,400</u>

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 litigation as at 30 June 2003.

B12. Dividend

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

B13. Earnings per share

The earnings per share (basic) is calculated by dividing the Group's profit after taxation and minority interest of RM1.782 million for the current quarter and the financial year to date by the number of shares in issue of 48.0 million.

Approved by the Board.
Board resolution dated 19 August 2003.