

**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 adoption of MASB 25 to MASB 29, which became effective from 1 January 2003. The adoption of MASB 27, MASB 28 and MASB 29 have not given rise to any adjustment to the opening balances of retained profits of the prior year and the current period. However, the adoption of MASB 25 has given rise to changes and effects as follows:-

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, 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.

**A7. Dividend paid**

Final tax exempt dividend of 5% in respect of the financial year ended 31 March 2003, on 48,000,000 ordinary shares, amounting to a total dividend of RM2,400,000 (5 sen per share) was paid on 22 October 2003.

**A8. Segmental reporting for the current quarter**

**By business segments**

	<b>Group Revenue</b>	<b>Group profit before taxation and minority interest</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Investment holding and provision of management services	-	86
Plastic injection moulding & secondary processes	16,838	3,194
Letting of property	93	26
<b>Total</b>	<b><u>16,931</u></b>	<b><u>3,306</u></b>

**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 November 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 RM16.93 million and RM31.39 million with profit after tax and minority interest of RM2.307 million and RM4.094 million for the current quarter and financial year to date respectively.

**B2. Comparison with preceding quarter's results**

Compared with preceding quarter, the revenue increased by 17% from RM14.46 million to RM 16.93 million. The profit before tax increased by 33% from RM2.49 million to RM3.31 million due to the effective control of fixed and variable cost and increased in sales 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
		30/09/2003		30/09/2003
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	750	N/A	1,302	N/A
Transfer to deferred taxation	184	N/A	347	N/A
Under provision of transfer to deferred taxation in prior year	65	N/A	65	N/A
	<u>999</u>	<u>N/A</u>	<u>1,714</u>	<u>N/A</u>

The effective tax rate of the Group for the current quarter and financial year to-date is slightly higher than the statutory income tax rate due to under provision of deferred taxation in prior year.

**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**

The company disposed off RM2,000,000 Prudential Bonds during the quarter under review with gain of approximately 4.5%.

**B8. Status of corporate proposals**

There were no corporate proposals announced but not completed as at 12 November 2003.

**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:

	<b>RM'000</b>
<b><u>Unutilised</u></b>	
Purchase of machinery	6,060
Upgrading of computer hardware and software	2,100
Working capital	640
	<u>8,800</u>
<b><u>Utilised</u></b>	
Listing expenses	2,000
Total Proceeds	<u><u>10,800</u></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 2003 were as follows:

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
Long term borrowings	826	-	826
Short term borrowings	440	33	473
	<u>1,266</u>	<u>33</u>	<u>1,299</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 September 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 RM2.307 million and RM4.094 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 November 2003.