

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 year to date

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	-	58
Plastic injection moulding & secondary processes	48,356	9,299
Letting of property	279	78
Mould making	290	(533)
Total	<u>48,925</u>	<u>8,902</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 11 February 2004 (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 RM17.51 million and RM48.93 million with profit after tax and minority interest of RM4.166 million and RM8.156 million for the current quarter and financial year to date respectively. The increase in revenue is mainly attributable to increase in demand for plastic parts and components by multi-national corporations.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue increased by 3% from RM16.93 million to RM 17.51 million. The profit before tax decreased by 5% from RM3.31 million to RM3.14 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
	31/12/2003	31/12/2003	31/12/2003	31/12/2003
	RM'000	RM'000	RM'000	RM'000
Current taxation	(457)	235	899	235
Transfer (from) / to deferred taxation	(282)	-	65	-
Under provision of income tax in prior year	15	-	26	-
Over provision of transfer to deferred taxation in prior year	(274)	-	(209)	-
	<u>(998)</u>	<u>235</u>	<u>781</u>	<u>235</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 and over 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

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

The company disposed off RM2,000,000 Prudential Bonds for the year to date under review with gain of approximately 4.5%.

B8. Status of corporate proposals

There were no corporate proposals announced but not completed as at 11 February 2004.

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
Unutilised	
Purchase of machinery	6,060
Upgrading of computer hardware and software	2,100
Working capital	640
	<hr/> 8,800
Utilised	
Listing expenses	2,000
Total Proceeds	<hr/> <hr/> 10,800

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 31 December 2003 were as follows:

	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Long term borrowings	374	-	374
Short term borrowings	270	19	289
	<hr/> 644	<hr/> 19	<hr/> 663

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 31 December 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 RM4.166 million and RM8.156 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 18 February 2004.