



EXPLANTORY NOTES : (AS PER MASB 26 – PARAGRAPH 16)

A1 Accounting policies

The interim financial statements have been prepared in accordance with MASB 26 “Interim Financial Reporting” and Chapter 9 Part K of the Listing Requirements of Kuala Lumpur Stock Exchange. The accounting policies and methods used in preparing the quarterly financial statement are consistent with the audited financial statements for the financial year ended 31st January 2003.

A2 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st January 2003 was not subject to any audit qualification.

A3 Seasonality or cyclicity of operation

The business of the Group is generally non-cyclical nor seasonal except for decreased activities during the festive season.

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.

A5 Changes in estimates

There were no changes in estimates of amount used in our previous reporting having a material impact in the current reporting.

A6 Issuances and repayments of debts and equity securities

There were no changes in the equity structure of the company during this period.

There were no issuances and repayments of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

A7 Dividend

No dividend has been declared for the period.

A8 Segmental reporting

Segmental analysis for the current financial year to-date

	Revenue	Profit After Taxation
Manufacturing	73,780,784	1,917,724
Trading	53,442,980	2,773,086
Others	757,531	(803,288)
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	127,981,295	3,887,522
	=====	=====

A9 Valuation of property, plant and equipment

The valuation of property, plant and equipment have been brought forward, without amendment from the audited financial statements for the financial year ended 31st January 2003.



SMPC CORPORATION BHD
(79082-V)

Quarterly report on consolidated results for the first financial quarter ended 31st July 2003

Page 6

EXPLANTORY NOTES : (AS PER MASB 26 – PARAGRAPH 16)

A10 Subsequent material events

In the best knowledge of the Directors, there is no transaction or event of a material or unusual nature occurring between 31st January 2003 and the date of this announcement.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial year to date.

A12 Contingent liabilities or contingent assets

There were no contingent liabilities and contingent assets as at end of the reporting quarter other than as stated below:

Guarantee for loan facilities given to other investee company

USD 266,833



EXPLANATORY NOTES : (AS PER KLSE LISTING REQUIREMENT – PART A OF APPENDIX 9B)

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

The group recorded revenue of RM128.0 million and profit before tax of RM4.4 million as compared to a revenue of RM121.1 million and a profit before tax of RM4.4 million in the preceding year corresponding quarter. The increase in turnover by 6% reflects better selling prices. The Group has maintained its profit margin at 3% even with the purchase cost increasing steadily due to reduction in financial expense incurred during the period.

B2 Material changes in the quarterly results compared to the results of the immediate preceding quarter

The current financial quarter showed the Group recording revenue of RM65.4 million and profit before tax of RM2.7 million in comparison with a revenue of RM62.6 million and profit before tax of RM1.7 million recorded in the immediate preceding quarter.

The improvement for the current quarter under review was largely due to increase in sales volume and better pricing in the scrap recycling division.

B3 Prospects of the current financial year

The introduction of the economic stimulus package by the government is expected to give a positive impact on the performance of the Group. With the improved pricing structure in the recycling division being maintained, it is expected that the results of the next quarter shall be in tandem with the industry's performance.

Barring any unforeseen circumstances, the Group is confident of achieving improved results during the current financial year.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.



SMPC CORPORATION BHD
(79082-V)

Quarterly report on consolidated results for the second financial quarter ended 31st July 2003

Page 8

EXPLANATORY NOTES : (AS PER KLSE LISTING REQUIREMENT – PART A OF APPENDIX 9B)

B5 Taxation

Taxation comprises :-

	Current Year Quarter 31/07/2003 RM'000	Cumulative Quarters	
		Current Year To Date 31/07/2003 RM'000	Preceding Year Corresponding Period 31/07/2002 RM'000
Current tax expense			
Current year	37	164	104
Underestimated in prior year	-	-	-
Deferred tax income/ (expense)	-	-	-
	37	164	104

The disproportionate tax charge in relation to the results of the Group for the financial periods under review is mainly due to tax savings arising from the utilization of unabsorbed tax losses in certain subsidiaries of the group.

B6 Profit on sale of unquoted investments and / or properties

There was no sale of unquoted investments and properties respectively for the current financial year to date.

B7 Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities for the current financial year to date.

B8 Status of corporate proposals

There were no corporate proposals at the date of issue of the quarterly report.



SMPC CORPORATION BHD
(79082-V)

Quarterly report on consolidated results for the second financial quarter ended 31st July 2003

Page 9

B9 Group borrowings and debt securities

There were no bank borrowings (other than as detailed below) and debt securities as at the end of the reporting period.

	Short Term RM '000	Long Term RM '000
Secured		
Bank overdraft	9,453	
Bankers' acceptances	2,173	
Term loan	18,982	18,000
Unsecured		
Bank overdraft	6,409	
Bankers' acceptances	46,920	
Revolving credit	12,250	
Short term loan	4,407	
Term Loan	-	76
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	100,594	18,076
	=====	=====

B10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this announcement.

B11 Material litigation

There is no material litigation pending as at the date of this announcement.

B12 Dividend

The Board of Directors of the Company has not recommended any interim dividend in the financial year to date.

B13 Earnings per share

(i) Basic earnings per ordinary share

The earnings per share is calculated by dividing the net profit attributable to shareholders of RM4,078,471 by the weighted average number of ordinary shares in issue during the current quarter of 54,644,965

(ii) Diluted earnings per ordinary share

Not applicable to the Group.

By order of the Board

THUM SOOK FUN
Secretary
Penang

24th Sept 2003

