



**Quarterly report on consolidated results for the third financial quarter ended 31st October 2003**

**Condensed Consolidated Income Statements for the third quarter ended 31st October 2003**

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year Quarter 31st October 2003</u> RM'000	<u>Preceding year Corresponding Quarter 31st October 2002</u> RM'000	<u>Current Year To date 31st October 2003</u> RM'000	<u>Preceding year Corresponding Period 31st October 2002</u> RM'000
Revenue	77,841	55,740	205,822	176,842
Operating expenses	(73,269)	(51,733)	(193,670)	(164,092)
Other operating income	(307)	589	250	1,321
Profit from operations	<u>4,265</u>	<u>4,596</u>	<u>12,402</u>	<u>14,071</u>
Finance costs	(1,837)	(2,433)	(5,549)	(7,466)
Investing results	-	-	-	-
Profit before tax	<u>2,428</u>	<u>2,163</u>	<u>6,853</u>	<u>6,605</u>
Taxation	(147)	(4)	(311)	(108)
Profit after tax	<u>2,281</u>	<u>2,159</u>	<u>6,542</u>	<u>6,497</u>
Minority interest	(141)	(107)	(324)	(447)
Net profit for the period	<u><u>2,140</u></u>	<u><u>2,052</u></u>	<u><u>6,218</u></u>	<u><u>6,050</u></u>
EPS - Basic (sen)	<u>3.92</u>	<u>3.76</u>	<u>11.38</u>	<u>11.07</u>
- Diluted (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st January 2003)**



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Condensed Consolidated Balance Sheet as at 31st October 2003

(The figures have not been audited)

	As at 31st October 2003 RM'000	As at 31st January 2003 RM'000
Property, plant & equipment	114,321	112,807
Intangible assets	36	56
Other Investments	-	-
Current assets		
Inventories	32,303	38,293
Trade receivables	80,065	74,253
Other receivables, deposits and prepayments	11,460	9,101
Short term investment	136	136
Cash & bank balances	4,940	4,681
	<u>128,904</u>	<u>126,464</u>
Current liabilities		
Short term borrowings	108,465	124,243
Trade payables	35,351	37,002
Other payables	6,145	7,753
Taxation	368	319
	<u>150,329</u>	<u>169,317</u>
Net current liabilities	(21,425)	(42,853)
	<u>92,932</u>	<u>70,010</u>
Share capital	54,645	54,645
Reserves	14,781	8,613
Shareholders' equity	<u>69,426</u>	<u>63,258</u>
Minority interests	1,042	717
Long term liabilities		
Retirement Benefits	108	262
Borrowings	21,447	4,527
Deferred taxation	1,107	1,107
Reserve / (Goodwill) on consolidation	(198)	139
	<u>92,932</u>	<u>70,010</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31st January 2003)



**Quarterly report on consolidated results for the third financial quarter ended 31st October 2003**

**Condensed Consolidated Cash Flow Statements for the third quarter ended 31st October 2003**

(The figures have not been audited)

	<b>9 months ended 31st October 2003 RM'000</b>
Net profit before tax	6,542
Adjustment for non-cash flow :	
Non-cash items	
Non-operating items	4,693
Operating profit before changes in working capital	<u>11,235</u>
Changes in working capital	
Net change in current assets	(2,181)
Net change in current liabilities	(3,211)
Taxation paid	
Net cash flows from operating activities	<u>5,843</u>
Investing activities	
- Other investments	<u>(5,698)</u>
Financing activities	
- Net change in borrowings	1,142
- Proceeds from issue of shares	<u>-</u>
	<u>1,142</u>
Net change in cash & cash equivalents	1,287
Cash & cash equivalents at beginning of the year	(13,534)
Cash & cash equivalents at end of the period	<u><u>(12,247)</u></u>

**Note : There are no comparative figures as this is the first interim financial report prepared in accordance with MASB 26 Interim Financial Reporting.**

**(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st January 2003)**



**Quarterly report on consolidated results for the third financial quarter ended 31st October 2003**

**Condensed Consolidated Statements of Changes in Equity for the third quarter ended 31st October 2003**

(The figures have not been audited)

	Share capital RM'000	Share premium RM'000	-----Non-Distributable ----- Revaluation reserve RM'000	Accumulated losses RM'000	Total Reserves RM'000	Total RM'000
12 months <u>ended 31st January 2003</u>						
Balance at beginning of year	54,645	23,802	8,005	(23,194)	8,613	63,258
Movements during the period (cumulative)	-	(50)	-	-	(50)	(50)
Net profit for the period	-	-	-	6,218	6,218	6,218
	<u>54,645</u>	<u>23,752</u>	<u>8,005</u>	<u>(16,976)</u>	<u>14,781</u>	<u>69,426</u>

**Note : There are no comparative figures as this is the first interim financial report prepared in accordance with MASB 26 Interim Financial Reporting.**

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st January 2003)**



**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	118,588,285	4,759,978
Trading	86,084,254	1,856,789
Others	1,149,588	(398,466)
	-----	-----
	205,822,127	6,218,301
	=====	=====

**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.



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**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
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**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 RM205.8 million and profit before tax of RM6.54 million as compared to a revenue of RM176.8 million and a profit before tax of RM6.49 million in the preceding year corresponding quarter. The increase in turnover by 16% reflects improved prices in the recycling and roofing divisions. Although the operating costs has increased due to an increase in the raw material pricing, the Group's profit margin has been maintained at 3% 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 RM77.8 million and profit before tax of RM2.3 million in comparison with a revenue of RM65.4 million and profit before tax of RM2.7 million recorded in the immediate preceding quarter.

This reflects the thinning margins as a result of the increase of raw material prices and keen competition within the industry.

**B3 Prospects of the current financial year**

In view of the current economic climate and barring any unforeseen circumstances the performance of the Group is expected to move in a positive direction. The Group is looking at the international market for diversification within the core business of the Group.

**B4 Variance of actual profit from forecast profit**

This is not applicable to the Group.



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

**B5 Taxation**

Taxation comprises :-

	Current Year Quarter 31/10/2003 RM'000	Cumulative Quarters Current Year To Date 31/10/2003 RM'000	Preceding Year Corresponding Period 31/10/2002 RM'000
Current tax expense			
Current year	147	311	108
Underestimated in prior year	-	-	-
Deferred tax income/ (expense)	-	-	-
	147	311	108

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 other corporate proposals at the date of issue of the quarterly report other than the corporate proposal completed during the period as mentioned below.

On 28<sup>th</sup> November 2003, the additional 10,000,000 new ordinary shares of RM1.00 each issued pursuant to the Restricted Issue was granted listing on the Kuala Lumpur Stock Exchange.





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**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	11,200	
Bankers' acceptances	1,982	
Term loan	20,055	18,000
Unsecured		
Bank overdraft	6,688	
Bankers' acceptances	51,539	
Revolving credit	12,250	
Term Loan	3,891	
Hire Purchase Loan	860	3,447
	-----	-----
	108,465	21,447
	=====	=====

**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 RM6,218,301 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

16<sup>th</sup> December 2003