



Quarterly report on consolidated results for the fourth financial quarter ended 31st January 2004

Condensed Consolidated Income Statements for the fourth quarter ended 31st January 2004

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year Quarter 31st January 2004</u> RM'000	<u>Preceding year Corresponding Quarter 31st January 2003</u> RM'000	<u>Current Year To date 31st January 2004</u> RM'000	<u>Preceding year Corresponding Period 31st January 2003</u> RM'000
Revenue	68,047	62,001	273,869	238,843
Operating expenses	(76,875)	(59,414)	(270,545)	(223,506)
Other operating income	10,487	78	10,737	1,399
Profit from operations	<u>1,659</u>	<u>2,665</u>	<u>14,061</u>	<u>16,736</u>
Finance costs	(1,622)	(2,525)	(7,171)	(9,991)
Investing results	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before tax	<u>37</u>	<u>140</u>	<u>6,890</u>	<u>6,745</u>
Taxation	(591)	(612)	(902)	(720)
Profit after tax	<u>(554)</u>	<u>(472)</u>	<u>5,988</u>	<u>6,025</u>
Minority interest	140	224	(184)	(223)
Net profit for the period	<u>(414)</u>	<u>(248)</u>	<u>5,804</u>	<u>5,802</u>
EPS - Basic (sen)	<u>(0.66)</u>	<u>(0.45)</u>	<u>10.24</u>	<u>10.62</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)



SMPC CORPORATION BHD
(79082-V)

Page 2

Quarterly report on consolidated results for the fourth financial quarter ended 31st January 2004

Condensed Consolidated Balance Sheet as at 31st January 2004

(The figures have not been audited)

	As at 31st January 2004 RM'000	As at 31st January 2003 RM'000
Property, plant & equipment	115,845	112,807
Intangible assets	-	56
Other Investments	-	-
Current assets		
Inventories	29,106	38,293
Trade receivables	74,838	74,253
Other receivables, deposits and prepayments	7,560	9,101
Short term investment	1,016	136
Cash & bank balances	4,384	4,681
	116,904	126,464
Current liabilities		
Short term borrowings	87,430	124,243
Trade payables	33,915	37,002
Other payables	7,691	7,753
Taxation	1,059	319
	130,095	169,317
Net current liabilities	(13,191)	(42,853)
	<u>102,654</u>	<u>70,010</u>
Share capital	64,645	54,645
Reserves	14,367	8,613
Shareholders' equity	<u>79,012</u>	<u>63,258</u>
Minority interests	901	717
Long term liabilities		
Retirement Benefits	200	262
Borrowings	21,565	4,527
Deferred taxation	1,247	1,107
Reserve / (Goodwill) on consolidation	(271)	139
	<u>102,654</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 fourth financial quarter ended 31st January 2004

Condensed Consolidated Cash Flow Statements for the fourth quarter ended 31st January 2004

(The figures have not been audited)

	12 months ended 31st January 2004 RM'000	12 months ended 31st January 2003 RM'000
Net profit before tax	6,890	6,746
Adjustment for non-cash flow :		
Non-cash items		
Non-operating items	6,299	16,108
Operating profit before changes in working capital	<u>13,189</u>	<u>22,854</u>
Changes in working capital		
Net change in current assets	5,366	(855)
Net change in current liabilities	(3,148)	3,639
Taxation paid	(309)	(447)
Net cash flows from operating activities	<u>15,098</u>	<u>25,191</u>
Investing activities		
- Other investments	<u>(8,505)</u>	<u>(10,315)</u>
Financing activities		
- Net change in borrowings	(10,311)	(12,221)
- Proceeds from issue of shares	-	68
	<u>(10,311)</u>	<u>(12,153)</u>
Net change in cash & cash equivalents	(3,718)	2,723
Cash & cash equivalents at beginning of the year	(13,534)	(16,257)
Cash & cash equivalents at end of the period	<u>(17,252)</u>	<u>(13,534)</u>

(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 fourth financial quarter ended 31st January 2004

Condensed Consolidated Statements of Changes in Equity for the fourth quarter ended 31st January 2004

(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>						
As at 1 February 2002	54,577	23,803	8,005	(28,997)	2,811	57,388
Movements during the period (cumulative)	68	(1)	-	-	(1)	67
Net profit for the year	-	-	-	5,803	5,803	5,803
At 31 January 2003	<u>54,645</u>	<u>23,802</u>	<u>8,005</u>	<u>(23,194)</u>	<u>8,613</u>	<u>63,258</u>
12 months <u>ended 31st January 2004</u>						
As at 1 February 2003	54,645	23,802	8,005	(23,194)	8,613	63,258
Movements during the period (cumulative)	10,000	(50)	-	-	(50)	9,950
Net profit for the year	-	-	-	5,804	5,804	5,804
At 31 January 2004	<u>64,645</u>	<u>23,752</u>	<u>8,005</u>	<u>(17,390)</u>	<u>14,367</u>	<u>79,012</u>

(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 Malaysia Securities Exchange Bhd. 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 other than as stated below :

	Number of Ordinary Shares of RM1 Each
Issued and fully paid capital	
At 1 November	54,645
Shares issued during the period	10,000

At 31 January	64,645
	=====

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	151,285,187	5,319,768
Trading	119,466,756	124,850
Others	3,116,798	358,873
	-----	-----
	273,868,741	5,803,491
	=====	=====



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

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.

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 RM273.8 million and profit before tax of RM6.89 million as compared to a revenue of RM238.8 million and a profit before tax of RM6.75 million in the preceding year corresponding quarter. The increase in turnover by 15% reflects improved prices in the recycling and roofing divisions. Although the operating costs has increased due to an increase in the raw material pricing besides provisions made for doubtful debts and impairment of assets, the Group's profit margin has remained at 3% due to reduction in financial expense 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 RM68.0 million and profit before tax of RM37,000 in comparison with a revenue of RM77.8 million and profit before tax of RM2.4 million recorded in the immediate preceding quarter.

This reflects the thinning margins as a result of the increase of raw material prices. The management has also made provisions for doubtful debts and impairment of assets on a prudent basis.

B3 Prospects of the current financial year

Although the present local economic climate appears to be improving, however, as a result of the uncertainty in the steel industry as to pricing and material supply, the Group's performance may not improve significantly. The Group is looking forward to moving into 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.



SMPC CORPORATION BHD
(79082-V)

Quarterly report on consolidated results for the fourth financial quarter ended 31st January 2004

Page 8

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

B5 Taxation

Taxation comprises :-

	Current	Cumulative Quarters		Period
	Year	Current	Preceding Year	
	Quarter	Year	Corresponding	
	31/01/2004	31/01/2004	To Date	
	RM'000	RM'000	31/01/2003	
			RM'000	
Current tax expense				
Current year	451	762	382	
Underestimated in prior year	-	-	27	
	451		409	
Deferred tax (income) / expense	140	140	311	
	591	902	720	

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 28th 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.



SMPC CORPORATION BHD
(79082-V)

Quarterly report on consolidated results for the fourth financial quarter ended 31st January 2004

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	11,741	
Bankers' acceptances	2,376	
Term loan	2,000	16,000
Unsecured		
Bank overdraft	9,895	
Bankers' acceptances	46,928	
Revolving credit	12,250	
Term Loan	1,380	3,157
Hire Purchase Loan	860	2,408
	----- 87,430 =====	----- 21,565 =====

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 final 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 RM5,803,491 by the weighted average number of ordinary shares in issue during the current quarter of 64,644,965

(ii) Diluted earnings per ordinary share

Not applicable to the Group.

By order of the Board

THUM SOOK FUN
Secretary
Penang

29th January 2004