



Quarterly report on consolidated results for the first financial quarter ended 30th April 2004

Condensed Consolidated Income Statements for the first quarter ended 30th April 2004

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year Quarter 30th April 2004</u> RM'000	<u>Preceding year Corresponding Quarter 30th April 2003</u> RM'000	<u>Current Year To date 30th April 2004</u> RM'000	<u>Preceding year Corresponding Period 30th April 2003</u> RM'000
Revenue	89,940	62,602	89,940	62,602
Operating expenses	(85,620)	(59,425)	(85,620)	(59,425)
Other operating income	178	106	178	106
Profit from operations	<u>4,498</u>	<u>3,283</u>	<u>4,498</u>	<u>3,283</u>
Finance costs	(1,901)	(1,583)	(1,901)	(1,583)
Investing results	-	-	-	-
Profit before tax	<u>2,597</u>	<u>1,700</u>	<u>2,597</u>	<u>1,700</u>
Taxation	(177)	(127)	(177)	(127)
Profit after tax	<u>2,420</u>	<u>1,573</u>	<u>2,420</u>	<u>1,573</u>
Minority interest	(408)	(119)	(408)	(119)
Net profit for the period	<u><u>2,012</u></u>	<u><u>1,454</u></u>	<u><u>2,012</u></u>	<u><u>1,454</u></u>
EPS - Basic (sen)	<u><u>3.11</u></u>	<u><u>2.66</u></u>	<u><u>3.11</u></u>	<u><u>2.66</u></u>
- Diluted (sen)	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st January 2004)



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Quarterly report on consolidated results for the first financial quarter ended 30th April 2004

Condensed Consolidated Balance Sheet as at 30th April 2004

(The figures have not been audited)

	As at 30th April 2004 RM'000	As at 31st January 2004 RM'000
Property, plant & equipment	114,558	116,047
Intangible assets	22	29
Other Investments	-	-
Current assets		
Inventories	29,999	29,129
Trade receivables	67,001	70,812
Other receivables, deposits and prepayments	8,259	8,421
Short term investment	166	166
Cash & bank balances	6,153	5,568
	<u>111,578</u>	<u>114,096</u>
Current liabilities		
Short term borrowings	84,296	89,246
Trade payables	32,880	32,850
Other payables	7,530	7,221
Taxation	732	580
	<u>125,438</u>	<u>129,897</u>
Net current liabilities	(13,860)	(15,801)
	<u>100,720</u>	<u>100,275</u>
Share capital	64,645	64,645
Reserves	14,129	12,147
Shareholders' equity	<u>78,774</u>	<u>76,792</u>
Minority interests	1,320	912
Long term liabilities		
Retirement Benefits	78	140
Borrowings	18,353	20,124
Deferred taxation	2,578	2,578
Reserve / (Goodwill) on consolidation	(383)	(271)
	<u>100,720</u>	<u>100,275</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31st January 2004)



Quarterly report on consolidated results for the first financial quarter ended 30th April 2004

Condensed Consolidated Cash Flow Statements for the first quarter ended 30th April 2004

(The figures have not been audited)

	3 months ended 30th April 2004 RM'000	3 months ended 30th April 2003 RM'000
Net profit before tax	2,410	1,454
Adjustment for non-cash flow :		
Non-cash items		
Non-operating items	5,122	2,046
Operating profit before changes in working capital	<u>7,532</u>	<u>3,500</u>
Changes in working capital		
Net change in current assets	(397)	(10,368)
Net change in current liabilities	339	9,317
Taxation paid	(25)	13
Net cash flows from operating activities	<u>7,449</u>	<u>2,462</u>
Investing activities		
- Other investments	<u>(144)</u>	<u>(68)</u>
Financing activities		
- Net change in borrowings	<u>(3,127)</u>	<u>398</u>
	<u>(3,127)</u>	<u>398</u>
Net change in cash & cash equivalents	4,178	2,792
Cash & cash equivalents at beginning of the year	(16,045)	(13,534)
Cash & cash equivalents at end of the period	<u>(11,867)</u>	<u>(10,742)</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st January 2004)



Quarterly report on consolidated results for the first financial quarter ended 30th April 2004

Condensed Consolidated Statements of Changes in Equity for the first quarter ended 30th April 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
3 months <u>ended 30th April 2004</u>						
As at 1 February 2004	64,645	23,752	5,763	(17,368)	12,147	76,792
Movements during the period (cumulative)	-	(30)	-	-	(30)	(30)
Net profit for the year	-	-	-	2,012	2,012	2,012
At 30 April 2004	<u>64,645</u>	<u>23,722</u>	<u>5,763</u>	<u>(15,356)</u>	<u>14,129</u>	<u>78,774</u>
3 months <u>ended 30th April 2003</u>						
As at 1 February 2003	54,645	23,802	8,005	(23,194)	8,613	63,258
Movements during the period (cumulative)	-	-	-	-	-	-
Net profit for the year	-	-	-	1,454	1,454	1,454
At 30 April 2003	<u>54,645</u>	<u>23,802</u>	<u>8,005</u>	<u>(21,740)</u>	<u>10,067</u>	<u>64,712</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 2004)



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 2004.

A2 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st January 2004 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	36,372,543	2,113,147
Trading	53,032,384	121,493
Others	534,637	184,918
	-----	-----
	89,939,564	2,419,558
	=====	=====



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 2004.

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 2004 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 RM89.9 million and profit before tax of RM2.6 million as compared to a revenue of RM62.6 million and a profit before tax of RM1.7 million in the preceding year corresponding quarter. The increase in turnover by 44% reflects the steep selling price increase in steel products.

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 RM89.9 million and profit before tax of RM2.6 in comparison with a revenue of RM68.0 million and profit before tax of RM37,000 recorded in the immediate preceding quarter. This reflects the continued increase in the selling prices. The margins have improved as the previous quarter saw provisions made for impairment of assets.

B3 Prospects of the current financial year

The steel industry is still experiencing volatility in the pricing of raw material, which may affect the group's performance in the coming period. However, the group is confident that with prudent purchasing policy and focused marketing, the group will be able to maintain its performance in the current financial year.

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 30/04/2004 RM'000	Cumulative Quarters Current Year To Date 30/04/2004 RM'000	Preceding Year Corresponding Period 30/04/2003 RM'000
Current tax expense			
Current year	177	177	127
Underestimated in prior year	-	-	-
	177	177	127
Deferred tax (income) / expense	-	-	-
	177	177	127

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.



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	6,800	
Bankers' acceptances	2,346	
Term loan	3,236	16,093
Unsecured		
Bank overdraft	11,220	
Bankers' acceptances	46,955	
Revolving credit	12,250	
Term Loan	299	
Hire Purchase Loan	1,190	2,260
	-----	-----
	84,296	18,353
	=====	=====

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 RM2,011,725 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

25th June 2004

