

**SMR TECHNOLOGIES BERHAD**

(Company No: 659523-T)

Interim Financial Reports for the 4<sup>th</sup> quarter ended 31 December 2005

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2005.**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA  
SECURITIES BERHAD ('BURSA SECURITIES')**

**B1. Review of Performance**

For the fourth quarter ended 31 December 2005, the Group recorded revenue of RM2.1 million and profit after tax of RM0.9 million. The cumulative quarter for the year ended 31 December 2005, the Group recorded revenue of RM7.9 million and profit after tax of RM3.6 million.

There is no comparison with the corresponding quarter results in the preceding year as this is the first quarterly consolidated result of the Group to be submitted to Bursa Securities.

**B2. Comparison of Current Quarter Results with the Preceding Quarter**

There are no comparison figures in the preceding quarter as this is the Group's first quarterly report as a public listed company.

**B3. Prospects for the current financial year**

Barring any unforeseen circumstances, the Board is positive of the Group's performance in the financial year ending 31 December 2006.

**B4. Variance on Profit forecast and Profit Guarantee**

The Group has not provided any profit forecast or profit guarantee in a public document.

**B5. Taxation**

No provision for taxation was required for the financial year ended 31 December 2005 in respect of its core activities as the Group is still within the tax exemption period granted by the Ministry of International Trade and Industry and Ministry of Finance for being an MSC status company.

**B6. Profit on Sale of Unquoted Investment and/or Properties**

There was no disposal of unquoted investment or properties during the financial quarter under review.

**B7. Purchase and Disposal of Quoted Securities**

There was no purchase or disposal of quoted securities during the financial quarter under review.

**B8. Status of Corporate Proposals**

There were no corporate proposals announced as at the date of this report.

**Status of utilisation of proceeds**

There were no public issues as at the date of this report

**B9. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings denominated in Ringgit Malaysia as at 31 December 2005 are as follows:

	RM
Short term borrowings - Unsecured	
Bank Overdraft	-
Bankers' acceptance	-
Hire purchase	14,988
Long term borrowings - Unsecured	
Hire purchase	<u>76,744</u>
Total Borrowings	<u><u>91,732</u></u>

**B10. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at the date of this report.

## **B11. Material Litigations**

As at the date of this report announced, there was no material litigation against the Group.

## **B12. Earnings Per Share**

### **(a) Basic earnings per share**

The earnings per share for the current year to date is calculated by dividing the net profit attributable to shareholders of RM3,628,920 by the number of shares in issue of 70,000,000 of RM0.10 per ordinary shares.

	Current quarter 31/12/2005	Current year to-date 31/12/2005
Net profit (RM)	949,020	3,628,920
No of Ordinary shares of RM0.10 par each	70,000,000	70,000,000
Basic Earnings per Ordinary Shares (sen)	1.36	5.18

### **(b) Fully diluted earnings per share**

The Group does not have any convertible securities and accordingly dilution of earning per share is not applicable.