



Quarterly report on consolidated results for the second financial quarter ended 31st July 2005

Condensed Consolidated Income Statements for the second quarter ended 31st July 2005

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year</u> <u>Quarter</u> <u>31st July 2005</u> RM'000	<u>Preceding year</u> <u>Corresponding</u> <u>Quarter</u> <u>31st July 2004</u> RM'000	<u>Current</u> <u>Year</u> <u>To date</u> <u>31st July 2005</u> RM'000	<u>Preceding year</u> <u>Corresponding</u> <u>Period</u> <u>31st July 2004</u> RM'000
Revenue	64,642	61,485	148,338	151,425
Operating expenses	(65,642)	(57,937)	(147,739)	(143,557)
Other operating income	695	163	1,048	341
Profit from operations	<u>-305</u>	<u>3,711</u>	<u>1,647</u>	<u>8,209</u>
Finance costs	(2,036)	(1,927)	(3,768)	(3,828)
Investing results	-	-	-	-
Profit before tax	<u>-2,341</u>	<u>1,784</u>	<u>-2,121</u>	<u>4,381</u>
Taxation	(110)	24	(155)	(153)
Profit after tax	<u>(2,451)</u>	<u>1,808</u>	<u>(2,276)</u>	<u>4,228</u>
Minority interest	38	(143)	19	(551)
Net profit for the period	<u>(2,413)</u>	<u>1,665</u>	<u>(2,257)</u>	<u>3,677</u>
EPS - Basic (sen)	<u>(3.73)</u>	<u>2.58</u>	<u>(3.49)</u>	<u>5.69</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 2005)



Quarterly report on consolidated results for the second financial quarter ended 31st July 2005

Condensed Consolidated Balance Sheet as at 31st July 2005

(The figures have not been audited)

	As at 31st July 2005 RM'000	As at 31st January 2005 RM'000
Property, plant & equipment	103,363	108,822
Intangible assets	-	2
Current assets		
Inventories	41,833	35,705
Trade receivables	69,168	78,388
Other receivables, deposits and prepayments	10,845	9,112
Short term investment	238	237
Cash & bank balances	6,769	4,812
	<u>128,853</u>	<u>128,254</u>
Current liabilities		
Short term borrowings	80,290	93,639
Trade payables	33,454	24,705
Other payables	4,810	3,934
Taxation	219	344
	<u>118,773</u>	<u>122,622</u>
Net current asset	10,080	5,632
	<u>113,443</u>	<u>114,456</u>
Share capital	64,645	64,645
Reserves	12,436	14,693
Shareholders' equity	<u>77,081</u>	<u>79,338</u>
Minority interests	1,300	1,319
Long term liabilities		
Retirement Benefits	146	146
Borrowings	20,159	18,190
Trade payable	13,606	14,107
Deferred taxation	2,036	2,036
Reserve / (Goodwill) on consolidation	(885)	(680)
	<u>113,443</u>	<u>114,456</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31st January 2005)



Quarterly report on consolidated results for the second financial quarter ended 31st July 2005

Condensed Consolidated Cash Flow Statements for the second quarter ended 31st July 2005

(The figures have not been audited)

	6 months ended 31st July 2005 RM'000	6 months ended 31st July 2004 RM'000
Net profit before tax	(2,121)	4,381
Adjustment for non-cash flow :		
Non-cash items		
Non-operating items	2,834	7,184
Operating profit before changes in working capital	<u>713</u>	<u>11,565</u>
Changes in working capital		
Net change in current assets	1,183	(6,621)
Net change in current liabilities	9,801	1,760
Taxation paid	<u>(280)</u>	<u>(69)</u>
Net cash flows from operating activities	<u>11,417</u>	<u>6,635</u>
Investing activities		
- Other investments	<u>2,421</u>	<u>1,429</u>
	<u>2,421</u>	<u>1,429</u>
Financing activities		
- Net change in borrowings	<u>(10,874)</u>	<u>(3,505)</u>
	<u>(10,874)</u>	<u>(3,505)</u>
Net change in cash & cash equivalents	2,964	4,559
Cash & cash equivalents at beginning of the year	(12,095)	(16,045)
Cash & cash equivalents at end of the period	<u>(9,131)</u>	<u>(11,486)</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st January 2005)



Quarterly report on consolidated results for the second financial quarter ended 31st July 2005

Condensed Consolidated Statements of Changes in Equity for the second quarter ended 31st July 2005

(The figures have not been audited)

	-----Non-Distributable-----				Total	Total
	Share capital	Share premium	Revaluation reserve	Accumulated losses	Reserves	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31st July 2004						
As at 1 February 2004	64,645	23,752	5,763	(17,368)	12,147	76,792
Movements during the period (cumulative)	-	-	-	-	-	-
Net profit for the year	-	-	-	3,677	3,677	3,677
At 30 July 2004	<u>64,645</u>	<u>23,752</u>	<u>5,763</u>	<u>(13,691)</u>	<u>15,824</u>	<u>80,469</u>
6 months ended 31st July 2005						
As at 1 February 2005	64,645	23,752	5,763	(14,822)	14,693	79,338
Movements during the period (cumulative)	-	-	-	-	-	-
Net loss for the year	-	-	-	(2,257)	(2,257)	(2,257)
At 30 July 2005	<u>64,645</u>	<u>23,752</u>	<u>5,763</u>	<u>(17,079)</u>	<u>12,436</u>	<u>77,081</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 2005)



EXPLANATORY NOTES : (AS PER FRS 134)

A1 Accounting policies

The interim financial statements have been prepared in accordance with FRS134 “Interim Financial Reporting” and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). 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 2005.

A2 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st January 2005 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 (RM)	Profit From Operations (RM)
Manufacturing	77,278,027	1,017,702
Trading	70,823,420	942,175
Others	237,108	(313,038)
	-----	-----
	148,338,555	1,646,839
	=====	=====



EXPLANATORY NOTES : (AS PER FRS 134)

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 2005.

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 July 2005 and the date of this announcement other than the announcement made to the Bursa Securities on 20th September 2005 on the acquisition by SMPC of 500,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Metal Perforators (Malaysia) Sdn Bhd for a total cash consideration of RM9.0 million.

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 BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)

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

The group recorded revenue of RM148.338 million and loss before tax of RM2.121 million as compared to a revenue of RM151.425 million and a profit before tax of RM4.381 million in the preceding year corresponding period. The drop in turnover of 2% and loss before tax of RM2.121 million was primarily due to a significant reduction in demand brought about by the escalating price of raw material which reached an historical high during the period under review.

In addition, the Group incurred a loss of RM1.584 million on disposal of machinery.

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 RM64.642 million and loss before tax of RM2.341 million in comparison with a revenue of RM83.696 million and profit before tax of RM0.22 million recorded in the immediate preceding quarter. The turnover has dropped by 22% and loss before tax of RM2.341 million was respectively due to higher procurement cost of raw materials and loss incurred on sale of machinery.

B3 Prospects of the current financial year

The Group is preparing itself for further uncertainties in the global and domestic economy that might have an impact on the performance of the group for the current year. To mitigate these uncertainties, the group has strengthened its focus towards creating more downstream activities by acquiring a company involved in metal perforation. This acquisition is expected to make a positive contribution to the future earnings of the group. Amidst the challenging conditions and barring any unforeseen circumstances the group expects to improve its performance.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.



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

B5 Taxation

Taxation comprises :-

	Current Year Quarter 31/07/2005 RM'000	Cumulative Quarters	
		Current Year To Date 31/07/2005 RM'000	Preceding Year Corresponding Period 31/07/2004 RM'000
Current tax expense Current year	110	155	153
Over provision of Income tax expense in prior year	-	-	-
	110	155	153
Over provision of Deferred tax in prior year	-	-	-
	110	155	153

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.



SMPC CORPORATION BHD
(79082-V)

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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	4,351	
Bankers' acceptances	3,565	
Term loan	3,534	12,533
Unsecured		
Bank overdraft	7,109	
Bankers' acceptances	48,176	
Revolving credit	12,250	
Term Loan	0	6,012
Hire Purchase Loan	1,305	1,614
	-----	-----
	80,290	20,159
	=====	=====

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 loss attributable to shareholders of RM2,256,892 by the weighted average number of ordinary shares in issue during the current quarter of 64,644,965.

(ii) Diluted earnings per ordinary share

The diluted earnings per share is not presented as the assumed conversion of potential ordinary share are anti-dilutive.

29th September 2005