



Quarterly report on consolidated results for the fourth financial quarter ended 31st January 2006

Condensed Consolidated Income Statements for the fourth quarter ended 31st January 2006

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 31st January 2006 RM'000	Preceding year Corresponding Quarter 31st January 2005 RM'000	Current Year To date 31st January 2006 RM'000	Preceding year Corresponding Period 31st January 2005 RM'000
Revenue	50,409	77,717	259,462	299,727
Operating expenses	(60,270)	(75,673)	(273,651)	(291,157)
Other operating income	533	168	1,841	2,517
Profit from operations	(9,328)	2,212	(12,348)	11,087
Finance costs	(2,104)	(2,179)	(7,906)	(8,400)
Investing results	-	-	-	-
Profit before tax	(11,432)	33	(20,254)	2,687
Taxation	(6)	656	(131)	265
Profit after tax	(11,438)	689	(20,385)	2,952
Minority interest	(60)	132	(29)	(407)
Net profit for the period	<u>(11,498)</u>	<u>821</u>	<u>(20,414)</u>	<u>2,545</u>
EPS - Basic (sen)	<u>(17.79)</u>	<u>1.27</u>	<u>(31.58)</u>	<u>3.94</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)



SMPC CORPORATION BHD
(79082-V)

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Quarterly report on consolidated results for the fourth financial quarter ended 31st January 2006

Condensed Consolidated Balance Sheet as at 31st January 2006

(The figures have not been audited)

	As at 31st January 2006 RM'000	As at 31st January 2005 RM'000
Property, plant & equipment	111,351	108,822
Intangible assets	-	2
Current assets		
Inventories	27,609	35,705
Trade receivables	48,005	78,388
Other receivables, deposits and prepayments	15,822	9,112
Short term investment	210	237
Cash & bank balances	5,196	4,812
	<u>96,842</u>	<u>128,254</u>
Current liabilities		
Short term borrowings	86,234	93,639
Trade payables	24,107	24,705
Other payables	4,569	3,934
Taxation	(119)	344
	<u>114,791</u>	<u>122,622</u>
Net current asset	(17,949)	5,632
	<u>93,402</u>	<u>114,456</u>
Share capital	64,645	64,645
Reserves	(5,721)	14,693
Shareholders' equity	<u>58,924</u>	<u>79,338</u>
Minority interests	1,348	1,319
Long term liabilities		
Retirement Benefits	222	146
Borrowings	18,705	18,190
Trade payable	13,256	14,107
Deferred taxation	2,036	2,036
Reserve / (Goodwill) on consolidation	(1,089)	(680)
	<u>93,402</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 fourth financial quarter ended 31st January 2006

Condensed Consolidated Cash Flow Statements for the fourth quarter ended 31st January 2006

(The figures have not been audited)

	12 months ended 31st January 2006 RM'000	12 months ended 31st January 2005 RM'000
Net (loss) / profit before tax	(19,731)	5,100
Adjustment for non-cash flow :		
Non-cash items		
Non-operating items	9,070	9,316
Operating (loss) / profit before changes in working capital	<u>(10,661)</u>	<u>14,416</u>
Changes in working capital		
Net change in current assets	25,677	(19,040)
Net change in current liabilities	213	4,620
Taxation paid	(593)	(450)
Net cash flows from operating activities	<u>14,636</u>	<u>(454)</u>
Investing activities		
- Other investments	<u>(6,512)</u>	<u>695</u>
Financing activities		
- Net change in borrowings	<u>(7,498)</u>	<u>5,696</u>
Net change in cash & cash equivalents	626	5,937
Cash & cash equivalents at beginning of the year	(12,095)	(16,044)
Cash & cash equivalents at end of the period	<u>(11,469)</u>	<u>(10,107)</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 fourth financial quarter ended 31st January 2006

Condensed Consolidated Statements of Changes in Equity for the fourth quarter ended 31st January 2006

(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 2005</u>						
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	-	-	-	2,546	2,546	2,546
At 31 January 2005	<u>64,645</u>	<u>23,752</u>	<u>5,763</u>	<u>(14,822)</u>	<u>14,693</u>	<u>79,338</u>
12 months <u>ended 31st January 2006</u>						
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	-	-	-	(20,414)	(20,414)	(20,414)
At 31 January 2006	<u>64,645</u>	<u>23,752</u>	<u>5,763</u>	<u>(35,236)</u>	<u>(5,721)</u>	<u>58,924</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 cyclical operation

The business of the Group is generally neither 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)	Loss From Operations (RM)
Manufacturing	147,737,561	(8,155,157)
Trading	111,314,463	(2,344,050)
Others	410,530	(1,849,529)
	-----	-----
	259,462,554	(12,348,736)
	=====	=====



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 2006.

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, 2006 and the date of this announcement.

A11 Changes in the composition of the Group

During the quarter, the Company had acquired 2 ordinary shares of RM1.00 each representing 100% equity interests in Sphinx Odyssey Sdn Bhd (now known as SMPC Dexon Sdn Bhd) for a total cash consideration of RM2.00. The detail of the said acquisition has been announced by the Company to the Bursa Securities on 23 January 2006 accordingly.

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 RM259.462 million and loss before tax of RM20.254 million as compared to a revenue of RM299.727 million and a profit before tax of RM2.687 million in the preceding year corresponding period. The turnover saw a reduction of 16% in turnover was primarily due to volatility in the selling price as a result of softening of demand both domestically. The year in review also saw increases in operation costs. The loss includes substantial provision for doubtful debts, provision for net realizable value on inventory and loss incurred on sale 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 RM50.409 million and loss before tax of RM11.432 million in comparison with a revenue of RM60.715 million and loss before tax of RM6.701 million recorded in the immediate preceding quarter. The drop in performance for the quarter is due to a significant slowdown in the market, provision for doubtful debts and provision for net realizable value on inventory.

B3 Prospects of the current financial year

The Group's expansion in India is showing positive results and is expected to contribute positively to the group's performance in the coming year. It's timely involvement in downstream activities, will also place it in a better position. However, the domestic market is still expected to be sluggish due to uncertainty in pricing and slowdown in demand. The impending increase in interest rates is expected to affect the Group too. 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 31/01/2006 RM'000	Cumulative Quarters	
		Current Year To Date 31/01/2006 RM'000	Preceding Year Corresponding Period 31/01/2005 RM'000
Current tax expense Current year	6	131	(354)
Over provision of Income tax expense in prior year	-	-	-
	6	131	(354)
Over provision of Deferred tax in prior year	-	-	-
	6	131	(354)

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	11,052	
Bankers' acceptances	50,823	
Term loan	3,534	11,448
Unsecured		
Bank overdraft	1,616	
Bankers' acceptances	5,654	
Revolving credit	12,250	
Term Loan		5,555
Hire Purchase Loan	1,305	1,702
	-----	-----
	86,234	18,705
	=====	=====

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 (RM 20,414,287) 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.