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Quarterly report on consolidated results for the second financial quarter ended 30th September 2010

<u>Condensed Consolidated Income Statements for the second quarter ended 30th September 2010</u> (The figures have not been audited)

		3 months ended		ended
	30th Sept 2010 RM'000	30th Sept 2009 RM'000	30th Sept 2010 RM'000	30th Sept 2009 RM'000
Revenue	27,445	27,102	58,350	53,297
Operating Expenses	(25,501)	(25,259)	(54,683)	(49,470)
Other operating income	282	142	496	440
Profit from Operations	2,226	1,985	4,163	4,267
Finance costs	(2,221)	(2,107)	(4,062)	(4,499)
Profit/ (Loss) before tax	5	(122)	101	(232)
Income tax expense	(60)	0	(68)	-
Profit/ (Loss) for the period	(55)	(122)	33	(232)
Profit/ (Loss) for the period	(55)	(122)	33	(232)
Attributable to: Equity holders of the parent Minority interest	(69) 14 (55)	(118) (4) (122)	19 14 33	(228) (4) (232)
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period	(0.11)	(0.18)	0.03	(0.35)

The condensed consolidated income statements should be read in conjuction with the audited financial statements for the year ended 31st March 2010 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Balance Sheet as at 30th September 2010

(The figures have not been audited)

*	As at 30th Sept 2010 RM RM'000	As at 31st Mar 2010 RM RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	92,785	95,183
Intangible assets	1,875	1,875
	94,660	97,058
Current assets		
Inventories	29,564	27,839
Trade receivables	25,556	24,740
Other receivables	11,725	9,216
Tax recoverable	150	58
Short term investments	49	49
Cash and bank balances	2,507	6,427
Assets held for sale	11,940	12,778
	81,491	81,107
TOTAL ASSETS	176,151	178,165
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	64,645	64,645
Share premium	23,752	23,752
Other reserves	6,069	6,069
Retained earnings	(61,172)	(61,191)
	33,294	33,275
Minority interests	874	860
Total equity	34,168	34,135
Non-current liabilities		
Borrowings	2,314	2,398
Deferred tax liabilities	3,047	3,047
	5,361	5,445
Current liabilites		
Borrowings	96,495	98,722
Trade payables	11,633	9,671
Other payables	28,494	30,192
	136,622	138,585
Total liabilities	141,983	144,030
TOTAL EQUITY AND LIABILITIES	176,151	178,165
Net asset per share attributable to ordinary equity holders		
of the parent	0.52	0.51

The condensed consolidated balance sheet should be read in conjuction with the audited financial statements for the year ended 31st March 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Cash Flow Statements for the second quarter ended 30th September 2010

(The figures have not been audited)

,	6 months ended		
	As at 30th Sept 2010 RM'000	As at 30th Sept 2009 RM'000	
Net cash in operating activities Net cash from/ (used in) investing activities Net cash generated from/ (used in) financing activities Net decrease in cash and cash equivalents Non-cash items Cash and cash equivalents at beginning of financial period Cash and cash equivalents at end of financial period	(4,844) 724 (2,227) (6,347) 2,512 (2,895) (6,730)	(2,237) (957) 491 (2,703) 2,583 (4,358) (4,478)	
Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances Bank overdrafts	2,507 (9,237) (6,730)	4,550 (9,028) (4,478)	

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

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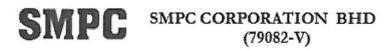
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Condensed Consolidated Statements of Changes in Equity for the second quarter ended 30th September 2010

		Attribu	itable to Equity	Holders of the	e Parent		Minority Interest	Total Equity
			Non-Distrib	utable				-42
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	Total RM'000	RM'000	RM'000
6 months ended 30th September 2009 As at 1 April 2009	64,645	23,752	6,009	(217)	(60,797)	33,392	901	34,293
Movements during the period (cumulative)	:=:	-	-		-		-	-
Net loss for the period	-	ū	-	-	(232)	(232)	4	(228)
At 30th September 2009	64,645	23,752	6,009	(217)	(61,029)	33,160	905	34,065
6 months ended 30th September 2010 As at 1 April 2010	64,645	23,752	6,009	60	(61,191)	33,275	860	34,135
Movements during the period (cumulative)	2	-	-	-	-	-	-	
Net profit for the period		s .	=	(#1)	19	19	14	33
At 30th September 2010	64,645	23,752	6,009	60	(61,172)	33,294	874	34,168

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.



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EXPLANATORY NOTES: (AS PER FRS 134)

Al Accounting policies

The interim financial statements are unaudited and have been prepared under the historical cost convention in accordance with FRS134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The accounting policies and methods used in preparing the quarterly financial statements are consistent and should be read in conjunction with the audited financial statements for the financial year ended 31st March 2010.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31st March 2010.

A2 Changes in Accounting Policies

The adoption of the revised FRS 101 has affected the presentation of minority interest. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statements, minority interests are presented as an allocation of the total loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the year ended 31st March, 2010.

On 1st April the Group adopted the following which is mandatory for the financial period beginning on or after 1st April 2010.

The adoption of these FRS did not have material effect on the presentations and disclosure aspect since the Group does not present segmentation results.

Effective for financial periods beginning on or after

*FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS101(Revised 2010)	Presentation of Financial Statements	1 January 2010
FRS123(Revised 2010)	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurements	1 January 2010

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Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
	Limited Exemption from Comparative FRS7 Disclosures for First- time Adopters	1 January 2011
	Share-based Payment – Amendments Relating to Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Share-based Payment – Amendments Relating to the scope of the standard	1 March 2010
Amendments to FRS 7	Financial Instruments: Disclosures	
	Amendments relating to financial assets	1 January 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 8	Operating Segments. Amendments relating	
	disclosure information about segment assets	1 January 2010
	Statement of Cash Flows. Amendments relating	
	to classification of expenditures on unrecognized assets	1 January 2010
	Accounting Policies, Changes in Accounting Estimates	
an	d Errors. Amendment relating to selection and application	
	of accounting policies	1 January 2010
	Events After the Reporting Period.	
Ar	mendment relating to reason for dividend not recognized	
	as a liability at the end of the reporting period	1 January 2010
	Property, Plant and Equipment.	1.1 2010
	Amendment relating to derecognition of asset	1 January 2010
	Leases. Amendment relating to classification of leases	1 January 2010
Amendments to FRS 118	Revenue. Amendment relating to Appendix of this	1.1
A I 4- EDC 110	standard and recognition and measurement	1 January 2010
	Employee Benefits. Amendment relating to definition,	1 2010
	curtailment and settlements.	1 January 2010
	Accounting for Government Grants and sclosure of Government Assistance. Amendment	
Tel	ating to defination and government loan with a below market rate of interest.	1 January 2010
Amendments to EDS 122	Borrowing Costs. Amendment relating to	1 January 2010
	components of borrowings costs.	1 January 2010
	Consolidated and Separate Financial Statements.	1 January 2010
	mendment relating to cost of an investment in	
	subsidiary, jointly controlled entity	
	or associate.	1 January 2010
	Investment in Associates. Amendment relating to	
	pairment losses in application of the equity method and the	
	scope of this standard	1 January 2010
	Financial Reporting in Hyperinflationary Economies.	
	Amendment relating to changing of terms used.	1 January 2010
	Interests in Joint Ventures. Amendment	and the second s
rela	ting to additional disclosure required for joint	
v	renture that does not apply FRS 131	1 January 2010
Amendments to FRS 132 F	Financial Instruments: Presentation. Amendment	
	relating to puttable financial instruments	1 January 2010
	Financial Instruments: Presentation. Amendment	
r	relating to Classification of Rights Issues	1 January 2010



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Effective for

Amendments to FRS 134	Interim Financial Reporting. Amendment	
	relating to disclosure of earnings per share	1 January 2010
Amendments to FRS 136	Impairment of Assets. Amendment relating	
	to the disclosure of recoverable amount	1 January 2010
Amendments to FRS 139	Financial Instruments: Recognition and Measurements	1 January 2010
Amendments to FRS 140	Investment Property. Amendments relating to inability to	
	to determine fair value reliably.	1 January 2010
* IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
*IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Shares Transactions	1 January 2010
*IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
*IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset,	
	Minimum Funding Requirements and their Interaction	1 March 2010

The following applicable new/ revised FRS which were issued but have not been adopted by the Group:

		financial periods beginning on or after
FRS 1(Revised 2010)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3(Revised 2010)	Business Combinations	1 July 2010
FRS127(Revised 2010)	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued	
(Operations – Amendments relating to the inclusion of	
r	non- current assets as held for distribution to owners in the	
S	tandard	1 July 2010
Amendments to FRS 138	Intangible Assets. Amendments relating to recognition	
	of an expense	1 July 2010
*IC Interpretation 12	Service Concession Arrangements	1 July 2010
*IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
*IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
*IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010

^{*}Not relevant to the Group.

The existing FRS 1, FRS 3 and FRS 127 will be withdrawn upon the adoption of the revised Standards which will take effect on 1 July 2010. FRS 201₂₀₀₄ Property Development Activities shall be withdrawn on application of IC Interpretation 15. The effects of FRS 7 and FRS 139, if any, upon their initial recognition are exempted from disclosures.

A3 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st March 2010 was not subject to any audit qualification.



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EXPLANATORY NOTES: (AS PER FRS 134)

A4 Segmental reporting

Segmental analysis for the current financial year to-date

	Revenue (RM)	Profit/ (Loss) From Operations (RM)
Manufacturing	41,292,545	4,916,786
Trading	16,045,146	18,188
Others	1,012,363	(785,482)
	58,350,054	4,149,492

A5 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.

A6 Changes in estimates

There were no changes in estimates of amount used in our previous reporting having a material impact in the current reporting.

A7 Seasonality or cyclicality of operation

The business of the Group is generally neither non-cyclical nor seasonal except for decreased activities during the festive season.

A8 Dividend

No dividend has been declared for the period.

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 March 2010.

A10 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.

All Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

A12 Contingent liabilities or contingent assets

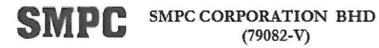
There were no contingent liabilities and contingent assets as at end of the reporting quarter other than as stated below:

Guarantee for loan facilities given to other investee company

USD 266,833

A13 Subsequent material events

To the best knowledge of the Directors there is no transaction or event of a material or unusual nature occurring between 31st March 2010 and the date of this announcement.



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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 RM58.3 million and profit before tax of RM0.087 million as compared to a revenue of RM53.3 million and a loss before tax of RM0.232 million in the preceding year corresponding period. This is due to increase in selling price and domestic demand.

B2 Material changes in the quarterly results compared to the results of the immediate preceding quarter

The revenue for the current financial quarter decreased to RM27.4 million and loss before tax registered at RM0.009 million compared to a revenue of RM30.9 million and a profit before tax of RM0.096 million during the preceding quarter due to decline in demand in domestic market.

B3 Prospects of the current financial year

The Board of Directors is confident that with signing of the Debt Restructuring Agreements with major creditor banks, the Proposed Restructuring Exercise (PRE) is expected to be implemented in due course and with the successful implementation of PRE and barring unforeseen circumstances the Company is expected to perform better.

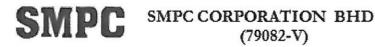
B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises:-

		Cumu	lative Quarters	
	Current	Current	Preceding Year	
	Year	Year	Corresponding	
	Quarter	To Date	Period	
	30/09/2010	30/09/2010	30/09/2009	
	RM'000	RM'000	RM'000	
Current tax expense				
Current year	60	68	1-	
Over provision of Income tax				
expense in prior year	-	# =	-	
	60	68		-
Over provision of Deferred tax	120.20			
in prior year	-	-	-	
	60	68	_	



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

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

The Proposed Restructuring Exercise is still ongoing and the major creditor banks have agreed to the Proposed Debt Settlement and have signed a debt restructuring agreement between the Company and the major creditor banks.

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	Long Term
	RM '000	RM '000
Secured		
Bank overdraft	9,238	
Bankers' acceptances	41,175	-
Term loan	33,832	2,027
Revolving credit	12,250	=
Hire Purchase Loan	-	287
	96,495	2,314
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B10 Material litigation

There is no material litigation pending as at the date of this announcement.

B11 Dividend

The Board of Directors of the Company has not recommended any dividend in the financial year to date.

B12 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 19,467 by the 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.