

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

If you have sold or transferred all your ordinary shares and/or warrants 2000/2005 in SMPC CORPORATION BHD ("SMPC" or the "Company"), you should at once hand this Circular together with the enclosed Form of Proxy to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

THE APPROVAL OF THE SECURITIES COMMISSION FOR THE PROPOSED WARRANTS EXTENSION (AS DEFINED HEREIN) SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE PROPOSED WARRANTS EXTENSION TO BE UNDERTAKEN BY SMPC CORPORATION BHD AS CONTAINED IN THIS CIRCULAR. Shareholders and warrant holders should rely on their own evaluation to assess the merits and risks of the abovementioned proposal.

Bursa Malaysia Securities Berhad ("Bursa Securities") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

Pursuant to paragraph 4.1 of Practice Note No. 18/2005 of the Listing Requirements of Bursa Securities, Bursa Securities has only conducted limited review on the information and/or documents relating to the Proposed Warrants Extension, whereby Bursa Securities will only focus on areas which in its opinion poses a high risk on terms of disclosure and/or compliance with the Listing Requirements.



SMPC CORPORATION BHD

(Company No. 79082-V)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS AND WARRANTHOLDERS

IN RELATION TO THE

**PROPOSED EXTENSION OF THE DURATION AND EXERCISE PERIOD OF THE
OUTSTANDING WARRANTS 2000/2005 IN SMPC CORPORATION BHD FOR AN ADDITIONAL
FIVE (5) YEARS THEREBY EXTENDING THE EXPIRY DATE OF THE WARRANTS 2000/2005
FROM 21 NOVEMBER 2005 UP TO AND INCLUDING 21 NOVEMBER 2010**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

AND

NOTICE OF WARRANTHOLDERS' MEETING

Advised by



MIMB

MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD

(Company No. 10209-W)

A member of EON Bank Group

The Notice of Extraordinary General Meeting ("EGM") of SMPC Corporation Bhd in relation to the Proposed Warrants Extension, which will be held at VIP Lounge, Hotel Equatorial, No. 1, Jalan Bukit Jambul, Bayan Lepas, Penang on Thursday, 28 July 2005 immediately after the conclusion or adjournment (as the case may be) of the Company's Twenty-fourth (24th) Annual General Meeting, which will be held at the same venue on the same day at 11.30 a.m., is enclosed together with the Form of Proxy in this Circular.

The Notice of Warrant holders' Meeting of SMPC Corporation Bhd, which will be held at VIP Lounge, Hotel Equatorial, No. 1, Jalan Bukit Jambul, Bayan Lepas, Penang on Thursday, 28 July 2005 or immediately following the conclusion, adjournment (as the case may be) of the EGM of SMPC Corporation Bhd in relation to the Proposed Warrants Extension which will be held at the same venue and on the same day, whichever is the later, together with the Proxy Form is also enclosed together in this Circular.

As a shareholder and/or warrant holder, you can appoint a proxy to attend and vote on your behalf. You must complete and deposit the Proxy Form(s) at the Registered Office of the Company at Suite 18.05 MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Penang, not later than forty-eight (48) hours before the time appointed for holding the meetings. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the EGM and/or Warrant holders' Meeting should you subsequently wish to do so.

This Circular is dated 6 July 2005

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	: The Companies Act, 1965 as amended from time to time and any re-enactment thereof
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“Deed Poll”	: The Deed Poll dated 28 August 2000 constituting the Warrants
“EGM”	: Extraordinary general meeting
“Listing Requirements”	: The listing requirements of Bursa Securities including any amendments thereto that may be made from time to time
“M&A”	: Memorandum and Articles of Association of SMPC
“Market Day”	: A day between Monday and Friday, both days inclusive, on which Bursa Securities is open for trading of securities
“MIMB”	: Malaysian International Merchant Bankers Berhad (10209-W)
“NTA”	: Net tangible assets
“Proposed Warrants Extension”	: The proposed extension of the duration and exercise period of the Warrants for an additional five (5) years thereby extending the expiry date of the Warrants from 21 November 2005 up to and including 21 November 2010
“Record of Depositors”	: A record provided by Bursa Depository to the Company under Chapter 24.0 of the rules of Bursa Depository including any amendments thereof issued by Bursa Depository
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“SC”	: Securities Commission
“SMPC” or the “Company”	: SMPC Corporation Bhd (79082-V)
“SMPC Group” or the “Group”	: SMPC and its subsidiary companies
“Share(s)” or the “SMPC Share(s)”	: Ordinary share(s) of RM1.00 each held in SMPC
“Warrant(s)” or “Warrants 2000/2005”	: The 14,999,500 warrants in SMPC expiring on 21 November 2005, which entitle the holders to subscribe for one (1) new Ordinary Share at the exercise price of RM1.75 per Ordinary Share for every one (1) warrant held
“Warrantholder(s)”	: The registered holder(s) of the Warrant(s)

CONTENTS

	PAGE
DIRECTORS' LETTER TO SHAREHOLDERS AND WARRANTHOLDERS OF SMPC CONTAINING:-	
1.0 INTRODUCTION.....	1
2.0 PROPOSED WARRANTS EXTENSION.....	2
3.0 APPROVALS REQUIRED	3
4.0 EFFECTS OF THE PROPOSED WARRANTS EXTENSION.....	4
5.0 DIRECTORS' AND MAJOR SHAREHOLDERS' AND MAJOR WARRANTHOLDERS' INTERESTS.....	6
6.0 DIRECTORS' RECOMMENDATION	8
7.0 OUTSTANDING CORPORATE EXERCISE.....	8
8.0 HISTORICAL MARKET PRICES OF SMPC SHARES AND WARRANTS	9
9.0 EXPECTED TIMEFRAME FOR COMPLETION OF THE PROPOSED WARRANTS EXTENSION ..	10
10.0 EGM AND WARRANTHOLDERS' MEETING.....	10
11.0 FURTHER INFORMATION	10
APPENDICES	
I. LEGAL OPINION ON THE PROPOSED WARRANTS EXTENSION	11
II. FURTHER INFORMATION.....	16
NOTICE OF EGM	18
NOTICE OF WARRANTHOLDERS' MEETING	20
PROXY FORM FOR EGM	ENCLOSED
PROXY FORM FOR WARRANTHOLDERS' MEETING.....	ENCLOSED

SMPC CORPORATION BHD
(Company No. 79082-V)
(Incorporated in Malaysia under the Companies Act, 1965)

REGISTERED OFFICE :

Suite 18.05 MWE Plaza
No. 8, Lebuhr Farquhar
10200 Penang

6 July 2005

BOARD OF DIRECTORS :

Machendran a/l Pitchai Chetty (*Executive Chairman*)
Ibrahim Hussain (*Managing Director*)
Dhanabalan a/l M. Pitchai Chetty (*Executive Director*)
Sanmarkan a/l T S Ganapathi (*Independent Non-Executive Director*)
Mohd Shahril Fitri Bin Hashim (*Non Independent Non-Executive Director*)
Ahmad Bin Darus (*Non Independent Non-Executive Director*)
Sudesh a/l K. V. Sankaran (*Independent Non-Executive Director*)

To : The Shareholders and Warrantholders of SMPC Corporation Bhd

Dear Sir/Madam,

PROPOSED EXTENSION OF THE DURATION AND EXERCISE PERIOD OF OUTSTANDING WARRANTS 2000/2005 IN SMPC FOR AN ADDITIONAL FIVE (5) YEARS THEREBY EXTENDING THE EXPIRY DATE OF THE WARRANTS FROM 21 NOVEMBER 2005 UP TO AND INCLUDING 21 NOVEMBER 2010

1.0 INTRODUCTION

On behalf of the Board of Directors of SMPC, MIMB had on 8 April 2005 announced to Bursa Securities that the Company has proposed to implement the extension of the duration and exercise period of the outstanding Warrants for an additional five (5) years thereby extending the expiry date of the Warrants from 21 November 2005 up to and including 21 November 2010.

On 19 April 2005, the application for the Proposed Warrants Extension was made to the SC and was subsequently approved by the SC vide its letter dated 13 June 2005.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH INFORMATION ON THE PROPOSED WARRANTS EXTENSION AND TO SEEK YOUR APPROVAL FOR THE RESPECTIVE RESOLUTIONS TO BE TABLED AT THE FORTHCOMING EGM AND WARRANTHOLDER'S MEETING OF THE COMPANY TO BE CONVENED TO GIVE EFFECT TO THE PROPOSED WARRANTS EXTENSION. THE NOTICE OF EGM AND NOTICE OF WARRANTHOLDER'S MEETING TOGETHER WITH THE ACCOMPANYING PROXY FORMS ARE ENCLOSED WITH THIS CIRCULAR.

2.0 PROPOSED WARRANTS EXTENSION

2.1 Details of the Proposed Warrants Extension

On 22 November 2000, the Company implemented a renounceable rights issue of 14,999,500 new ordinary shares of RM1.00 each ("Rights Shares") with 14,999,500 free detachable new Warrants to the entitled shareholders of SMPC on the basis of one (1) new Rights Share with one (1) free new Warrant attached for every two (2) existing Shares held. The Warrants, in registered form and constituted by the Deed Poll dated 28 August 2000, entitle the registered holders to subscribe for new Shares in the Company at any time during the duration and exercise period of five (5) years commencing from the date of issue of the Warrants on 22 November 2000 and expiring on 21 November 2005.

The Warrants were detached from the Rights Shares and subsequently listed on the Second Board of Bursa Securities on 14 December 2000. As at 9 June 2005, the Company had a total of 14,924,500 outstanding Warrants which are exercisable into 14,924,500 new Shares. The Deed Poll executed by SMPC on 28 August 2000 constituting the Warrants permits the extension of the duration and exercise period of the Warrants subject to relevant regulations and approval of all relevant authorities as shall be required at the relevant time.

The new Shares, upon exercise of the Warrants, rank *pari passu* in all respects with the existing SMPC Shares, except that they shall not be entitled to any dividend, rights, allotment and/or distribution of which may be declared, made or paid, the entitlement date of which is before or on the date of allotment of the new SMPC Shares.

The Proposed Warrants Extension is in compliance with Section 68 (1) of the Act which allows the exercise period of the options to be granted by a public company which enable any person to take up unissued shares of the company to be not more than ten (10) years from the date the options were granted.

Messrs. Salina, Lim Kim Chuan & Co. has vide its letter dated 15 April 2005 opined that subject to the compliance of Conditions 8.5 and 8.2 of Schedule 5 to the Deed Poll (which require the approval of at least 75% of the Company's shareholders present at a shareholders' meeting and a Special Resolution of the Warrant holders passed at a meeting of Warrant holders) and the provisions of Section 68 of the Act and the SC procedures, the Proposed Warrants Extension does not contravene any subsisting law, the abridged prospectus of SMPC dated 4 October 2000 and the Deed Poll constituting the Warrants. A copy of the said legal opinion is reproduced in Appendix I of this Circular.

A supplemental deed to the Deed Poll will be executed by the Company to give effect to the Proposed Warrants Extension in accordance to the provisions of the Deed Poll.

2.2 Salient Terms of the Draft Supplemental Deed

The salient terms of the draft Supplemental Deed to give effect to the Proposed Warrants Extension are summarised as follows:-

- (a) the exercise period of the Warrants shall be extended to and expire at the close of business on 21 November 2010;
- (b) the Supplemental Deed is governed by and shall be construed in accordance with the laws of Malaysia;
- (c) the Supplemental Deed is supplemental to the Deed Poll and save and except for the variations therein contained and such other modifications (if any) as may be necessary to make the Deed Poll consistent therewith, the Supplemental Deed shall not in any way affect the covenants, provisions, stipulations, terms and conditions stated in the Deed Poll which covenants, provisions, stipulations, terms and conditions shall remain in full force and effect; and
- (d) in the event of any conflict between the provisions in the Supplemental Deed with the provisions of the Deed Poll, the provisions in the Supplemental Deed shall prevail.

2.3 Rationale for the Proposed Warrants Extension

The Proposed Warrants Extension will provide the Warrantheolders with the flexibility of an extended period of five (5) years to subscribe for new ordinary shares in the Company as the Warrants are currently traded "out-of-money", i.e. the current market price of the SMPC Shares is below the existing exercise price of the Warrants of RM1.75 per Share. As at 30 June 2005, the closing market price of the SMPC Shares was RM0.45 per Share which represents a discount of RM1.30 per Ordinary Share or 74.29% from the existing exercise price of the Warrants of RM1.75 per Share. As such, should the Warrants continue to trade out-of-money, the Warrantheolders are unlikely to exercise their Warrants. If the duration and exercise period of the Warrants are not extended, all unexercised Warrants shall lapse and become void on the expiry date on 21 November 2005.

The Proposed Warrants Extension is also expected to provide an opportunity for the Company to receive cash proceeds arising from the subscription price payable by the Warrantheolders upon exercise of their Warrants, which would then be available to the SMPC Group to finance its working capital requirements as and when the Warrants are exercised during the extended duration of the Warrants.

The Proposed Warrants Extension is also to reward its existing Warrantheolders for the continuous support and loyalty shown towards the SMPC Group over the years, particularly during the Company's turnaround period. Further, the Proposed Warrants Extension will enable the Warrantheolders to participate and benefit from any improvement in the Group's prospects and future profitability.

3.0 APPROVALS REQUIRED

The Proposed Warrants Extension is subject to the following approvals:-

- (a) the SC, which has been obtained on 13 June 2005. The SC's approval for the Proposed Warrants Extension is subject to the following conditions:
 - (i) SMPC is required to comply with the requirements as per the announcements by the SC on 30 October 1998 and 28 August 2001;
 - (ii) Legal opinion as provided by Messrs Salina, Lim Kim Chuan & Co dated 15 April 2005; and
 - (iii) The supplementary deed poll to be furnished to SC for its records;
- (b) the shareholders of SMPC at the forthcoming EGM of the Company whereby at least 75% of the shareholders present in person or by proxy vote in favour of the Proposed Warrants Extension;
- (c) the warrantholders of SMPC at the forthcoming Warrantheolders' Meeting be convened whereby at least 75% of the warrantholders present in person or by proxy vote in favour of the Proposed Warrants Extension; and
- (d) any other relevant authorities, if any.

In the event any of the abovementioned approvals are not obtained by the Company and the Proposed Warrants Extension is not being implemented on or before 21 November 2005, the terms and conditions of the Warrants, in particular the exercise period and duration of the Warrants as stipulated in the Deed Poll shall remain such that all unexercised Warrants shall accordingly expire at 5.00 p.m. on 21 November 2005. Thereafter, the unexercised Warrants will lapse and be removed from the Official List of Bursa Securities.

4.0 EFFECTS OF THE PROPOSED WARRANTS EXTENSION

4.1 Share Capital

The Proposed Warrants Extension will not have any immediate effect on the share capital of the Company until such time as the Warrants are exercised, which would potentially enlarge the share capital of SMPC, as follows:-

	<i>No. of Shares</i>	<i>RM</i>
Issued and paid-up share capital of SMPC as at 9 June 2005	64,644,965	64,644.965
New Shares to be issued assuming full exercise of the Outstanding Warrants	14,924,500	14,924.500
Enlarged issued and paid-up share capital	<u>79,569,465</u>	<u>79,569.465</u>

4.2 NTA

The Proposed Warrants Extension is not expected to have any immediate effect on the Group NTA for the financial year ending 31 January 2006 as the outstanding Warrants are not expected to be exercised in the near future given that the current market price of SMPC shares is still below the exercise price of the Warrants of RM1.75 per Share. However, if there is full conversion of the outstanding Warrants, the NTA of the SMPC Group is expected to improve.

4.3 Earnings

The Proposed Warrants Extension will not have any immediate effect on the earnings of the SMPC Group until such time the outstanding Warrants are exercised, which may potentially result in interest savings/income arising from the additional working capital funds available to the SMPC Group, which would improve the future earnings of the SMPC Group.

The estimated expenses in relation to the Proposed Warrants Extension of approximately RM85,000 is not expected to have any material effect on the earnings of the Group for the financial year ending 31 January 2006.

4.4 Dividend

SMPC did not declare any dividend for the financial year ended 31 January 2005. The Directors of SMPC will only be able to determine the quantum of dividend, for the financial year ending 31 January 2006, if any, after the finalisation of the audit of SMPC Group's financial statements.

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4.5 Major Shareholders' Shareholdings

The Proposed Warrants Extension will not have any immediate effect on the shareholdings of the major shareholders of SMPC until such time as the outstanding Warrants are exercised. The proforma effects of the Proposed Warrants Extension assuming full exercise of the Warrants based on the shareholdings and warrant holdings of the major shareholders of SMPC are as follows:-

	Existing as at 09.06.2005				After Proposed Warrants Extension (Assuming full exercise of the Warrants)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kumpulan Pitchai Sdn Bhd	15,292,534	23.66	12,795 ⁽ⁱ⁾	0.02	16,612,935	20.88	17,060 ⁽ⁱ⁾	0.02
Perbadanan Nasional Berhad	13,381,500	20.70	-	-	17,806,500	22.38	-	-
HSBC Bank Malaysia Berhad	7,000,000	10.83	-	-	7,000,000	8.80	-	-
Machendran a/l Pitchai Chetty	265,047	0.41	15,305,329 ⁽ⁱⁱ⁾	23.68	360,047	0.45	16,629,995 ⁽ⁱⁱ⁾	20.90
Dhanabalan a/l M. Pitchai Chetty	-	-	15,305,329 ⁽ⁱⁱ⁾	23.68	-	-	16,629,995 ⁽ⁱⁱ⁾	20.90

Notes:-

⁽ⁱ⁾ Deemed interested by virtue of its shareholding in S.M. Pitchai Chettiar Sdn Bhd pursuant to Section 6A of the Act.

⁽ⁱⁱ⁾ Deemed interested by virtue of their shareholdings in Kumpulan Pitchai Sdn Bhd and S.M. Pitchai Chettiar Sdn Bhd pursuant to Section 6A of the Act.

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5.0 DIRECTORS', MAJOR SHAREHOLDERS' AND MAJOR WARRANTHOLDERS' INTERESTS

5.1 Directors

As at 9 June 2005, the Directors of SMPC and their respective shareholdings and warrant holdings in SMPC are as follows:-

Directors	No. of Ordinary Shares				No. of Warrants			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Machendran a/l Pitchai Chetty	265,047	0.41	15,305,329 ⁽ⁱ⁾	23.68	95,000	0.64	1,324,666 ⁽ⁱ⁾	8.88
Ibrahim Hussain	-	-	-	-	-	-	-	-
Dhanabalan a/l M. Pitchai Chetty	-	-	15,305,329 ⁽ⁱ⁾	23.68	-	-	1,324,666 ⁽ⁱ⁾	8.88
Sanmarkan a/l T S Ganapathi	-	-	-	-	-	-	-	-
Mohd Shahril Fitri Bin Hashim	-	-	-	-	-	-	-	-
Ahmad Bin Darus	-	-	-	-	-	-	-	-
Sudesh a/l K.V. Sankaran	2,000	*	-	-	-	-	-	-

Notes:

(i) Deemed interested by virtue of their shareholdings in Kumpulan Pitchai Sdn Bhd and S.M. Pitchai Chettiar Sdn Bhd pursuant to Section 6A of the Act.

* Negligible.

5.2 Major Shareholders

As at 9 June 2005, the major shareholders of SMPC and their respective shareholdings and warrant holdings in SMPC are as follows:-

	No. of Shares				No. of Warrants			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Kumpulan Pitchai Sdn Bhd	15,292,534	23.66	12,795 ⁽ⁱ⁾	0.02	1,320,401	8.85	4,265 ⁽ⁱ⁾	0.03
Perbadanan Nasional Berhad	13,381,500	20.70	-	-	4,425,000	29.65	-	-
HSBC Bank Malaysia Berhad	7,000,000	10.83	-	-	-	-	-	-
Machendran a/l Pitchai Chetty	265,047	0.41	15,305,329 ⁽ⁱⁱ⁾	23.68	95,000	0.64	1,324,666 ⁽ⁱⁱ⁾	8.88
Dhanabalan a/l M. Pitchai Chetty	-	-	15,305,329 ⁽ⁱⁱ⁾	23.68	-	-	1,324,666 ⁽ⁱⁱ⁾	8.88

Notes:

(i) Deemed interested by virtue of its shareholding in S.M. Pitchai Chettiar Sdn Bhd pursuant to Section 6A of the Act.

(ii) Deemed interested by virtue of their shareholdings in Kumpulan Pitchai Sdn Bhd and S.M. Pitchai Chettiar Sdn Bhd pursuant to Section 6A of the Act.

5.3 Major Warrantholders

As at 9 June 2005, the major Warrantholders of SMPC and their respective shareholdings and warrant holdings in SMPC are as follows:-

	-----No. of Shares-----				-----No. of Warrants-----			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Kumpulan Pitchai Sdn Bhd	15,292,534	23.66	12,795 ⁽ⁱ⁾	0.02	1,320,401	8.85	4,265 ⁽ⁱⁱ⁾	0.03
Perbadanan Nasional Berhad	13,381,500	20.70	-	-	4,425,000	29.65	-	-
Machendran a/l Pitchai Chetty	265,047	0.41	15,305,329 ⁽ⁱⁱ⁾	23.68	95,000	0.64	1,324,666 ⁽ⁱⁱ⁾	8.88
Dhanabalan a/l M. Pitchai Chetty	-	-	15,305,329 ⁽ⁱⁱ⁾	23.68	-	-	1,324,666 ⁽ⁱⁱ⁾	8.88

Notes:

- (i) Deemed interested by virtue of its shareholding in S.M. Pitchai Chettiar Sdn Bhd pursuant to Section 6A of the Act.
- (ii) Deemed interested by virtue of their shareholdings in Kumpulan Pitchai Sdn Bhd and S.M. Pitchai Chettiar Sdn Bhd pursuant to Section 6A of the Act.

5.4 Interests of Directors, Major Shareholders and Major Warrantholders

The following Directors and major shareholders of SMPC who are also Warrantholders are deemed interested in the Proposed Warrants Extension ("Interested Persons"):-

Name	Nature of Interests
Machendran a/l Pitchai Chetty	Executive Chairman, major shareholder and major warrant holder of SMPC
Dhanabalan a/l M. Pitchai Chetty	Executive Director, major shareholder and major warrant holder of SMPC
Kumpulan Pitchai Sdn Bhd	Major shareholder and major warrant holder of SMPC
Perbadanan Nasional Berhad	Major shareholder and major warrant holder of SMPC
Mohd Shahril Fitri Bin Hashim	Non Independent Non-Executive Director of SMPC and Corporate Nominee of Perbadanan Nasional Berhad
Ahmad Bin Darus	Non Independent Non-Executive Director of SMPC and Corporate Nominee of Perbadanan Nasional Berhad
Ibrahim Hussain	Managing Director of SMPC. Shalina Binti Azman, the spouse of Ibrahim Hussain, is a warrant holder

The following persons who are deemed connected to certain Directors and/or major shareholders and/or major warrant holders of SMPC who are deemed interested in the Proposed Warrants Extension are as follows :-

←-----As at 9 June 2005-----→					
Persons Connected to the Directors and/or Major Shareholders/Major Warrant holders	Relationship	No. of Shares Held		No. of Warrants Held	
		%	%	%	%
Shalina Binti Azman	Spouse of Mr Ibrahim Hussain, Managing Director of SMPC	-	-	353,150	2.37
S.M. Pitchai Chettiar Sdn Bhd	A company in which certain Directors and major shareholders of SMPC, i.e. Mr Machendran a/l Pitchai Chetty, Mr Dhanabalan a/l M. Pitchai Chetty and Kumpulan Pitchai Sdn Bhd, have more than 15% shareholdings.	12,795	0.02	17,060	0.02

Accordingly, the abovementioned interested Directors of SMPC, i.e. Machendran a/l Pitchai Chetty, Ibrahim Hussain, Dhanabalan a/l M. Pitchai Chetty, Mohd Shahril Fitri Bin Hashim and Ahmad Bin Darus have abstained and will continue to abstain from deliberating and voting on the Proposed Warrants Extension at the relevant board meetings of the Company. Notwithstanding the above, the Interested Persons and other persons connected to them (as shown above) are eligible to vote in respect of their direct and/or indirect shareholdings and/or warrant holdings in SMPC on the resolutions pertaining to the Proposed Warrants Extension to be tabled at the forthcoming EGM and Warrant holders' meeting, respectively to be convened by the Company.

Save as disclosed above, none of the other Directors, major shareholders and persons connected to them has any interest, direct and/or indirect in the Proposed Warrants Extension.

6.0 DIRECTORS' RECOMMENDATION

Save and except for Machendran a/l Pitchai Chetty, Ibrahim Hussain, Dhanabalan a/l M. Pitchai Chetty, Mohd Shahril Fitri Bin Hashim and Ahmad Bin Darus who have abstained from giving any opinion and recommendation relating the Proposed Warrants Extension, your Directors, after having considered all aspects of the Proposed Warrants Extension are of the opinion that the Proposed Warrants Extension is in the best interest of the Company and accordingly recommend that you vote in favour of the resolutions to be tabled at the forthcoming EGM and Warrant holders' Meeting to give effect to the Proposed Warrants Extension.

7.0 OUTSTANDING CORPORATE EXERCISE

Save for the Proposed Warrants Extension, which are the subject of this Circular, there is no other outstanding corporate exercise, which has been announced by SMPC to Bursa Securities but is pending implementation.

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8.0 HISTORICAL MARKET PRICES OF SMPC SHARES AND WARRANTS

8.1 Market Price of SMPC Shares

The monthly highest and lowest market prices of SMPC Shares as traded on Bursa Securities for the past twelve (12) months are as follows:-

	Highest RM	Lowest RM
<u>2004</u>		
July	0.740	0.650
August	0.700	0.590
September	0.660	0.610
October	0.680	0.540
November	0.630	0.560
December	0.765	0.575
<u>2005</u>		
January	0.810	0.635
February	0.740	0.620
March	0.630	0.560
April	0.600	0.540
May	0.600	0.415
June	0.530	0.375

(Source : Bloomberg)

Last transacted market price of SMPC Shares on 6 April 2005 (being the last market day immediately prior to the announcement in relation to the Proposed Warrants Extension on 8 April 2005) was RM0.58.

Last transacted market price of SMPC Shares on 30 June 2005 (being the latest practicable date prior to the printing of this Circular) was RM0.45.

8.2 Market Price of SMPC Warrants

The monthly highest and lowest market prices of SMPC Warrants as traded on Bursa Securities for the past twelve (12) months are as follows:-

	Highest RM	Lowest RM
<u>2004</u>		
July	0.120	0.100
August	0.080	0.110
September	0.080	0.150
October	0.120	0.070
November	0.095	0.070
December	0.140	0.070
<u>2005</u>		
January	0.155	0.080
February	0.095	0.060
March	0.075	0.040
April	0.090	0.025
May	0.075	0.045
June	0.110	0.045

(Source : Bloomberg)

Last transacted market price of Warrants on 7 April 2005 (being the last market day immediately prior to the announcement in relation to the Proposed Warrant Extension on 8 April 2005) was RM0.030.

Last transacted market price of Warrants on 30 June 2005 (being the latest practicable date prior to the printing of this Circular) was RM0.080.

9.0 EXPECTED TIMEFRAME FOR COMPLETION OF THE PROPOSED WARRANTS EXTENSION

The Proposed Warrants Extension is expected to be completed by the end of the third quarter of 2005.

10.0 EGM AND WARRANTHOLDERS' MEETING

The Notice of Extraordinary General Meeting ("EGM") of SMPC Corporation Bhd in relation to the Proposed Warrants Extension, which will be held at VIP Lounge, Hotel Equatorial, No. 1, Jalan Bukit Jambul, Bayan Lepas, Penang on Thursday, 28 July 2005 immediately after the conclusion or adjournment (as the case may be) of the Company's Twenty-fourth (24th) Annual General Meeting, which will be held at the same venue on the same day at 11.30 a.m., is enclosed together with the Form of Proxy in this Circular.

The Notice of Warranholders' Meeting of SMPC Corporation Bhd, which will be held at VIP Lounge, Hotel Equatorial, No. 1, Jalan Bukit Jambul, Bayan Lepas, Penang on Thursday, 28 July 2005 or immediately following the conclusion, adjournment (as the case may be) of the EGM of SMPC in relation to the Proposed Warrants Extension which will be held at the same venue and on the same day, whichever is the later, together with the Proxy Form is also enclosed together in this Circular.

If you are unable to attend and vote in person at the EGM and/or Warranholders' Meeting, you are requested to complete, sign and return the enclosed Form(s) of Proxy in accordance with the instructions contained therein as soon as possible and in any event to arrive at the Company's Registered Office at Suite 18.05 MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Penang not later than forty-eight (48) hours before the time set for holding the EGM and/or Warranholders' Meeting or any adjournment thereof.

The completion and lodgement of the Form(s) of Proxy will not preclude you from attending and voting in person at the EGM and/or Warranholders' meeting should you subsequently wish to do so.

11.0 FURTHER INFORMATION

Shareholders and Warranholders are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of Directors
SMPC CORPORATION BHD

Sanmarkan a/l T S Ganapathi
Independent Non-Executive Director

LEGAL OPINION ON THE PROPOSED WARRANTS EXTENSION

莎麗娜·林金泉律師辦事處

SALINA, LIM KIM CHUAN & CO.

ADVOCATES & SOLICITORS
PENGUAMBELA DAN PEGUAMCARA

WHEN REPLYING PLEASE QUOTE OUR REFERENCE

Main Office

Lim Kim Chuan
Salina Ibrahim
Norazira Ab. Rahman
Parmjit Singh s/o Mahinder Singh

Corporate Division

Lim Hee Choo
Khaw Mui Suan

Main Office

28-C, Lorong Abu Siti,
10400 Penang
TEL: 604-2282089
FAX: 604-2282093
E-Mail: slkc@po.jaring.my

Corporate Division

51-15-C2, Menara BHL
Jalan Sultan Ahmad Shah
10050 Penang
TEL: 604-2282785
FAX: 604-2283161
E-mail: slkccor@streamyx.com

YOUR REF :

OUR REF : LHC/KMS/CORP/114/05/sm
(Please send your reply to the office of the Corporate Division)

15 April 2005

Malaysian International Merchant Bankers Berhad
4th Floor, Wisma Leader
No. 8, Larut Road
10050 Penang

By Hand

Attn: Mr. Shim Choon Lim/ Ms. Tan Wei Inn

Dear Sirs,

Re: **SMPC CORPORATION BERHAD ("SMPC" or "the Company")**

- **Proposed extension of the duration and exercise period of SMPC's outstanding Warrants 2000/2005 for an additional five (5) years**

1. **Introduction**

1.1 **SMPC CORPORATION BERHAD ("SMPC" or "the Company")** intends to undertake the proposed extension of the duration and exercise period of SMPC's outstanding Warrants 2000/2005 ("**Warrants**") for an additional five (5) years thereby extending the expiry date from 21 November 2005 up to and including 21 November 2010 ("**Proposed Extension**"). Based on the written confirmation contained in the letter dated 14 April 2005 issued by the Company Secretary, SMPC has 14,924,500 outstanding Warrants as at 15 March 2005.

1.2 The Company executed a Deed Poll dated 28 August 2000 ("**Deed Poll**") to constitute the Warrants which were issued as free detachable warrants with the renounceable rights issue ("**Rights Issue**") of up to 14,999,500 new ordinary shares of RM1.00 each at an issue price of RM1.55 per new ordinary share on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held as at the date of entitlement to the Rights Issue together with one (1) free detachable Warrant. Each Warrant gives the holder an option to subscribe for one (1) new ordinary share in the Company at an exercise price of RM1.75, payable in cash at any time during the exercise period of such Warrant. The Warrants are currently listed and quoted on the Bursa Malaysia Securities Berhad ("**Bursa Securities**").

- 1.3 The Company made an announcement on 3 September 2001 stating inter alia, that the exercise price of the warrants is RM1.75 (subject to the adjustment under the terms of the Deed Poll), the existing exercise period of the Warrants is five years commencing from and including the date of issue of the Warrants i.e. 22 November 2000 and ending on and inclusive of 21 November 2005, and that the Deed Poll contains an express provision on the extension of the exercise period subject to the Companies Act and the relevant approvals being obtained.
- 1.4 The Company also made an announcement on 8 April 2005 stating inter alia, that it intends to undertake the Proposed Extension to extend the current exercise period of its outstanding Warrants by extending the expiry date of its Warrants from 21 November 2005 up to and including 21 November 2010.
- 1.5 We have been requested to render our opinion on whether the Proposed Extension contravenes any subsisting law, the Abridged Prospectus (as defined below) or offer document issued at the time of the offering of the Warrants or the Deed Poll constituting the Warrants.

2. Applicable Law

Our opinion relates solely to, and is given on the basis only of Malaysian law of general application at the date of this opinion as currently applied by the Courts of Malaysia and is given on the basis that it will be governed by and construed in accordance with the laws of Malaysia. We have made no investigation of, and do not express or imply any view on the laws of any country other than Malaysia

3. Documents Examined

For the purpose of rendering this opinion, we have examined the following documents:-

- (i) a copy of the Deed Poll dated 29 August 2000 executed by the Company;
- (ii) a copy of SMPC's Abridged Prospectus dated 4 October 2000 for the Rights Issue ("**Abridged Prospectus**");
- (iii) a copy of the Company's announcement dated 3 September 2001 ("**the 1st Announcement**");
- (iv) a copy of the press release dated 28 August 2001 issued by the Securities Commission ("**SC Press Release**");
- (v) the letter dated 14 April 2005 from the Company Secretary of SMPC;
- (vi) a copy of the Company's announcement dated 8 April 2005 ("**the 2nd Announcement**").

4. Assumptions

For the purpose of this opinion, we have assumed:-

- (i) the correctness of all facts stated in the documents referred to in paragraph 3 above;



- (ii) that all documents submitted to us as certified or photostat or faxed copies, or specimen documents are complete and conform to their originals;
- (iii) that the signatures, seals and any duty stamp or marking on the originals of all documents submitted to us are genuine;
- (iv) that the documents and/or information supplied by the Company Secretary of the Company are true and correct;
- (v) that each party to the documents referred to in paragraph 3 above,
 - (a) has the capacity and (in the case of a body corporate) has the corporate power to enter into and perform all its obligations under the document(s) to which it is a party; and
 - (b) has taken all necessary action to authorise the execution, delivery and performance by it of the document(s) to which it is a party in accordance with their respective terms; and
 - (c) has duly executed and delivered the document(s) to which it is a party.

5. **Opinion**

Based upon and subject to the foregoing and subject to any matter not disclosed to us and to the qualifications set out below, we are of the opinion that:

- (i) Condition 8.5 of Schedule 5 to the Deed Poll allows the exercise period of the Warrants to be extended by the Company subject to the Companies Act 1965 and the approvals of all the relevant authorities (to the extent necessary) and on condition that the Company shall obtain approval of at least 75% of its shareholders present at a shareholders' meeting and the approval from the Warrant Holders for such extension.
- (ii) As the Proposed Extension (if effected) would alter the rights attached to the Warrants, a Special Resolution of the Warrant Holders is required by Condition 8.2 of Schedule 5 to the Deed Poll to sanction the Proposed Extension. A "Special Resolution" is defined in Condition 1 of Schedule 5 to the Deed Poll as a resolution passed at a meeting of the Warrant Holders duly convened and held and carried by a majority consisting of not less than three-fourths (3/4) of the votes cast on a show of hands or if by poll, a majority consisting of not less than three-fourths (3/4) of the votes cast on a poll.
- (iii) Condition 8.2 of Schedule 5 to the Deed Poll further provides that any modification of the rights attached to the Warrants shall be subject to the approval of the Kuala Lumpur Stock Exchange (now Bursa Securities). Under the current Listing Requirements of the Bursa Securities, the approval of Bursa Securities is no longer required for the Deed Poll or any modification thereto.
- (iv) The SC Press Release states inter alia, that all listed companies whose currently listed-warrants Deed Poll contain the express provision for extension of the exercise period of their warrants are required to announce through the Kuala Lumpur Stock Exchange (now Bursa Securities) by 3 September 2001 that they have such a provision. The Company has complied with the SC Press Release by making the 1st Announcement on 3 September 2001.

- (v) Section 68 of the Companies Act 1965 provides that an option granted by a public company which enables any person to take up unissued shares of the company after a period of ten (10) years has elapsed from the date on which the option was granted shall be void. Therefore, the Company must ensure that the exercise period of the Warrants shall not exceed ten (10) years from the date of issue. As the date of issue of the Warrants is 22 November 2000, the new expiry date of the Proposed Extension must not be later than 21 November 2010. In this regard, we note that the Company has, in its 2nd Announcement, stated that it intends to extend the expiry date of its Warrants from 21 November 2005 up to and including 21 November 2010, which does not exceed ten (10) years from the date of issue of the Warrants.
- (vi) The SC Press Release also sets out the procedures for application to extend exercise period of warrants by stating that listed companies with currently listed warrants must comply with the requirements provided therein ("**SC Procedures**"). The Company would have to comply with the SC Procedures in undertaking the Proposed Extension, including:
 - (a) making an application to the SC for its approval no later than two weeks from the date of the Company's 2nd Announcement i.e. on or before 22 April 2005;
 - (b) the Company will have to make an appropriate announcement immediately after the SC has approved the Proposed Extension, which announcement should contain a clear statement that, notwithstanding the Proposed Extension, the exercise period would not exceed 10 years as allowed for under Section 68 of the Companies Act 1965;
 - (c) after the SC approval has been obtained, the Company will have to seek the approval of at least 75% of its shareholders at a shareholders' meeting and the approval from the Warrant Holders for the Proposed Extension.
- (vii) Subject to the compliance of Condition 8.5 and Condition 8.2 of Schedule 5 to the Deed Poll (which require the approval of at least 75% of the Company's shareholders present at a shareholders' meeting and a Special Resolution of the Warrant Holders passed at a meeting of Warrant Holders), the provisions of Section 68 of the Companies Act 1965, and the SC Procedures as aforesaid, the Proposed Extension does not contravene any subsisting law, the Abridged Prospectus or the Deed Poll constituting the Warrants.

6. **Qualifications**

The foregoing opinion is subject to the following qualifications:-

- (i) We have made no investigation of, and do not express or imply any view of the laws of any country other than Malaysia.
- (ii) We express no opinion as to matters of fact.



7. **Benefit**

This opinion is for the sole purpose of the Proposal and is limited strictly to the matters stated herein and is not to be read as extending by implication to any other matter in connection with any of the above matters raised or otherwise. This opinion is addressed to you and for your benefit personally and:-

- (i) may not be disclosed in whole or in part to anyone other than the Securities Commission and the Bursa Malaysia Securities Berhad and persons who in the ordinary course of your business have access to your papers and records and on the basis that such persons will similarly make no further disclosure; and
- (ii) may not be filed with any other governmental agency or authority or quoted in any public document without in any such case, our prior written consent.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'S. Lim', written over a horizontal line.

FURTHER INFORMATION**1.0 DIRECTORS' RESPONSIBILITY**

This Circular has been seen and approved by the Directors of SMPC who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2.0 CONSENT

MIMB and Messrs Salina, Lim Kim Chuan & Co have given and have not subsequently withdrawn their written consents to the inclusion in this Circular of their names, letter and all references thereto in the form and context in which they appear.

3.0 MATERIAL CONTRACTS

Save as disclosed below, neither the Company nor any of its subsidiary companies has entered into any contracts which is or may be material (not being contracts entered into in the ordinary course of business of the Group) during the two (2) years immediately preceding the date of this Circular.

- (a) Sale and Purchase Agreement dated 28 May 2004 between SMPC and its wholly-owned subsidiary, SMPC Industries Sdn Bhd whereby SMPC agreed to sell and SMPC Industries Sdn Bhd agreed to purchase all those pieces of 60 year leasehold land held under H.S.(D) No. 31821 (P.T.No. 1451), H.S.(D) No. 41686 (P.T.No. 1444) and H.S.(D) No. 41691 (P.T.No. 1460) all in Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang with assessment address No: 2521, Tingkat Perusahaan 6, Prai Industrial Estate, 13600 Prai, Penang (hereinafter called "the Property") and measuring an area of approximately 6.22247 acres, 1.97889 acres and 2.03449 acres respectively for a purchase consideration of RM22,000,000 to be satisfied by SMPC Industries Sdn Bhd issuing 22,000,000 ordinary shares of RM1.00 each at par to SMPC; and
- (b) Deed of Rescission dated 21 March 2005 between SMPC and SMPC Industries Sdn Bhd whereby the parties mutually agreed to revoke and rescind the Sale and Purchase Agreement in respect of the Property described in paragraph (a) above with effect from the date of the Deed of Rescission.

4.0 MATERIAL LITIGATION

Neither SMPC nor any of its subsidiary companies is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Directors of SMPC are not aware of any proceedings pending or threatened against the SMPC Group or of any facts likely to give rise to any proceedings which may materially or adversely affect the position or business of the SMPC Group, financially or otherwise.

5.0 DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection during normal office hours (except public holidays) at the registered office of SMPC from the date of this Circular up to and including the date of the EGM and Warranholders' Meeting:-

- (a) Memorandum and Articles of Association of SMPC;
- (b) the audited consolidated financial statements of SMPC and its subsidiary companies for the past two (2) financial years ended 31 January 2005;
- (c) the unaudited consolidated financial statements of the SMPC Group for the financial period ended 30 April 2005;
- (d) legal opinion on the Proposed Warrant Extension from Messrs Salina, Lim Kim Chuan & Co;
- (e) the letters of consent referred to in Section 2.0 of this Appendix;
- (f) the material contracts referred to in Section 3.0 of this Appendix;
- (g) Deed Poll dated 28 August 2000 executed by SMPC constituting the Warrants; and
- (h) draft Supplementary Deed in relation to the Proposed Warrants Extension.

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SMPC CORPORATION BHD
(Company No. 79082-V)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of SMPC Corporation Bhd ("SMPC" or the "Company") will be held at VIP Lounge, Hotel Equatorial, No. 1, Jalan Bukit Jambul, Bayan Lepas, Penang on Thursday, 28 July 2005 immediately after the conclusion or adjournment (as the case may be) of the Company's Twenty-fourth (24th) Annual General Meeting, which will be held at the same venue on the same day at 11.30 a.m., for the purpose of considering, and if thought fit, passing the following resolution, with or without modifications:-

SPECIAL RESOLUTION

PROPOSED WARRANTS EXTENSION OF THE DURATION AND EXERCISE PERIOD OF OUTSTANDING WARRANTS 2000/2005 IN SMPC CORPORATION BHD FOR AN ADDITIONAL FIVE (5) YEARS THEREBY EXTENDING THE EXPIRY DATE OF THE WARRANTS 2000/2005 FROM 21 NOVEMBER 2005 UP TO AND INCLUDING 21 NOVEMBER 2010

"THAT, subject to the Companies Act, 1965, the approvals of the relevant authorities, shareholders and holders of the warrants 2000/2005 in SMPC Corporation Bhd ("SMPC" or the "Company"), approval be and is hereby given to the Board of Directors of the Company to extend the expiry date for the duration and exercise period of the outstanding Warrants 2000/2005 in SMPC ("*Outstanding Warrants*") from 21 November 2005 up to and including 21 November 2010 ("*Proposed Warrants Extension*");

AND THAT the Company do hereby approve and affirm the execution of the supplemental deed poll ("*Supplemental Deed Poll*") expressed to be supplemental to the Deed Poll dated 28 August 2000 constituting the Outstanding Warrants to implement and give effect to the Proposed Warrants Extension, which shall be in such form and content as the Directors of SMPC may approve, amend and/or modify;

AND FURTHER THAT the Directors of SMPC be and are hereby authorised to enter into for and on behalf of the Company any such agreement and arrangement and to do all acts and things that they consider necessary and expedient in the best interest of the Company to give effect to the Proposed Warrants Extension with full power to implement and to assent to any conditions, modifications, amendments and/or variations as may be required or imposed by any relevant authorities."

BY ORDER OF THE BOARD

TIUM SOOK FUN
(MAICSA 7025619)
Company Secretary

Penang
6 July 2005

Notes:-

1. *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991, he may appoint at least one proxy in respect of each Securities Account he holds with ordinary shares in the Company standing to the credit of the said Securities Account.*
3. *Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. In the case where a member is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.*
5. *All proxy forms must be duly executed and deposited at the registered office of the Company at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

SMPC CORPORATION BHD
(Company No. 79082-V)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF WARRANTHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that a Warrantholders' Meeting of SMPC Corporation Bhd ("SMPC" or the "Company") will be held at VIP Lounge, Hotel Equatorial, No. 1, Jalan Bukit Jambul, Bayan Lepas, Penang on Thursday, 28 July 2005 or immediately after the conclusion or adjournment (as the case may be) of the Company's Extraordinary General Meeting, which will be held at the same venue on the same day immediately after the conclusion or adjournment (as the case may be) of the Company's Twenty-fourth (24th) Annual General Meeting, which will be held at the same venue on the same day at 11.30 a.m., for the purpose of considering, and if thought fit, passing the following special resolution, with or without modifications:-

SPECIAL RESOLUTION

PROPOSED WARRANTS EXTENSION OF THE DURATION AND EXERCISE PERIOD OF OUTSTANDING WARRANTS 2000/2005 IN SMPC CORPORATION BHD FOR AN ADDITIONAL FIVE (5) YEARS THEREBY EXTENDING THE EXPIRY DATE OF THE WARRANTS 2000/2005 FROM 21 NOVEMBER 2005 UP TO AND INCLUDING 21 NOVEMBER 2010

"THAT, subject to the Companies Act, 1965, the approvals of the relevant authorities, shareholders and holders of the warrants 2000/2005 in SMPC Corporation Bhd ("*SMPC*" or the "*Company*"), approval be and is hereby given to the Board of Directors of the Company to extend the expiry date for the duration and exercise period of the outstanding Warrants 2000/2005 in SMPC ("*Outstanding Warrants*") from 21 November 2005 up to and including 21 November 2010 ("*Proposed Warrants Extension*");

AND THAT the Company do hereby approve and affirm the execution of the supplemental deed poll ("*Supplemental Deed Poll*") expressed to be supplemental to the Deed Poll dated 28 August 2000 constituting the Outstanding Warrants to implement and give effect to the Proposed Warrants Extension, which shall be in such form and content as the Directors of SMPC may approve, amend and/or modify;

AND FURTHER THAT the Directors of SMPC be and are hereby authorised to enter into for and on behalf of the Company any such agreement and arrangement and to do all acts and things that they consider necessary and expedient in the best interest of the Company to give effect to the Proposed Warrants Extension with full power to implement and to assent to any conditions, modifications, amendments and/or variations as may be required or imposed by any relevant authorities."

BY ORDER OF THE BOARD

THUM SOOK FUN
(MAICSA 7025619)
Company Secretary

Penang
6 July 2005

Notes:-

1. *A warrant holder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a warrant holder of the Company and a warrant holder may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a warrant holder of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991 he may appoint at least one proxy in respect of each Securities Account he holds with warrants in the Company standing to the credit of the said Securities Account.*
3. *Where a warrant holder appoints two or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. In the case where a warrant holder is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.*
5. *All proxy forms must be duly executed and deposited at the registered office of the Company at Suite 18.05, MWF Plaza, No. 8 Lebuhr Farquhar, 10200 Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

SMPC CORPORATION BHD
(Company No.: 79082-V)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY FOR EXTRAORDINARY GENERAL MEETING

No. of Shares held:

*I / We.....
(BLOCK LETTER)

of.....
being a *member/ members of **SMPC CORPORATION BHD**, hereby appoint

.....
(Full Name in Block Letters)

of.....
(Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at VIP Lounge, Hotel Equatorial, No. 1, Jalan Bukit Jambul, Bayan Lepas, Penang on Thursday, 28 July 2005, immediately after the conclusion or adjournment (as the case may be) of the Company's Twenty-fourth (24th) Annual General Meeting, which will be held at the same venue on the same day at 11.30 a.m.

My/Our Proxy to vote is as indicated below:

NO.	SPECIAL RESOLUTION	FOR	AGAINST
1.	Special Resolution - Proposed Warrants Extension		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion.)

Dated this _____ day of _____ 2005

Signatures of Shareholder(s)/Common Seal

Notes:-

1. *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991 he may appoint at least one proxy in respect of each Securities Account he holds with ordinary shares in the Company standing to the credit of the said Securities Account.*
3. *Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. In the case where a member is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.*
5. *All proxy forms must be duly executed and deposited at the registered office of the Company at Suite 18.05, MWE Plaza, No. 8 Lebuh Farquhar, 10200 Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*



SMPC CORPORATION BHD
(Company No.: 79082-V)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY FOR WARRANTHOLDERS' MEETING

No. of Warrants held:

*I / We
(BLOCK LETTER)

of
being a *warrantholder/ warrantholders of **SMPC CORPORATION BHD**, hereby appoint

.....
(Full Name in Block Letters)

of
(Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Warrantholders' Meeting of the Company to be held at VIP Lounge, Hotel Equatorial, No. 1, Jalan Bukit Jambul, Bayan Lepas, Penang on Thursday, 28 July 2005, or immediately after the conclusion or adjournment (as the case may be) of the Company's Extraordinary General Meeting, which will be held at the same venue on the same day immediately after the conclusion or adjournment (as the case may be) of the Company's Twenty-fourth (24th) Annual General Meeting, which will be held at the same venue on the same day at 11.30 a.m.

My/Our Proxy to vote is as indicated below:

NO.	SPECIAL RESOLUTION	FOR	AGAINST
1.	Special Resolution - Proposed Warrants Extension		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion.)

Dated this _____ day of _____ 2005

Signatures of Warrantholder(s)/Common Seal

Notes:-

1. *A warrantholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a warrantholder of the Company and a warrantholder may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a warrantholder of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991 he may appoint at least one proxy in respect of each Securities Account he holds with warrants in the Company standing to the credit of the said Securities Account.*
3. *Where a warrantholder appoints two or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. In the case where a warrantholder is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.*
5. *All proxy forms must be duly executed and deposited at the registered office of the Company at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

