

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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**SMPC**  
**SMPC CORPORATION BHD.**  
(Company No. 79082-V)  
(Incorporated in Malaysia)

**INFORMATION ON EXTRAORDINARY GENERAL MEETING**

and

**CIRCULAR TO SHAREHOLDERS**

in relation to

**PROPOSED CHANGE OF AUDITORS**

The Notice of the Extraordinary General Meeting (EGM) is sent to you together with this Circular. The EGM will be held at Bilik Mawar, Safira Country Club, Lot 2769 Jalan Todak, Bandar Seberang Jaya, 13700 Seberang Prai Tengah on Wednesday, 25 February 2009 at 3.00 p.m.. Shareholders are advised to refer to the Notice of EGM and the Form of Proxy. The Form of Proxy should be completed and lodged at the Registered Office, 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time set for the Meeting. You are not precluded from attending and voting in person at the EGM should you wish to do so subsequent to the lodging of the Proxy Form.

This Circular is dated 10 February 2009

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### INFORMATION ON EXTRAORDINARY GENERAL MEETING

- NOTICE OF EXTRAORDINARY GENERAL MEETING
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**SMPC CORPORATION BHD. (79082-V)**

(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (EGM) of the Company will be held at Bilik Mawar, Safira Country Club, Lot 2769 Jalan Todak, Bandar Seberang Jaya, 13700 Seberang Prai Tengah on Wednesday, 25 February 2009 at 3.00 p.m. to consider and, if thought fit, pass the following Ordinary Resolution with or without modifications:

**ORDINARY RESOLUTION – PROPOSED CHANGE OF AUDITORS**

“That the resignation of Messrs Ernst & Young as Auditors of the Company be and is hereby accepted;

And that Messrs Grant Thornton, having given their Consent to Act, be and they are hereby appointed Auditors of the Company at a remuneration to be fixed by the Directors.”

By Order of the Board

CHAN YOKE YIN  
CHIEW CINDY

Company Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia  
10 February 2009

**NOTES:-**

1. A member may appoint 2 or more proxies to attend the Meeting. A proxy may but need not be a member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. If a member appoints 2 or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
2. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depository) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. In the case where a member is a corporation, the proxy form must be executed under the common seal or under the hand of an officer or attorney duly authorized.
4. All proxy forms must be duly executed and deposited at the registered office of the Company at 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

**SMPC CORPORATION BHD. (79082-V)**

(Incorporated in Malaysia)

**FORM OF PROXY**

I/We, .....  
(BLOCK LETTERS)

of .....  
being a member/members of **SMPC CORPORATION BHD.** hereby appoint .....  
..... of ..... or failing him, 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 on 25 February 2009 and at any adjournments thereof in  
the manner indicated below in respect of the following Ordinary Resolution:

	<b>FOR</b>	<b>AGAINST</b>
<b>ORDINARY RESOLUTION – PROPOSED CHANGE OF AUDITORS</b>		

Please indicate with ( √ ) how you wish your vote to be cast

No. of shares held	
CDS A/C No.	

Date:

.....  
Signature of Shareholder

NOTES:-

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.....fold.....

STAMP

The Company Secretary  
**SMPC CORPORATION BHD.**  
55 Medan Ipoh 1A  
Medan Ipoh Bistari  
31400 Ipoh

.....fold.....

**CIRCULAR TO SHAREHOLDERS**

in relation to

**PROPOSED CHANGE OF AUDITORS**

## **DEFINITIONS**

In this Circular, unless otherwise stated, the following abbreviations shall have the following meanings:

<b>Abbreviations</b>	<b>Meanings</b>
“Directors or the Board”	- Board of Directors of SMPC
“Bursa Securities”	- Bursa Malaysia Securities Berhad (635998-W)
“Circular”	- Circular to Shareholders of SMPC dated 10 February 2009
“EGM”	- Extraordinary General Meeting
“SMPC or the Company”	- SMPC Corporation Bhd.
“SMPC Group or Group”	- SMPC and its subsidiary companies as defined in Section 5 of the Companies Act, 1965
“Ordinary Resolution”	- The Ordinary Resolution set out in the Notice of EGM pertaining to the Proposed Change of Auditors



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**SMPC CORPORATION BHD. (79082-V)**

(Company No. 79082-V)

(Incorporated in Malaysia)

**Registered Office**

55 Medan Ipoh 1A  
Medan Ipoh Bistari  
31400 Ipoh

10 February 2009

Directors:

Y. Bhg. Dato' Seri Ismail Bin Shahudin (Non-Independent Non-Executive Chairman)  
Machendran a/l Pitchai Chetty (Group Managing Director)  
Dhanabalan a/l M. Pitchai Chetty (Executive Director)  
Vijayan a/l O.M.V. Devan (Executive Director)  
Mohd Shahril Fitri Bin Hashim (Executive Director)  
Sanmarkan a/l T S Ganapathi (Independent Non-Executive Director)  
Sudesh a/l K. V. Sankaran (Independent Non-Executive Director)  
Ng Chin Nam (Independent Non-Executive Director)

To: The Shareholders of SMPC Corporation Bhd.

Dear Sir/Madam

**PROPOSED CHANGE OF AUDITORS**

**1. INTRODUCTION**

The Company had on 6 February 2009 announced to Bursa Securities that Messrs Ernst & Young had on 6 February 2009 given notice in writing to the Directors of their intention to resign as Auditors of the Company. Their resignation will only take effect upon the appointment of another firm of Auditors.

The Company had then nominated Messrs Grant Thornton to be appointed as Auditors of the Company for the financial year ending 31 March 2009 in place of the resigning Auditors, Messrs Ernst & Young to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors.

Messrs Grant Thornton had on 6 February 2009 given their consent to act as Auditors of the Company for the financial year ending 31 March 2009.

**The purpose of this Circular is to provide you with information on the Proposed Change of Auditors and seek your approval on the ordinary resolution pertaining to the Proposed Change of Auditors to be tabled at the forthcoming EGM scheduled to be held on 25 February 2009. The shareholders of the Company are advised to read carefully the contents of this Circular before voting on the resolution pertaining to the Proposed Change of Auditors at the EGM.**

**2. RATIONALE FOR THE PROPOSED CHANGE OF AUDITORS**

The resignation of Messrs Ernst & Young will create a vacancy for the office of Auditors of the Company. The proposed appointment of Messrs Grant Thornton is to fill this vacancy for the office of Auditors of the Company arising from the resignation of Messrs Ernst & Young.

**3. APPROVAL REQUIRED**

The Proposed Change of Auditors is subject to the approval of the shareholders of the Company at the forthcoming EGM.

**4. EFFECT OF THE PROPOSED CHANGE OF AUDITORS**

The Proposed Change of Auditors will not have any effect on the issued and paid-up share capital and substantial shareholdings of the Company and earnings or the net assets of the SMPC Group.

**5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors and/or major shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Change of Auditors.

**6. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board, having considered all aspects of the Proposed Change of Auditors, is of the opinion that it is in the best interest of the Company and accordingly, recommend that you vote in favour of the ordinary resolution to give effect to the Proposed Change of Auditors at the forthcoming EGM.

**7. EGM**

The notice of EGM that contains the Ordinary Resolution pertaining to the Proposed Change of Auditors had been incorporated into the Information on Extraordinary General Meeting attached to this Circular.

**8. FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendix for further information.

Yours faithfully  
For and on behalf of the Board of  
**SMPC CORPORATION BHD.**

**Machendran a/l Pitchai Chetty**  
Group Managing Director

**FURTHER INFORMATION****1. Responsibility Statement**

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

**2. Material Contracts**

Save as disclosed below, neither SMPC nor its subsidiaries has entered into any other material contract (not being contracts entered into in the ordinary course of business of the Company or its subsidiaries) during the two (2) years immediately preceding the date of this Circular:-

- (a) Shareholders' Agreement dated 3 March 2007 between the wholly-owned subsidiary of the Company, SMPC Industries Sdn. Bhd. and High Q Pack Industries Co. Ltd (a corporation incorporated in Thailand) for the purpose of setting up a new company in Thailand under the name Thai Strapping Limited, as the joint venture vehicle to undertake the manufacturing and sale of metal/steel strapping in Thailand. SMPC Industries Sdn. Bhd. and High Q Pack Industries Co. Ltd each owns 50% of Thai Strapping Limited.
- (b) Conditional Sale and Purchase Agreement dated 28 September 2007 between Progerex Sdn. Bhd. as a vendor and Linsa Ekuiti Sdn. Bhd. as purchaser for the disposal of nine (9) pieces of land held under Geran Mukim No. 988 Lot No. 1504, Geran Mukim No. 989 Lot No. 1505, Geran Mukim No. 991, Lot No. 1664, Geran Mukim No. 992 Lot No. 1667, Geran Mukim No. 993 Lot No. 1669, Geran Mukim No. 994 Lot No. 1702, Geran Mukim No. 996 Lot No. 324, Geran Mukim No. 997 Lot No. 640 and Geran Mukim No. 998 Lot No. 642, all in Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang measuring approximately 19.602 acres at a total cash consideration of RM12,210,242.63 upon the terms and conditions as stipulated therein.

**3. Material Litigation**

As at the date of this Circular, the SMPC Group has not engaged in any material litigations, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of SMPC Group and the Directors of SMPC are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the SMPC Group.

**4. Documents Available for Inspection**

Copies of the following documents are available for inspection between 9.00 am and 5.00 pm from Monday to Friday (except public holidays) at the Registered Office of SMPC at 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia from the date of this Circular up to and including the date of the forthcoming EGM:

- i) Letter of resignation as Auditors from Messrs Ernst & Young dated 6 February 2009;
- ii) Letter of Consent to Act from Messrs Grant Thornton dated 6 February 2009;
- iii) Memorandum and Articles of Association; and
- iv) Audited Financial Statements of SMPC Group for the past two (2) financial years ended 31 March 2007 and 31 March 2008.