

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 31 Dec 2010 RM'000	Preceding year corresponding quarter 31 Dec 2009 RM'000	Current year to date 31 Dec 2010 RM'000	Preceding year corresponding period 31 Dec 2009 RM'000
Revenue	1,774	N/A	1,774	N/A
Cost of Sales	(1,197)	N/A	(1,197)	N/A
Gross Profit	577	N/A	577	N/A
Other Operating Income	2	N/A	2	N/A
Operating Expenses	(968)	N/A	(968)	N/A
Operating Profit	(389)	N/A	(389)	N/A
Finance cost	-	N/A	-	N/A
Share of Result of A Jointly Controlled Entity	^	N/A	^	N/A
Profit/ (Loss) Before Taxation	(389)	N/A	(389)	N/A
Taxation	^	N/A	^	N/A
Net Profit / (Loss) After Taxation	(389)	N/A	(389)	N/A
Other comprehensive income/(loss)	(1)	N/A	(1)	N/A
Total comprehensive income /(loss)	(390)	N/A	(390)	N/A
Net profit attributable to :				
- Owners of the Company	(386)	N/A	(386)	N/A
- Non-controlling interests	(3)	N/A	(3)	N/A
Net Profit	(389)	N/A	(389)	N/A
Total comprehensive income attributable to :				
- Owners of the Company	(387)	N/A	(387)	N/A
- Non-controlling interests	(3)	N/A	(3)	N/A
Total comprehensive income	(390)	N/A	(390)	N/A
Weighted average no. of ordinary shares in issue ('000)	170,000	N/A	170,000	N/A
Basic earnings/ (loss) per ordinary share (sen):				
Basic earnings/ (loss) per share (sen)	(0.23)	N/A	(0.23)	N/A
Diluted earnings/ (loss) per share (sen)	(0.23)	N/A	(0.23)	N/A

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010 (CON'T)**

Notes :

N/A Not applicable

^ Less than RM1,000

- (i) Basic Loss per Share ("LPS") for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and year-to-date respectively.
- (ii) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report as disclosed in the Prospectus of the Company dated 28 March 2011 and the accompanying notes attached to this interim financial report.
- (iii) No comparative figures are available for the preceding year's individual and cumulative corresponding quarter as this is the first interim financial report being announced by the Company in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("Listing Requirements").

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	As at 31 December 2010 (Unaudited) RM'000	As at preceding 30 September 2010 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,316	N/A
Investment in a jointly controlled entity	5,003	N/A
Intangible Assets	<u>4,232</u>	<u>N/A</u>
	<u>16,551</u>	<u>N/A</u>
Current assets		
Inventories	1,301	N/A
Trade Receivables	10,229	N/A
Other receivables and deposits	44	N/A
Cash and cash equivalents	<u>698</u>	<u>N/A</u>
	<u>12,272</u>	<u>N/A</u>
	<u>28,823</u>	<u>N/A</u>
Total Assets	<u><u>28,823</u></u>	<u><u>N/A</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	17,000	N/A
Retained profits	11,278	N/A
Foreign exchange fluctuation reserve	<u>5</u>	<u>N/A</u>
Shareholders' funds	28,283	N/A
Non-controlling interests	<u>(16)</u>	<u>N/A</u>
Total Equity	<u>28,267</u>	<u>N/A</u>
Current liabilities		
Trade Payables	440	N/A
Other payables and accruals	116	N/A
Tax payable	<u>^</u>	<u>N/A</u>
	<u>556</u>	<u>N/A</u>
Total liabilities	<u>556</u>	<u>N/A</u>
Total equity and liabilities	<u><u>28,823</u></u>	<u><u>N/A</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		
	<u>0.17</u>	<u>N/A</u>

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010 (CON'T)**

Notes :

N/A Not applicable

^ Less than RM1,000

- (i) The net asset per share for the quarter and financial period is calculated based on the net asset as at 31 December 2010 divided by the number of outstanding ordinary shares as at 31 December 2010.
- (ii) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report as disclosed in the Prospectus of the Company dated 28 March 2011 and the accompanying notes attached to this interim financial report.
- (iii) No comparative figures are available as this is the first interim financial report being announced by the Company in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("Listing Requirements").

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010**

	Current year to date 31 December 2010 (Unaudited) RM'000	Preceding year corresponding period 31 December 2009 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Taxation	(389)	N/A
Adjustments for Non-cash items	124	N/A
Operating loss before working capital changes	(265)	N/A
Changes in working capital		
Net change in inventories	(1,237)	N/A
Net change in trade and other receivables	1,365	N/A
Net change in trade and other payables	(94)	N/A
Net cash from operations	(231)	N/A
Tax paid	^	N/A
Net cash generated from operating activities	(231)	N/A
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	2	N/A
Purchase of plant and equipment	(33)	N/A
Net cash used in investing activities	(31)	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash used in financing activities	-	N/A
Net Change in Cash and Cash Equivalents	(262)	N/A
Effects of Foreign Exchange Translation	(1)	N/A
Cash and Cash Equivalents at beginning of the period	961	N/A
Cash and Cash Equivalents at end of the period	698	N/A
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	389	N/A
Short term deposits	309	N/A
	698	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010 (CON'T)**

Notes :

N/A Not applicable

^ Less than RM1,000

- (i) The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report as disclosed in the Prospectus of the Company dated 28 March 2011 and the accompanying notes attached to this interim financial report.
- (ii) No comparative figures are available as this is the first interim financial report being announced by the Company in compliance with Bursa Securities' Listing Requirements.

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010**

	-----Attributable to owners of the Company-----			Distributable Retained Profits RM'000	Shareholders' Fund RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000				
Balance as at 1 October 2010	17,000	-	6	11,573	28,579	-	28,579
Total comprehensive income	-	-	(1)	(386)	(387)	(3)	(390)
Deemed Disposal stake of a subsidiary	-	-	-	91	91	(13)	78
Balance as at 31 December 2010	<u>17,000</u>	<u>-</u>	<u>5</u>	<u>11,278</u>	<u>28,283</u>	<u>(16)</u>	<u>28,267</u>

Notes :

- (i) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report as disclosed in the Prospectus of the Company dated 28 March 2011 and the accompanying notes attached to this interim financial report.
- (ii) No comparative figures are available as this is the first interim financial report being announced by the Company in compliance with Bursa Securities' Listing Requirements.