

SMARTAG SOLUTIONS BERHAD (639421-X)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 MARCH 2011**

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 31 Mar 2011 RM'000	Preceding year corresponding quarter 31 Mar 2010 RM'000	Current year to date 31 Mar 2011 RM'000	Preceding year corresponding period 31 Mar 2010 RM'000
Revenue	3,914	N/A	5,688	N/A
Cost of Sales	(2,265)	N/A	(3,462)	N/A
Gross Profit	1,649	N/A	2,226	N/A
Other Operating Income	3	N/A	5	N/A
Operating Expenses	(999)	N/A	(1,967)	N/A
Operating Profit	653	N/A	264	N/A
Finance cost	-	N/A	-	N/A
Share of Result of A Jointly Controlled Entity	- ^	N/A	- ^	N/A
Profit/ (Loss) Before Taxation	653	N/A	264	N/A
Taxation	- ^	N/A	- ^	N/A
Net Profit / (Loss) After Taxation	653	N/A	264	N/A
Other comprehensive income/ (loss)	- ^	N/A	(1)	N/A
Total comprehensive income /(loss)	653	N/A	263	N/A
Net profit attributable to :				
- Owners of the Company	653	N/A	267	N/A
- Non-controlling interests	- ^	N/A	(3)	N/A
Net Profit	653	N/A	264	N/A
Total comprehensive income attributable to :				
- Owners of the Company	653	N/A	266	N/A
- Non-controlling interests	- ^	N/A	(3)	N/A
Total comprehensive income	653	N/A	263	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)	0.38	N/A	0.16	N/A
Diluted earnings/ (loss) per share (sen)	0.38	N/A	0.16	N/A

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 MARCH 2011 (CONT'D)**

Notes :

N/A Not applicable

^ Less than RM1,000

- (i) Basic Earnings per Share ("EPS") 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 financial 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 second 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 MARCH 2011**

	As at 31 March 2011 (Unaudited) RM'000	As at preceding 30 September 2010 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,322	N/A
Investment in a jointly controlled entity	5,002	N/A
Intangible Assets	4,940	N/A
	<hr/> 17,264 <hr/>	<hr/> N/A <hr/>
Current assets		
Inventories	33	N/A
Trade Receivables	11,956	N/A
Other receivables and deposits	44	N/A
Cash and cash equivalents	1,302	N/A
	<hr/> 13,335 <hr/>	<hr/> N/A <hr/>
Total Assets	<hr/> 30,599 <hr/>	<hr/> N/A <hr/>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	17,000	N/A
Retained profits	11,931	N/A
Foreign exchange fluctuation reserve	5	N/A
Shareholders' funds	<hr/> 28,936 <hr/>	<hr/> N/A <hr/>
Non-controlling interests	(16)	N/A
Total Equity	<hr/> 28,920 <hr/>	<hr/> N/A <hr/>
Current liabilities		
Trade Payables	240	N/A
Other payables and accruals	469	N/A
Short term Loan	970	N/A
Tax payable	- ^	N/A
	<hr/> 1,679 <hr/>	<hr/> N/A <hr/>
Total liabilities	<hr/> 1,679 <hr/>	<hr/> N/A <hr/>
Total equity and liabilities	<hr/> 30,599 <hr/>	<hr/> N/A <hr/>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<hr/> 0.17 <hr/>	<hr/> N/A <hr/>

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011 (CONT'D)**

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 March 2011 divided by the number of outstanding ordinary shares as at 31 March 2011.
- (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 second 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 FINANCIAL PERIOD ENDED 31 MARCH 2011**

	Current year to date 31 March 2011 (Unaudited) RM'000	Preceding year corresponding period 31 March 2010 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	264	N/A
Adjustments for Non-cash items	331	N/A
Operating profit before working capital changes	595	N/A
Changes in working capital		
Net change in inventories	30	N/A
Net change in trade and other receivables	(539)	N/A
Net change in trade and other payables	60	N/A
Net cash from operations	146	N/A
Tax paid	-	N/A
Net cash generated from operating activities	146	N/A
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	5	N/A
Product development costs incurred	(708)	N/A
Purchase of plant and equipment	(71)	N/A
Net cash used in investing activities	(774)	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
Short- Term Loan	970	N/A
Net cash used in financing activities	970	N/A
Net Change in Cash and Cash Equivalents	342	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	1,302	N/A
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	993	N/A
Short term deposits	309	N/A
	1,302	N/A

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011 (CONT'D)**

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 second 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 SECOND QUARTER ENDED 31 MARCH 2011**

	-----Attributable to owners of the Company-----						
	-----Non-distributable-----			Distributable			
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Shareholders' Fund RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance as at 1 October 2010	17,000	-	6	11,573	28,579	-	28,579
Total comprehensive income	-	-	(1)	267	266	(3)	263
Deemed Disposal stake of a subsidiary	-	-	-	91	91	(13)	78
Balance as at 31 March 2011	17,000	-	5	11,931	28,936	(16)	28,920

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 second interim financial report being announced by the Company in compliance with Bursa Securities' Listing Requirements.