

SMARTAG SOLUTIONS BERHAD (639421-X)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2011**

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 30 Sep 2011 RM'000	Preceding year corresponding quarter 30 Sep 2010 RM'000	Current year to date 30 Sep 2011 RM'000	Preceding year corresponding period 30 Sep 2010 RM'000
Revenue	196	N/A	5,898	N/A
Cost of Sales	(18)	N/A	(3,481)	N/A
Gross Profit	178	N/A	2,417	N/A
Other Operating Income	141	N/A	276	N/A
Operating Expenses	(1,226)	N/A	(4,340)	N/A
Operating Profit / (Loss)	(907)	N/A	(1,647)	N/A
Finance cost	-	N/A	(24)	N/A
Share of Result of A Jointly Controlled Entity	(1)	N/A	(2)	N/A
Profit/ (Loss) Before Taxation	(908)	N/A	(1,673)	N/A
Taxation	- ^	N/A	- ^	N/A
Net Profit / (Loss) After Taxation	(908)	N/A	(1,673)	N/A
Other comprehensive income/ (loss)	(3)	N/A	(4)	N/A
Total comprehensive income /(loss)	(911)	N/A	(1,677)	N/A
Net profit / (loss) attributable to :				
- Owners of the Company	(907)	N/A	(1,668)	N/A
- Non-controlling interests	(1)	N/A	(5)	N/A
Net Profit / (Loss)	(908)	N/A	(1,673)	N/A
Total comprehensive income /(loss) attributable to :				
- Owners of the Company	(910)	N/A	(1,672)	N/A
- Non-controlling interests	(1)	N/A	(5)	N/A
Total comprehensive income /(loss)	(911)	N/A	(1,677)	N/A
Weighted average no. of ordinary shares in issue ('000)	227,000	N/A	195,838	N/A
Basic earnings/ (loss) per ordinary share (sen):				
Basic earnings/ (loss) per share (sen)	(0.40)	N/A	(0.85)	N/A
Diluted earnings/ (loss) per share (sen)	(0.40)	N/A	(0.85)	N/A

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2011 (CONT'D)**

Notes :

^ Less than RM1,000

- (i) Basic EPS / 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 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 fourth 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 30 SEPTEMBER 2011**

	As at 30 September 2011 (Unaudited) RM'000	As at preceding 30 September 2010 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	14,298	N/A
Investment in a jointly controlled entity	5,000	N/A
Intangible Assets	4,940	N/A
	<u>24,238</u>	<u>N/A</u>
Current assets		
Inventories	45	N/A
Trade Receivables	110	N/A
Other receivables and deposits	257	N/A
Cash and cash equivalents	19,651	N/A
	<u>20,063</u>	<u>N/A</u>
	<u>44,301</u>	<u>N/A</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	22,700	N/A
Share premium	11,258	N/A
Retained profits	9,996	N/A
Foreign exchange fluctuation reserve	2	N/A
Shareholders' funds	43,956	N/A
Non-controlling interests	(18)	N/A
Total Equity	<u>43,938</u>	<u>N/A</u>
Current liabilities		
Trade Payables	40	N/A
Other payables and accruals	323	N/A
Short term Loan	-	N/A
Tax payable	- ^	N/A
	<u>363</u>	<u>N/A</u>
Total liabilities	<u>363</u>	<u>N/A</u>
Total equity and liabilities	<u>44,301</u>	<u>N/A</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		
	0.19	N/A

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011 (CONT'D)**

Notes :

^ 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 30 September 2011 divided by the number of outstanding ordinary shares as at 30 September 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 for the preceding year's individual and cumulative corresponding quarter as this is the fourth 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 30 SEPTEMBER 2011**

	Current year to date 30 Sept 2011 (Unaudited) RM'000	Preceding year corresponding period 30 Sept 2010 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Taxation	(1,673)	N/A
Adjustments for Non-cash items	719	N/A
Operating profit/(loss) before working capital changes	(954)	N/A
Changes in working capital		
Net change in inventories	18	N/A
Net change in trade and other receivables	11,286	N/A
Net change in trade and other payables	(286)	N/A
Net cash from operations	10,064	N/A
Tax paid	-	N/A
Net cash generated from operating activities	10,064	N/A
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	272	N/A
Product development costs incurred	(6,056)	N/A
Purchase of plant and equipment	(1,788)	N/A
Net cash used in investing activities	(7,572)	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	17,670	N/A
Listing Expenses paid	(1,444)	N/A
Interest paid	(24)	N/A
Net cash used in financing activities	16,202	N/A
Net Change in Cash and Cash Equivalents	18,694	N/A
Effects of Foreign Exchange Translation	(4)	N/A
Cash and Cash Equivalents at beginning of the period	961	N/A
Cash and Cash Equivalents at end of the period	19,651	N/A
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	19,633	N/A
Short term deposits	18	N/A
	19,651	N/A

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONT'D)**

Notes :

^ 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 fourth 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 FOURTH QUARTER ENDED 30 SEPTEMBER 2011**

	-----Attributable to owners of the Company-----					Non-	Total
	-----Non-distributable-----		Distributable		Shareholders'	controlling	equity
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Fund RM'000	interests RM'000	RM'000
Balance as at 1 October 2010	17,000	-	6	11,573	28,579	-	28,579
Total comprehensive income/(loss)	-	-	(4)	(1,668)	(1,672)	(5)	(1,677)
Deemed Disposal stake of a subsidiary	-	-	-	91	91	(13)	78
							-
Issue of share capital	5,700	11,970	-	-	17,670	-	17,670
Share issue expenses	-	(712)	-	-	(712)	-	(712)
Balance as at 30 September 2011	22,700	11,258	2	9,996	43,956	(18)	43,938

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