

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2011

| | ----- Individual Quarter ----- | | ----- Cumulative Quarter ----- | |
|--|---|--|---|---|
| | Current year quarter 31 Dec 2011 RM'000 | (Restated) Preceding year corresponding quarter 31 Dec 2010 RM'000 | Current year to date 31 Dec 2011 RM'000 | (Restated) Preceding year corresponding period 31 Dec 2010 RM'000 |
| Revenue | 678 | 1,774 | 678 | 1,774 |
| Cost of Sales | (21) | (1,197) | (21) | (1,197) |
| Gross Profit/(Loss) | 657 | 577 | 657 | 577 |
| Other operating income | 121 | 2 | 121 | 2 |
| Selling and distribution expenses | (147) | (29) | (147) | (29) |
| Administrative expenses | (1,030) | (871) | (1,030) | (871) |
| Other expenses | - | - | - | - |
| Operating Profit/(Loss) | (399) | (321) | (399) | (321) |
| Finance cost | - | - | - | - |
| Share of Result of A Jointly Controlled Entity | -^ | -^ | -^ | -^ |
| Profit/ (Loss) Before Taxation | (399) | (321) | (399) | (321) |
| Taxation | -^ | -^ | -^ | -^ |
| Net Profit / (Loss) After Taxation | (399) | (321) | (399) | (321) |
| Other comprehensive income/(loss), net of tax | | | | |
| - Foreign currency translation on foreign entity | 2 | (1) | 2 | (1) |
| Total comprehensive income /(loss) | (397) | (322) | (397) | (322) |
| Net profit attributable to : | | | | |
| - Owners of the Company | (396) | (318) | (396) | (318) |
| - Non-controlling interests | (3) | (3) | (3) | (3) |
| Net Profit/(Loss) | (399) | (321) | (399) | (321) |
| Total comprehensive income/(loss) attributable to : | | | | |
| - Owners of the Company | (394) | (319) | (394) | (319) |
| - Non-controlling interests | (3) | (3) | (3) | (3) |
| Total comprehensive income/ (loss) | (397) | (322) | (397) | (322) |
| Weighted average no. of ordinary shares in issue ('000) | 227,000 | 170,000 | 227,000 | 170,000 |
| Basic earnings/ (loss) per ordinary share (sen): | | | | |
| Basic earnings/ (loss) per share (sen) | (0.17) | (0.19) | (0.17) | (0.19) |
| Diluted earnings/ (loss) per share (sen) | (0.17) | (0.19) | (0.17) | (0.19) |

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2011 (CON'T)**

Notes :

^ Less than RM1,000

- (i) Basic EPS/ (LPS) for the quarter and financial period is calculated based on the net profit/(loss) 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 audited financial statements of the Group for the financial year ended ("FYE") 30 September 2011 and the accompanying notes attached to this interim financial report.
- (iii) The preceding year corresponding financials have been restated due to a reclassification of certain IPO expenses to be offset against the share premium account.
- (iv) Included in the administrative expenses of the current quarter ended 31 December 2011 are depreciation of RM0.61 million and foreign exchange loss of RM0.002 million. The other operating income of RM0.121 million for the current quarter ended 31 December 2011 pertains to interest income. There is no income in relation to other income including investment income and expenses such as provision for and write off of receivables, provision for and write off of inventories, gain/loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain/loss on derivatives, or exceptional items.

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

| | (Unaudited) As at 31 December 2011 RM'000 | (Audited) As at 30 September 2011 RM'000 |
|--|--|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 18,389 | 14,298 |
| Investment in subsidiary companies | - | - |
| Investment in a jointly controlled entity | 5,000 | 5,000 |
| Goodwill on consolidation | - | - |
| Intangible Assets | 4,940 | 4,940 |
| | <u>28,329</u> | <u>24,238</u> |
| Current assets | | |
| Inventories | 45 | 45 |
| Trade Receivables | 90 | 110 |
| Other receivables, deposits and prepayment | 342 | 256 |
| Amount owing by subsidiary companies | - | - |
| Tax recoverable | 1 | 1 |
| Fixed deposits placed with licensed banks | 13,859 | 12,971 |
| Cash and bank balances | 1,189 | 6,680 |
| | <u>15,526</u> | <u>20,063</u> |
| Total Assets | <u>43,855</u> | <u>44,301</u> |
| EQUITY AND LIABILITIES | | |
| Equity Attributable to Equity Holders of the Company | | |
| Share capital | 22,700 | 22,700 |
| Retained profits | 9,574 | 9,970 |
| Reserves | 11,288 | 11,286 |
| Shareholders' funds | 43,562 | 43,956 |
| Non-controlling interests | (22) | (19) |
| Total Equity | <u>43,540</u> | <u>43,937</u> |
| Current liabilities | | |
| Trade Payables | 40 | 40 |
| Other payables and accruals | 275 | 324 |
| Tax payable | - | - |
| Total liabilities | <u>315</u> | <u>364</u> |
| Total equity and liabilities | <u>43,855</u> | <u>44,301</u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | <u>0.19</u> | <u>0.19</u> |

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 (CON'T)**

Notes :

- (i) The net asset per share for the quarter and financial period is calculated based on the net asset as at 31 December 2011 divided by the number of outstanding ordinary shares as at 31 December 2011.
- (ii) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended ("FYE") 30 September 2011 and the accompanying notes attached to this interim financial report.

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2011

| | Current year to date 31 December 2011 (Unaudited) RM'000 | (Restated) Preceding year corresponding period 31 December 2010 (Unaudited) RM'000 |
|--|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) Before Taxation | (399) | (321) |
| Adjustments for Non-cash items | (57) | 124 |
| Operating profit/(loss) before working capital changes | (456) | (197) |
| Changes in working capital | | |
| Net change in inventories | - | (1,237) |
| Net change in trade and other receivables | (66) | 1,365 |
| Net change in trade and other payables | (49) | (94) |
| Net cash from operations | (571) | (163) |
| Tax paid | ^ | ^ |
| Net cash generated from operating activities | (571) | (163) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest Received | 121 | 2 |
| Product development costs incurred | - | - |
| Purchase of plant and equipment | (4,155) | (33) |
| Net cash used in investing activities | (4,034) | (31) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of share capital | - | - |
| Listing Expenses paid | - | (68) |
| Interest paid | - | - |
| Net cash used in financing activities | - | (68) |
| Net Change in Cash and Cash Equivalents | (4,605) | (262) |
| Effects of Foreign Exchange Translation | 2 | (1) |
| Cash and Cash Equivalents at beginning of the period | 19,651 | 961 |
| Cash and Cash Equivalents at end of the period | 15,048 | 698 |
| Cash and cash equivalents at end of the financial period comprise the following: | | |
| Cash and bank balances | 1,189 | 389 |
| Fixed deposits placed with licensed banks | 13,859 | 309 |
| | 15,048 | 698 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2011 (CON'T)**

Notes :

^ Less than RM1,000

- (i) The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended ("FYE") 30 September 2011 and the accompanying notes attached to this interim financial report.
- (ii) The preceding year corresponding financials have been restated due to a reclassification of certain IPO expenses to be offset against the share premium account.

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2011

| | -----Attributable to owners of the Company----- | | | | | | | Total equity RM'000 |
|--|---|----------------------------|---|-------------------------------|---------------------------------|--|---------------|---------------------------|
| | -----Non-distributable----- | | | Distributable | Shareholders' Fund RM'000 | Non- controlling interests RM'000 | | |
| | Share Capital RM'000 | Share Premium RM'000 | Foreign Exchange Fluctuation Reserve RM'000 | Retained Profits RM'000 | | | | |
| Balance as at 1 October 2011 | 22,700 | 11,258 | 28 | 9,970 | 43,956 | (19) | 43,937 | |
| Total comprehensive income | - | - | 2 | (396) | (394) | (3) | (397) | |
| Transaction with owners | - | - | - | - | - | - | - | |
| Balance as at 31 December 2011 | <u>22,700</u> | <u>11,258</u> | <u>30</u> | <u>9,574</u> | <u>43,562</u> | <u>(22)</u> | <u>43,540</u> | |
| As at preceding year corresponding quarter 31 December 2010 | | | | | | | | |
| Balance as at 1 October 2010 | 17,000 | - | 6 | 11,573 | 28,579 | - | 28,579 | |
| Total comprehensive income | - | - | (1) | (318) | (319) | (3) | (322) | |
| Transactions with Owners: | | | | | | | | |
| Deemed Disposal stake of a subsidiary | - | - | - | 91 | 91 | (13) | 78 | |
| Total Transactions with owners | - | - | - | 91 | 91 | (13) | 78 | |
| Balance as at 31 December 2010 | <u>17,000</u> | <u>-</u> | <u>5</u> | <u>11,346</u> | <u>28,351</u> | <u>(16)</u> | <u>28,335</u> | |

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2011**

Notes :

- (i) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended (“FYE”) 30 September 2011 and the accompanying notes attached to this interim financial report.
- (ii) The preceding year corresponding financials have been restated due to a reclassification of certain IPO expenses to be offset against the share premium account.