

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 MARCH 2012

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 31 Mar 2012 RM'000	(Restated) Preceding year corresponding quarter 31 Mar 2011 RM'000	Current year to date 31 Mar 2012 RM'000	(Restated) Preceding year corresponding period 31 Mar 2011 RM'000
Revenue	396	3,914	1,074	5,688
Cost of Sales	(20)	(2,265)	(41)	(3,462)
Gross Profit/(Loss)	376	1,649	1,033	2,226
Other operating income	106	3	227	5
Selling and distribution expenses	(214)	(27)	(361)	(56)
Administrative expenses	(684)	(859)	(1,385)	(1,730)
Other expenses	-	-	-	-
Operating Profit/(Loss)	(416)	766	(486)	445
Finance cost	-	-	-	-
Share of Result of A Jointly Controlled Entity	-^	-^	-^	-^
Profit/ (Loss) Before Taxation	(416)	766	(486)	445
Taxation	-^	-^	-^	-^
Net Profit / (Loss) After Taxation	(416)	766	(486)	445
Other comprehensive income/(loss), net of tax				
- Foreign currency translation on foreign entity	15	-^	17	(1)
Total comprehensive income /(loss)	(401)	766	(469)	444
Net profit attributable to :				
- Owners of the Company	(417)	766	(484)	448
- Non-controlling interests	1	-^	(2)	(3)
Net Profit/(Loss)	(416)	766	(486)	445
Total comprehensive income/(loss) attributable to :				
- Owners of the Company	(402)	766	(467)	447
- Non-controlling interests	1	-^	(2)	(3)
Total comprehensive income/ (loss)	(401)	766	(469)	444
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)	(0.18)	0.45	(0.21)	0.26
Diluted earnings/ (loss) per share (sen)	(0.18)	0.45	(0.21)	0.26

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 MARCH 2012 (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) The financials for the first quarter ended 31 December 2011 ("Preceding Quarter") has been restated due to reclassification made to capitalise development costs incurred for the software and system development for the deployment of the Customs Project to Intangible Assets pursuant to the signing of the Customs Agreement as detailed in Section A15 and B1 of this report. The said development costs amounting to RM0.329 million were previously expensed off under administrative expenses in the Preceding Quarter.
- (v) The loss before taxation is arrived at after charging/ (crediting) the following items:-

	Current year quarter 31 Mar 2012 RM'000	Current year to date 31 Mar 2012 RM'000
(a) Interest income	(106)	(227)
(b) Other income including investment income	-	-
(c) Interest expenses	-	-
(d) Depreciation and amortisation	101	162
(e) Provision for and write off of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investment or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange (gain)/ loss	15	17
(j) (Gain)/loss on derivatives	-	-
(k) Exceptional items	-	-

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	(Unaudited) As at 31 March 2012 RM'000	(Audited) As at 30 September 2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	19,762	14,298
Investment in subsidiary companies	-	-
Investment in a jointly controlled entity	5,000	5,000
Goodwill on consolidation	-	-
Intangible Assets	5,659	4,940
	<u>30,421</u>	<u>24,238</u>
Current assets		
Inventories	195	45
Trade Receivables	414	110
Other receivables, deposits and prepayment	298	256
Amount owing by subsidiary companies	-	-
Tax recoverable	1	1
Fixed deposits placed with licensed banks	12,109	12,971
Cash and bank balances	486	6,680
	<u>13,503</u>	<u>20,063</u>
Total Assets	<u>43,924</u>	<u>44,301</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	22,700	22,700
Retained profits	9,486	9,970
Reserves	11,303	11,286
Shareholders' funds	43,489	43,956
Non-controlling interests	(21)	(19)
Total Equity	<u>43,468</u>	<u>43,937</u>
Current liabilities		
Trade Payables	40	40
Other payables and accruals	416	324
Tax payable	-	-
Total liabilities	<u>456</u>	<u>364</u>
Total equity and liabilities	<u>43,924</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 MARCH 2012 (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 March 2012 divided by the number of outstanding ordinary shares as at 31 March 2012.
- (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 SECOND QUARTER ENDED 31 MARCH 2012

	Current year to date 31 March 2012 (Unaudited) RM'000	(Restated) Preceding year corresponding period 31 March 2011 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Taxation	(486)	445
Adjustments for Non-cash items	(64)	331
Operating profit/(loss) before working capital changes	(550)	776
Changes in working capital		
Net change in inventories	(151)	30
Net change in trade and other receivables	(346)	(539)
Net change in trade and other payables	92	60
Net cash from operations	(955)	327
Tax paid	^	^
Net cash generated from operating activities	(955)	327
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	227	5
Product development costs incurred	(719)	(708)
Purchase of plant and equipment	(5,626)	(71)
Net cash used in investing activities	(6,118)	(774)
CASH FLOW FROM FINANCING ACTIVITIES		
Short-Term Loan	-	970
Listing Expenses paid	-	(181)
Net cash used in financing activities	-	789
Net Change in Cash and Cash Equivalents	(7,073)	342
Effects of Foreign Exchange Translation	17	(1)
Cash and Cash Equivalents at beginning of the period	19,651	961
Cash and Cash Equivalents at end of the period	12,595	1,302
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	486	993
Fixed deposits placed with licensed banks	12,109	309
	12,595	1,302

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 MARCH 2012 (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 SECOND QUARTER ENDED 31 MARCH 2012

	-----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	-	-	17	(484)	(467)	(2)	(469)	
Transaction with owners	-	-	-	-	-	-	-	
Balance as at 31 March 2012	22,700	11,258	45	9,486	43,489	(21)	43,468	
As at preceding year corresponding quarter 31 March 2011								
Balance as at 1 October 2010	17,000	-	6	11,573	28,579	-	28,579	
Total comprehensive income	-	-	(1)	448	447	(3)	444	
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 March 2011	17,000	-	5	12,112	29,117	(16)	29,101	

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 MARCH 2012**

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.