

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 JUNE 2012

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 30 Jun 2012 RM'000	Preceding year corresponding quarter 30 Jun 2011 RM'000	Current year to date 30 Jun 2012 RM'000	Preceding year corresponding period 30 Jun 2011 RM'000
Revenue	252	14	1,326	5,702
Cost of Sales	(103)	(1)	(144)	(3,463)
Gross Profit/(Loss)	149	13	1,182	2,239
Other operating income	167	130	394	135
Selling and distribution expenses	(149)	(109)	(510)	(165)
Administrative expenses	(1,028)	(1,219)	(2,413)	(2,949)
Other expenses	-	-	-	-
Operating Profit/(Loss)	(861)	(1,185)	(1,347)	(740)
Finance cost	-	(24)	-	(24)
Share of Result of A Jointly Controlled Entity	3	(1)	3	(1)
Profit/ (Loss) Before Taxation	(858)	(1,210)	(1,344)	(765)
Taxation	-	-	-	-
Net Profit / (Loss) After Taxation	(858)	(1,210)	(1,344)	(765)
Other comprehensive income/(loss), net of tax				
- Foreign currency translation on foreign entity	(17)	-	-	(1)
Total comprehensive income /(loss)	(875)	(1,210)	(1,344)	(766)
Net profit attributable to :				
- Owners of the Company	(856)	(1,209)	(1,340)	(761)
- Non-controlling interests	(2)	(1)	(4)	(4)
Net Profit/(Loss)	(858)	(1,210)	(1,344)	(765)
Total comprehensive income/(loss) attributable to :				
- Owners of the Company	(873)	(1,209)	(1,340)	(762)
- Non-controlling interests	(2)	(1)	(4)	(4)
Total comprehensive income/ (loss)	(875)	(1,210)	(1,344)	(766)
Weighted average no. of ordinary shares in issue ('000)	227,000	216,233	227,000	185,298
Basic earnings/ (loss) per ordinary share (sen):				
Basic earnings/ (loss) per share (sen)	(0.38)	(0.56)	(0.59)	(0.41)
Diluted earnings/ (loss) per share (sen)	(0.38)	(0.56)	(0.59)	(0.41)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 JUNE 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 loss before taxation is arrived at after charging/ (crediting) the following items:-

	Current year quarter 30 Jun 2012 RM'000	Current year to date 30 Jun 2012 RM'000
(a) Interest income	(89)	(316)
(b) Other income including investment income	(77)	(77)
(c) Interest expenses	-	-
(d) Depreciation and amortisation	277	439
(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	(19)	(2)
(j) (Gain)/loss on derivatives	-	-
(k) Exceptional items	-	-

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	(Unaudited) As at 30 June 2012 RM'000	(Audited) As at 30 September 2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,686	14,298
Investment in subsidiary companies	-	-
Investment in a jointly controlled entity	5,004	5,000
Goodwill on consolidation	-	-
Intangible Assets	5,909	4,940
	<u>31,599</u>	<u>24,238</u>
Current assets		
Inventories	197	45
Trade Receivables	288	110
Other receivables, deposits and prepayment	484	256
Amount owing by subsidiary companies	-	-
Tax recoverable	1	1
Fixed deposits placed with licensed banks	9,842	12,971
Cash and bank balances	524	6,680
	<u>11,336</u>	<u>20,063</u>
Total Assets	<u>42,935</u>	<u>44,301</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	22,700	22,700
Retained profits	8,630	9,970
Reserves	11,286	11,286
Shareholders' funds	42,616	43,956
Non-controlling interests	(23)	(19)
Total Equity	<u>42,593</u>	<u>43,937</u>
Current liabilities		
Trade Payables	40	40
Other payables and accruals	302	324
Tax payable	-	-
Total liabilities	<u>342</u>	<u>364</u>
Total equity and liabilities	<u>42,935</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 30 JUNE 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 30 June 2012 divided by the number of outstanding ordinary shares as at 30 June 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 THIRD QUARTER ENDED 30 JUNE 2012

	Current year to date 30 June 2012 (Unaudited) RM'000	Preceding year corresponding period 30 June 2011 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Taxation	(1,344)	(765)
Adjustments for Non-cash items	163	807
Operating profit/(loss) before working capital changes	(1,181)	42
Changes in working capital		
Net change in inventories	(152)	31
Net change in trade and other receivables	(406)	6,657
Net change in trade and other payables	(22)	(505)
Net cash from operations	(1,761)	6,225
Tax paid	^	^
Net cash flow from operating activities	(1,761)	6,225
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	316	135
Product development costs incurred	(1,085)	(1,647)
Purchase of plant and equipment	(6,755)	(294)
Net cash flow from investing activities	(7,524)	(1,806)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	17,670
Listing Expenses paid		(1,444)
Interest paid	-	(24)
Net cash flow from financing activities	-	16,202
Net Change in Cash and Cash Equivalents	(9,285)	20,621
Effects of Foreign Exchange Translation	^	(1)
Cash and Cash Equivalents at beginning of the period	19,651	961
Cash and Cash Equivalents at end of the period	10,366	21,581
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	524	21,272
Fixed deposits placed with licensed banks	9,842	309
	10,366	21,581

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 JUNE 2012 (CON'T)**

Note :

^ 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.

SMARTAG SOLUTIONS BERHAD (639421-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 JUNE 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	-	-	-	(1,340)	(1,340)	(4)	(1,344)	
Transaction with owners	-	-	-	-	-	-	-	
Balance as at 30 June 2012	22,700	11,258	28	8,630	42,616	(23)	42,593	
As at preceding year corresponding quarter 30 June 2011								
Balance as at 1 October 2010	17,000	-	6	11,573	28,579	-	28,579	
Total comprehensive income	-	-	(1)	(761)	(762)	(4)	(766)	
Transactions with Owners:								
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)	
Total Transactions with owners	5,700	11,258	-	91	17,049	(13)	17,036	
Balance as at 30 June 2011	22,700	11,258	5	10,903	44,866	(17)	44,849	

SMARTAG SOLUTIONS BERHAD (639421-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 JUNE 2012**

Note :

- (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.