

Interim Report
SMIS Corporation Berhad
(Company No. 491857-V)
(Incorporated in Malaysia)
and its subsidiaries

Condensed Consolidated Statement of Comprehensive Income for the 3 months period ended 31st March 2011
(unaudited)

Note	3 months period ended 31 March		3 months period ended 31 March	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
	Current quarter ended 31 March	Comparative quarter ended 31 March	Current quarter ended 31 March	Comparative quarter ended 31 March
Revenue	24,514	23,953	24,514	23,953
Cost of sales	(19,455)	(17,849)	(19,455)	(17,849)
Gross profit	5,059	6,104	5,059	6,104
Operating expenses	(3,915)	(3,366)	(3,915)	(3,366)
Other operating income	66	329	66	329
Operating profit	1,210	3,067	1,210	3,067
Financing costs	(21)	(26)	(21)	(26)
Interest income	16	3	16	3
Profit before taxation	1,205	3,044	1,205	3,044
Tax expense	(619)	(289)	(619)	(289)
Profit after taxation	586	2,755	586	2,755
Other comprehensive income, net of tax				
Fair value reserve	65	-	65	-
Other comprehensive income for the period, net of tax	65	-	65	-
Total comprehensive income for the period	651	2,755	651	2,755
Profit attributable to:				
Owners of the Company	253	2,176	253	2,176
Minority interest	333	579	333	579
Profit for the period	586	2,755	586	2,755
Total comprehensive income attributable to:				
Owners of the Company	318	2,176	318	2,176
Minority interests	333	579	333	579
Total comprehensive income for the period	651	2,755	651	2,755
Basic earnings per ordinary share (sen)	0.60	5.12	0.60	5.12
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

N/A – Not applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Financial Position as at 31 March 2011
(unaudited)

	As at 31 March 2011	As at 31 December 2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,123	22,124
Investment properties	1,298	1,308
Other investments	11,934	11,869
Goodwill on consolidation	710	710
Deferred tax assets	1,051	1,776
Total non current assets	<u>37,116</u>	<u>37,787</u>
Current assets		
Inventories	12,696	12,157
Trade and other receivables	25,164	25,585
Current tax assets	651	561
Cash and cash equivalents	18,882	20,609
Total current assets	<u>57,393</u>	<u>58,912</u>
TOTAL ASSETS	<u>94,509</u>	<u>96,699</u>
Equity		
Share capital	44,800	44,800
Reserves	30,536	30,218
Less: 2,551,100 treasury shares, at cost	(1,140)	(1,136)
Total equity attributable to the shareholders of the Company	<u>74,196</u>	<u>73,882</u>
Minority interest	2,951	2,618
Total equity	<u>77,147</u>	<u>76,500</u>
Non-current liabilities		
Deferred tax liabilities	1,206	1,931
Total non current liabilities	<u>1,206</u>	<u>1,931</u>
Current liabilities		
Trade and other payables	15,845	18,150
Liabilities classified as held for sales	-	-
Current tax liabilities	311	118
Total current liabilities	<u>16,156</u>	<u>18,268</u>
Total equity and liabilities	<u>94,509</u>	<u>96,699</u>
Net assets per share (RM)	1.66	1.65

The Condensed Consolidated Statement of Financial Position (formerly known as Balance Sheet) should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Changes in Equity for the 3 months period ended 31 March 2011
 (unaudited)

Note	← Attributable to shareholders of the Company →						Total RM'000
	Share capital RM'000	Non- distributable Share premium RM'000	Distributable Retained profits RM'000	Fair value reserve RM'000	Treasury share RM'000	Minority interest RM'000	
At 1 January 2011	44,800	4,891	25,158	169	(1,136)	2,618	76,500
Total comprehensive income for the period	-	-	253	65	-	333	651
Purchase of treasury share at cost	-	-	-	-	(4)	-	(4)
At 31 March 2011	44,800	4,891	25,411	234	(1,140)	2,951	77,147
At 1 January 2010	44,800	4,891	19,045	-	(1,023)	259	67,972
Total comprehensive income for the period	-	-	2,176	-	-	579	2,755
Purchase of treasury share at cost	-	-	-	-	(30)	-	(30)
At 31 March 2010	44,800	4,891	21,221	-	(1,053)	838	70,697

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Cash Flow Statement for the 3 months period ended 31 March 2011
(unaudited)

	For the 3 months period ended 31 March 2011 RM'000	For the 3 months period ended 31 March 2010 RM'000
Cash flows from operating activities		
Profit before taxation	1,205	3,044
Adjustment for non-cash items:		
- Non-cash items and non-operating items	895	811
Operating profit before changes in working capital	2,100	3,855
Changes in working capital:		
- Inventories	(539)	(941)
- Trade and other receivables	423	(2,269)
- Trade and other payables	(2,530)	155
Cash generated from operations	(546)	800
- Income taxes paid	(516)	(210)
- Interest paid	(21)	(12)
- Interest received	-	-
Net cash generated from operating activities	(1,083)	578
Cash flows from investing activities		
Purchase of property, plant and equipment	(i) (656)	(450)
Proceeds from disposal of property, plant and equipment	-	48
Interest received	16	3
Net cash (used in) / generated from investing activities	(640)	(399)
Cash flows from financing activities		
Purchase of treasury shares	(4)	(30)
Net cash used in financing activities	(4)	(30)
Net increase in cash and cash equivalents	(1,727)	149
Cash and cash equivalents at 1 January	20,609	15,533
Cash and cash equivalents at 31 March	@ 18,882	15,682

@ Cash and cash equivalents comprise the following balance sheet amounts:

Cash and bank balances	18,882	15,682
Bank overdrafts	-	-
	18,882	15,682

(i) For the 3 months period ended 31 March 2011, the Group acquired property, plant and equipment amounting to RM 880,494 of which RM 188,814 was accrued for. There was payment for assets capitalised in year ended 31 December 2009 amounting to RM 297,613.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.