

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

**Condensed Consolidated Statement of Financial Position as at 31 March 2012**  
 (unaudited)

	Note	As at 31 March 2012 RM'000	As at 31 December 2011 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		25,662	25,754
Investment properties		514	522
Other investments		3,491	5,005
Intangible assets		2,169	2,217
Deferred tax assets		844	841
<b>Total non current assets</b>		32,680	34,339
<b>Current assets</b>			
Inventories		13,336	14,869
Trade and other receivables		31,886	31,798
Current tax assets		221	362
Cash and cash equivalents		20,078	18,895
<b>Total current assets</b>		65,521	65,924
<b>TOTAL ASSETS</b>		98,201	100,263
<b>Equity</b>			
Share capital		44,800	44,800
Reserves		29,302	28,569
Less: 2,575,100 treasury shares, at cost		(1,153)	(1,151)
Total equity attributable to the shareholders of the Company		72,949	72,218
Non-controlling interests		4,171	3,999
<b>Total equity</b>		77,120	76,217
<b>Non-current liabilities</b>			
Other financial liabilities		707	707
Provision for warranty		400	337
Deferred tax liabilities		1,027	1,117
<b>Total non current liabilities</b>		2,134	2,161
<b>Current liabilities</b>			
Loans and borrowings	B7	2,900	2,990
Trade and other payables		15,472	18,236
Provision for warranties		337	390
Current tax liabilities		238	269
<b>Total current liabilities</b>		18,947	21,885
<b>TOTAL EQUITY AND LIABILITIES</b>		98,201	100,263
Net assets per share (RM)		1.63	1.61

**Note:-**

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 2011 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Report**  
**SMIS Corporation Berhad**  
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**Condensed Consolidated Statement of Comprehensive Income for the 3 months period ended 31 March 2012**  
 (unaudited)

	3 months period ended 31 Mar		3 months period ended 31 Mar	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Revenue</b>	27,898	24,514	27,898	24,514
Cost of sales	(22,893)	(19,455)	(22,893)	(19,455)
<b>Gross profit</b>	5,005	5,059	5,005	5,059
Operating expenses	(3,584)	(3,915)	(3,584)	(3,915)
Other operating income	260	66	260	66
<b>Operating (loss) / profit</b>	1,681	1,210	1,681	1,210
Financing costs	(59)	(21)	(59)	(21)
Interest income	27	16	27	16
<b>(Loss) / Profit before taxation</b>	1,649	1,205	1,649	1,205
Tax expense	(615)	(619)	(615)	(619)
<b>Profit after taxation</b>	1,034	586	1,034	586
<b>Other comprehensive income, net of tax</b>				
Fair value reserve	(23)	65	(23)	65
Foreign currency translation differences for foreign operations	(187)	-	(187)	-
<b>Other comprehensive income for the period, net of tax</b>	(210)	65	(210)	65
<b>Total comprehensive income for the period</b>	824	651	824	651
<b>Profit attributable to:</b>				
Owners of the Company	862	253	862	253
Non-controlling interests	172	333	172	333
<b>Profit for the period</b>	1,034	586	1,034	586
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	652	318	652	318
Non-controlling interests	172	333	172	333
<b>Total comprehensive income for the period</b>	824	651	824	651
Basic earnings per ordinary share (sen)	2.04	0.60	2.04	0.60
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

**Notes :-**

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 2011 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 2012**  
**(unaudited)**

	← Attributable to the owners of the Company →				→			Total Equity RM'000
	Non-distributable				Distributable			
	Share capital RM'000	Share premium RM'000	Treasury share RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	Non-controlling interests RM'000	
<b>At 1 January 2012</b>	44,800	4,891	(1,151)	(75)	252	23,501	3,999	76,217
Profit for the year	-	-	-	-	-	862	172	1,034
Fair value of available for sale financial assets	-	-	-	-	(23)	-	-	(23)
Purchase of treasury share at cost	-	-	(2)	-	-	-	-	(2)
	#							
Foreign currency translation differences for foreign operations	-	-	-	(106)	-	-	-	(106)
Acquisition of non-controlling interests of a new subsidiary	-	-	-	-	-	-	-	-
<b>At 31 March 2012</b>	<u>44,800</u>	<u>4,891</u>	<u>(1,153)</u>	<u>(181)</u>	<u>229</u>	<u>24,363</u>	<u>4,171</u>	<u>77,120</u>
<b>At 1 January 2011</b>	44,800	4,891	(1,136)	-	169	25,158	2,618	76,500
Profit for the year	-	-	-	-	-	(490)	620	130
Fair value of available for sale financial assets	-	-	-	-	83	-	-	83
Fair value of written put options to non controlling interests	-	-	-	-	-	(707)	-	(707)
Purchase of treasury share at cost	-	-	(15)	-	-	-	-	(15)
	#							
Foreign currency translation differences for foreign operations	-	-	-	(75)	-	-	-	(75)
Loss on dilution of shares arising from allotment of shares in a subsidiary	-	-	-	-	-	(460)	460	-
Acquisition of non-controlling interests of a new subsidiary	-	-	-	-	-	-	301	301
<b>At 31 December 2011</b>	<u>44,800</u>	<u>4,891</u>	<u>(1,151)</u>	<u>(75)</u>	<u>252</u>	<u>23,501</u>	<u>3,999</u>	<u>76,217</u>

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 2011 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 2012**  
(unaudited)

	For the 3 months period ended 31 March 2012 RM'000	For the 3 months period ended 31 March 2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation from operations	1,649	1,205
<b>Adjustment for non-cash items:</b>		
Amortisation of intangible assets	49	-
Depreciation of investment properties	7	10
Depreciation of plant and equipment	828	879
Gain on disposal of other investments	(76)	-
Disposal of other investment	1,568	-
Interest paid	53	21
Interest income	(27)	(16)
Unrealised foreign exchange (gain) / loss	(4)	-
<b>Operating profit before changes in working capital</b>	4,047	2,099
<b>Changes in working capital:</b>		
Inventories	1,533	(539)
Trade and other receivables	(88)	424
Trade and other payables	(4,383)	(2,530)
<b>Cash (used in) / generated from operations</b>	1,109	(546)
Income taxed paid	(730)	(516)
Income taxes refunded	132	-
Interest paid	(53)	(21)
<b>Net cash (used in) / generated from operating activities</b>	458	(1,083)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	898	(656)
Interest received	27	16
<b>Net cash used in investing activities</b>	925	(640)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(3)	(4)
<b>Net cash used in financing activities</b>	(3)	(4)
<b>Net (decrease) / increase in cash and cash equivalents</b>	1,380	(1,727)
<b>Cash and cash equivalents at 1 January</b>	15,905	20,609
Exchange rate fluctuations reserve	(107)	-
<b>Cash and cash equivalents at 31 March</b>	@ 17,178	18,882
<b>@ Cash and cash equivalents comprise the following balance sheet amounts:</b>		
Cash and bank balances	20,078	18,882
Bank overdrafts	(2,823)	-
Banker's acceptances	(77)	-
	17,178	18,882

(i)

For the 3 months period ended 31 Mar 2012, the Group acquired property, plant and equipment amounting to RM735,745 of which RM1,004,338 was accrued for. There was payment for assets capitalised in year ended 31 December 2011 amounting to RM1,633,383.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.