

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

Condensed Consolidated Statement of Financial Position as at 30 September 2012
 (unaudited)

	Note	As at 30 September 2012 RM'000	As at 31 December 2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		29,135	25,754
Investment properties		499	522
Other investments		2,709	5,005
Intangible assets		2,071	2,217
Deferred tax assets		818	841
Total non current assets		35,232	34,339
Current assets			
Inventories		13,976	14,869
Trade and other receivables		36,735	31,798
Current tax assets		410	362
Cash and cash equivalents		20,815	18,895
Total current assets		71,936	65,924
TOTAL ASSETS		107,168	100,263
Equity			
Share capital		44,800	44,800
Reserves		30,211	28,569
Less: 2,580,100 treasury shares, at cost		(1,156)	(1,151)
Total equity attributable to the shareholders of the Company		73,855	72,218
Non-controlling interests		4,073	3,999
Total equity		77,928	76,217
Non-current liabilities			
Other financial liabilities		707	707
Long Term Loan	B7	4,013	-
Provision for warranty		398	337
Deferred tax liabilities		448	1,117
Total non current liabilities		5,566	2,161
Current liabilities			
Loans and borrowings	B7	2,074	2,990
Trade and other payables		20,762	18,236
Provision for warranties		337	390
Current tax liabilities		501	269
Total current liabilities		23,674	21,885
TOTAL EQUITY AND LIABILITIES		107,168	100,263
Net assets per share (RM)		1.65	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
 (Company No. 491857-V)
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Condensed Consolidated Statement of Comprehensive Income for the 9 months period ended 30 September 2012
 (unaudited)

	Note	3 months period ended 30 September		9 months period ended 30 September	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue		28,570	32,079	87,822	81,591
Cost of sales		(23,820)	(25,428)	(72,327)	(64,948)
Gross profit		4,750	6,651	15,495	16,643
Operating expenses		(4,677)	(5,577)	(12,199)	(13,085)
Other operating income		(1)	508	539	749
Operating profit		72	1,582	3,835	4,307
Financing costs		(113)	(61)	(256)	(101)
Interest income		33	(22)	148	101
(Loss) / Profit before taxation		(8)	1,499	3,727	4,307
Tax expense	B5	(398)	(661)	(1,759)	(1,944)
(Loss) / Profit after taxation		(406)	838	1,968	2,363
Other comprehensive income, net of tax					
Fair value reserve		20	(67)	(133)	73
Foreign currency translation differences for foreign operations		(138)	-	(199)	-
Other comprehensive income for the period, net of tax		(118)	(67)	(332)	73
Total comprehensive income for the period		(524)	771	1,636	2,436
(Loss) / Profit attributable to:					
Owners of the Company		(373)	636	1,890	1,736
Non-controlling interests		(33)	202	78	627
(Loss) / Profit for the period		(406)	838	1,968	2,363
Total comprehensive income attributable to :					
Owners of the Company		(485)	569	1,564	1,809
Non-controlling interests		(37)	202	72	627
Total comprehensive income for the period		(522)	771	1,636	2,436
Basic earnings per ordinary share (sen)	B12	(0.88)	1.51	4.48	4.11
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 9 months period ended 30 September 2012
(unaudited)

	Attributable to the owners of the Company						Non-controlling interests RM'000	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		
At 1 January 2012	44,800	4,891	(1,151)	(75)	252	23,501	4,000	76,218
Profit for the period	-	-	-	-	-	1,890	78	1,968
Fair value of available for sale financial assets	-	-	-	-	(133)	-	-	(133)
Purchase of treasury share at cost	-	-	(5)	-	-	-	-	(5)
Foreign currency translation differences for foreign operations	-	-	-	(117)	-	-	(3)	(120)
Acquisition of non-controlling interests of a new subsidiary	-	-	-	-	-	-	-	-
At 30 September 2012	<u>44,800</u>	<u>4,891</u>	<u>(1,156)</u>	<u>(192)</u>	<u>119</u>	<u>25,391</u>	<u>4,075</u>	<u>77,928</u>
At 1 January 2011	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	-	-	-	-	-	-	302	302
At 31 December 2011	<u>44,800</u>	<u>4,891</u>	<u>(1,151)</u>	<u>(75)</u>	<u>252</u>	<u>23,501</u>	<u>4,000</u>	<u>76,218</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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SMIS Corporation Berhad
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Condensed Consolidated Cash Flow Statement for the 9 months period ended 30 September 2012
(unaudited)

	For the 9 months period ended 30 September 2012 RM'000	For the 9 months period ended 30 September 2011 RM'000
Cash flows from operating activities		
Profit before taxation from operations	3,727	4,307
Adjustment for non-cash items:		
Amortisation of intangible assets	147	-
Bad debts written off	932	-
Depreciation of investment properties	22	29
Depreciation of plant and equipment	3,008	2,734
Gain on disposal of investment properties	-	(207)
Gain on disposal of other investments	(77)	(14)
Disposal of other investment	2,239	6,982
Interest paid	242	78
Interest income	(148)	(101)
Unrealised foreign exchange (gain) / loss	129	-
Operating profit before changes in working capital	10,221	13,808
Changes in working capital:		
Inventories	894	(228)
Trade and other receivables	(5,869)	(9,482)
Trade and other payables	1,543	(1,130)
Cash (used in) / generated from operations	6,789	2,968
Income taxed paid	(2,352)	(1,524)
Income taxes refunded	132	-
Interest paid	(242)	(78)
Net cash (used in) / generated from operating activities	4,327	1,366
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,527)	(3,118)
Proceeds from disposal of investment properties	-	640
Acquisition of subsidiary	-	(2,846)
Interest received	148	101
Net cash used in investing activities	(5,379)	(5,223)
Cash flows from financing activities		
Purchase of treasury shares	(5)	(13)
Term loan	4,050	-
Repayment of term loan	(37)	-
Net cash used in financing activities	4,008	(13)
Net (decrease) / increase in cash and cash equivalents	2,956	(3,870)
Cash and cash equivalents at 1 January	15,905	20,609
Exchange rate fluctuations reserve	(120)	(39)
Cash and cash equivalents at 30 September	18,741	16,700
@ Cash and cash equivalents comprise the following balance sheet amounts:		
Cash and bank balances	20,815	16,700
Bank overdrafts	(1,869)	-
Banker's acceptances	(205)	-
	18,741	16,700

(i)

For the 9 months period ended 30 September 2012, the Group acquired property, plant and equipment amounting to RM 6,389,551 of which RM 862,525 was accrued for. There was payment for assets capitalised in year ended 31 December 2011 amounting to RM 1,633,383.

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.