

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

Condensed Consolidated Statement of Comprehensive Income for the 12 months period ended 31 December 2012
 (unaudited)

	Note	3 months period ended 31 December		12 months period ended 31 December	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue		27,842	28,418	115,664	110,009
Cost of sales		(21,821)	(23,479)	(94,148)	(88,427)
Gross profit		6,021	4,939	21,516	21,582
Operating expenses		(6,676)	(6,837)	(18,875)	(19,922)
Other operating income		168	382	555	1,093
Operating (loss) / profit		(487)	(1,516)	3,196	2,753
Financing costs		(125)	(76)	(381)	(177)
Interest income		90	100	390	239
(Loss) / Profit before taxation		(522)	(1,492)	3,205	2,815
Tax expense	B5	(106)	(739)	(1,865)	(2,683)
Profit after taxation		(628)	(2,231)	1,340	132
Other comprehensive income, net of tax					
Fair value reserve		(31)	10	(164)	83
Foreign currency translation differences for foreign operations		12	(77)	(187)	(77)
Other comprehensive income for the period, net of tax		(19)	(67)	(351)	6
Total comprehensive income for the period		(647)	(2,298)	989	138
(Loss) / Profit attributable to:					
Owners of the Company		(992)	(2,226)	898	(490)
Non-controlling interests		364	(5)	442	622
(Loss) / Profit for the period		(628)	(2,231)	1,340	132
Total comprehensive income attributable to :					
Owners of the Company		(1,010)	(2,290)	554	(481)
Non-controlling interests		363	(8)	435	619
Total comprehensive income for the period		(647)	(2,298)	989	138
Basic earnings per ordinary share (sen)	B12	(2.35)	(5.27)	2.13	(1.16)
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 Cash Flow Statement for the 12 months period ended 31 December 2012
(unaudited)

	For the 12 months period ended 31 December 2012 RM'000	For the 12 months period ended 31 December 2011 RM'000
Cash flows from operating activities		
Profit before taxation from operations	3,205	2,815
Adjustment for non-cash items:		
(Reversal) / Allowance for slow moving inventories	-	(98)
Impairment loss on trade receivables	-	276
Impairment of plant and equipments	-	317
Impairment of intangible assets	700	-
Amortisation of intangible assets	195	82
Allowance for doubtful debts	149	-
Bad debts written off	1,013	-
Depreciation of investment properties	22	36
Depreciation of plant and equipment	4,214	3,855
Dividend income - other income	-	(107)
Gain on disposal of investment properties	-	(207)
Gain on disposal of other investments	(76)	(115)
Gain on disposal of plant and equipment	(34)	(3)
Disposal of other investment	2,225	-
Equity settled shared-based payments transactions	-	297
Finance income	-	(239)
Interest paid	365	111
Interest income	(390)	-
Reversal of impairment loss on trade receivables	-	(100)
Unrealised foreign exchange (gain) / loss	65	(51)
Operating profit before changes in working capital	11,653	6,869
Changes in working capital:		
Inventories	1,217	(2,614)
Trade and other receivables	(6,356)	(6,359)
Trade and other payables	4,409	(799)
Cash (used in) / generated from operations	10,923	(2,903)
Income taxed paid	(3,235)	(2,488)
Income taxes refunded	343	275
Interest paid	(365)	(111)
Net cash (used in) / generated from operating activities	7,666	(5,227)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,691)	(4,509)
Acquisition of other investments	-	(18)
Proceeds from disposal of property, plant and equipment	45	11
Proceeds from issue of shares in subsidiaries	-	3
Proceeds from disposal of other investments	-	7,080
Proceeds from disposal of investment properties	-	640
Acquisition of subsidiary	-	(2,940)
Interest received	390	239
Dividend income - other income	-	107
Net cash used in investing activities	(7,256)	613
Cash flows from financing activities		
Purchase of treasury shares	(5)	(15)
Hire-Purchase	300	-
Term loan	4,050	-
Repayment of term loan	(66)	-
Net cash used in financing activities	4,279	(15)
Net (decrease) / increase in cash and cash equivalents	4,689	(4,629)
Cash and cash equivalents at 1 January	15,905	20,609

Exchange rate fluctuations reserve		(110)	(75)
Cash and cash equivalents at 31 December	@	<u>20,484</u>	<u>15,905</u>
@ Cash and cash equivalents comprise the following balance sheet amounts:			
Deposits placed with licensed banks		5,297	5,130
Cash and bank balances		18,495	13,765
Bank overdrafts		(3,115)	(2,990)
Banker's acceptances		(193)	-
		<u>20,484</u>	<u>15,905</u>

(i)

For the 12 months period ended 31 December 2012, the Group acquired property, plant and equipment amounting to RM 8,106,490 of which RM 415,043 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.

Interim Report
SMIS Corporation Berhad
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Condensed Consolidated Statement of Financial Position as at 31 December 2012
 (unaudited)

	Note	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		29,646	25,754
Investment properties		499	522
Other investments		2,693	5,005
Intangible assets		1,322	2,217
Deferred tax assets		1,188	841
Total non current assets		35,348	34,339
Current assets			
Inventories		13,652	14,869
Trade and other receivables		36,993	31,798
Current tax assets		223	362
Cash and cash equivalents		23,792	18,895
Total current assets		74,660	65,924
TOTAL ASSETS		110,008	100,263
Equity			
Share capital		44,800	44,800
Reserves		29,198	28,569
Less: 2,580,100 treasury shares, at cost		(1,156)	(1,151)
Total equity attributable to the shareholders of the Company		72,842	72,218
Non-controlling interests		4,437	3,999
Total equity		77,279	76,217
Non-current liabilities			
Other financial liabilities		707	707
Long Term Loan	B8	3,407	-
Provision for warranty		369	337
Deferred tax liabilities		253	1,117
Total non current liabilities		4,736	2,161
Current liabilities			
Loans and borrowings	B8	4,184	2,990
Trade and other payables		23,050	18,236
Provision for warranties		446	390
Current tax liabilities		313	269
Total current liabilities		27,993	21,885
TOTAL EQUITY AND LIABILITIES		110,008	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.

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Condensed Consolidated Statement of Changes in Equity for the 12 months period ended 31 December 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	
At 1 January 2012	44,800	4,891	(1,151)	(75)	252	23,501	3,999	76,217
Fair value of available-for-sale financial assets	-	-	-	-	(164)	-	-	(164)
Foreign currency translation differences for foreign operations	-	-	-	(105)	-	-	(4)	(109)
Total other comprehensive income for the year	-	-	-	(105)	(164)	-	(4)	(273)
Profit for the year	-	-	-	-	-	898	442	1,340
Total comprehensive income for the period	-	-	-	(105)	(164)	898	438	1,067
Purchase of treasury share at cost	-	-	(5)	-	-	-	-	(5)
At 31 December 2012	<u>44,800</u>	<u>4,891</u>	<u>(1,156)</u>	<u>(180)</u>	<u>88</u>	<u>24,399</u>	<u>4,437</u>	<u>77,279</u>
At 1 January 2011	44,800	4,891	(1,136)	-	169	25,158	2,618	76,500
Fair value of available-for-sale financial assets	-	-	-	-	83	-	-	83
Foreign exchange translation differences	-	-	-	(75)	-	-	(2)	(77)
Total other comprehensive income for the year	-	-	-	(75)	83	-	(2)	6
Profit for the year	-	-	-	-	-	(490)	622	132
Total comprehensive income for the period	-	-	-	(75)	83	(490)	620	138
Purchase of treasury share at cost	-	-	(15)	-	-	-	-	(15)
Loss of dilution of shares arising from allotment of shares in a subsidiary	-	-	-	-	-	(460)	460	-
Acquisition of non-controlling interests of a new subsidiary	-	-	-	-	-	-	301	301
Fair value of written put options to non-controlling interest	-	-	-	-	-	(707)	-	(707)
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>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.