

**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 2013**  
 (unaudited)

	Note	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		29,628	29,730
Investment properties		494	500
Other investments		2,712	2,693
Intangible assets		1,322	1,322
Deferred tax assets		912	961
<b>Total non current assets</b>		35,068	35,206
<b>Current assets</b>			
Inventories		13,388	13,651
Trade and other receivables		39,644	37,067
Current tax assets		329	223
Cash and cash equivalents		21,005	23,792
<b>Total current assets</b>		74,366	74,733
<b>TOTAL ASSETS</b>		109,434	109,939
<b>Equity</b>			
Share capital		44,800	44,800
Reserves		30,144	29,154
Less: 2,590,100 treasury shares, at cost		(1,160)	(1,156)
Total equity attributable to the shareholders of the Company		73,784	72,798
Non-controlling interests		4,605	4,373
<b>Total equity</b>		78,389	77,171
<b>Non-current liabilities</b>			
Other financial liabilities		707	707
Loans and borrowings	B8	3,410	2,510
Deferred tax liabilities		636	253
<b>Total non current liabilities</b>		4,753	3,470
<b>Current liabilities</b>			
Loans and borrowings	B8	4,089	5,081
Trade and other payables		21,272	23,047
Provision for warranties		815	815
Current tax liabilities		116	355
<b>Total current liabilities</b>		26,292	29,298
<b>TOTAL EQUITY AND LIABILITIES</b>		109,434	109,939
Net assets per share (RM)		1.65	1.62
		-	-

**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 2012 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 2013**  
 (unaudited)

Note	3 months period ended 31 March		3 months period ended 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Revenue</b>	29,798	27,898	29,798	27,898
Cost of sales	(23,910)	(22,893)	(23,910)	(22,893)
<b>Gross profit</b>	5,888	5,005	5,888	5,005
Operating expenses	(3,865)	(3,584)	(3,865)	(3,584)
Other operating income	182	260	182	260
<b>Operating (loss) / profit</b>	2,205	1,681	2,205	1,681
Financing costs	(142)	(59)	(142)	(59)
Interest income	32	27	32	27
<b>(Loss) / Profit before taxation</b>	2,095	1,649	2,095	1,649
Tax expense	(817)	(615)	(817)	(615)
<b>Profit after taxation</b>	1,278	1,034	1,278	1,034
<b>Other comprehensive income, net of tax</b>				
Fair value reserve	8	(23)	8	(23)
Foreign currency translation differences for foreign operations	7	(187)	7	(187)
<b>Other comprehensive income for the period, net of tax</b>	15	(210)	15	(210)
<b>Total comprehensive income for the period</b>	1,293	824	1,293	824
<b>Profit attributable to:</b>				
Owners of the Company	975	862	975	862
Non-controlling interests	303	172	303	172
<b>Profit for the period</b>	1,278	1,034	1,278	1,034
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	990	652	990	652
Non-controlling interests	303	172	303	172
<b>Total comprehensive income for the period</b>	1,293	824	1,293	824
Basic earnings per ordinary share (sen)	2.31	2.04	2.31	2.04
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 2012 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 2013**  
(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 2013</b>	44,800	4,891	(1,156)	(180)	88	24,355	4,373	77,171
Fair value of available-for-sale financial assets	-	-	-	-	8	-	-	8
Foreign currency translation differences for foreign operations	-	-	-	7	-	-	-	7
Total other comprehensive income for the year	-	-	-	7	8	-	-	15
Profit for the year	-	-	-	-	-	975	303	1,278
<b>Total comprehensive income for the period</b>	-	-	-	7	8	975	303	1,293
Purchase of treasury share at cost	-	-	(4)	-	-	-	-	(4)
Disposal of investment in subsidiary	0	-	-	-	-	-	(71)	(71)
<b>At 31 March 2013</b>	<u>44,800</u>	<u>4,891</u>	<u>(1,160)</u>	<u>(173)</u>	<u>96</u>	<u>25,330</u>	<u>4,605</u>	<u>78,389</u>
						-	-	
<b>At 1 January 2012</b>	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 exchange translation differences	-	-	-	(105)	-	-	(4)	(109)
Total other comprehensive income for the year	-	-	-	(105)	(164)	-	(4)	(273)
Profit for the year	-	-	-	-	-	854	378	1,232
<b>Total comprehensive income for the period</b>	-	-	-	(105)	(164)	854	374	959
Purchase of treasury share at cost	-	-	(5)	-	-	-	-	(5)
Loss of dilution of shares arising from	-	-	-	-	-	-	-	-
<b>At 31 December 2012</b>	<u>44,800</u>	<u>4,891</u>	<u>(1,156)</u>	<u>(180)</u>	<u>88</u>	<u>24,355</u>	<u>4,373</u>	<u>77,171</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 2012 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 2013**  
(unaudited)

	For the 3 months period ended 31 March 2013 RM'000	For the 3 months period ended 31 March 2012 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation from operations	2,095	1,649
<b>Adjustment for non-cash items:</b>		
Amortisation of intangible assets	-	49
Depreciation of investment properties	6	7
Depreciation of plant and equipment	978	828
Gain on disposal of the investment in subsidiary	(71)	-
Gain on disposal of other investments	-	(76)
Disposal of other investment	-	1,568
Interest paid	135	53
Interest income	(32)	(27)
Unrealised foreign exchange (gain) / loss	(7)	(4)
<b>Operating profit before changes in working capital</b>	<b>3,104</b>	<b>4,047</b>
<b>Changes in working capital:</b>		
Inventories	264	1,533
Trade and other receivables	(2,569)	(88)
Trade and other payables	(2,209)	(4,383)
<b>Cash (used in) / generated from operations</b>	<b>(1,410)</b>	<b>1,109</b>
Income taxed paid	(729)	(730)
Income taxes refunded	-	132
Interest paid	(135)	(53)
<b>Net cash (used in) / generated from operating activities</b>	<b>(2,274)</b>	<b>458</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (i)	(454)	898
Interest received	32	27
<b>Net cash used in investing activities</b>	<b>(422)</b>	<b>925</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(4)	(3)
Repayment of hire-Purchase	(36)	-
Repayment of BA	(193)	-
Drawdown of other borrowing	521	-
Repayment of term loan	(328)	-
<b>Net cash used in financing activities</b>	<b>(40)</b>	<b>(3)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,736)</b>	<b>1,380</b>
<b>Exchnage rate fluctuaction reserve</b>	<b>7</b>	<b>(107)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>20,677</b>	<b>15,905</b>
<b>Cash and cash equivalents at 31 March</b>	<b>@ 17,948</b>	<b>17,178</b>
<b>@ Cash and cash equivalents comprise the following balance sheet amounts:</b>		
Deposits placed with licensed banks	5,310	5,145
Cash and bank balances	15,695	14,933
Bank overdrafts	(3,057)	(2,823)
Banker's acceptances	-	(77)
	<b>17,948</b>	<b>17,178</b>

(i)

For the 3 months period ended 31 March 2013, the Group acquired property, plant and equipment amounting to RM 892,492 of which RM 421,618 was accrued for. There was payment for assets capitalised in year ended 31 December 2012 amounting to RM 404,363.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.