SMIS Corporation Berhad
Registration No. 199901016957 (491857-V)
(Incorporated in Malaysia)

Interim Financial Report
30 June 2026

Unaudited Condensed Consolidated Statements of Comprehensive Income for the Period Ended 30 June 2026

	Note	3 months period ended 30 June 2026 RM'000	3 months period ended 30 June 2025 RM'000	6 months period ended 30 June 2026 RM'000	6 months period ended 30 June 2025 RM'000
Continuing operations					
Revenue		44,372	34,541	77,551	68,550
Cost of sales		(38,106)	(29,548)	(66,721)	(59,028)
Gross profit		6,266	4,993	10,830	9,522
Operating expenses		(4,018)	(3,711)	(8,261)	(7,691)
Other operating income		613	710	1,470	1,051
Operating profit		2,861	1,992	4,039	2,882
Finance costs		(225)	(123)	(413)	(240)
Finance income		199	194	288	340
Profit before taxation		2,835	2,063	3,914	2,982
Tax expenses	B5	(500)	(651)	(1,000)	(1,201)
Profit for the period		2,335	1,412	2,914	1,781
Other comprehensive loss, net of tax					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(719)	(894)	(620)	(1,719)
Total other comprehensive loss for the period, net of tax		(719)	(894)	(620)	(1,719)
Total comprehensive income for the period		1,616	518	2,294	62
Profit attributable to:					
Owners of the Company		1,452	833	1,602	937
Non-controlling interests		883	579	1,312	844
		2,335	1,412	2,914	1,781
Total comprehensive income attributable to:					
Owners of the Company		845	53	1,164	(543)
Non-controlling interests		771	465	1,130	605
		1,616	518	2,294	62
Basic earnings per ordinary share (sen)	B11	**3.44**	**1.98**	**3.80**	**2.22**

The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes to the interim financial reports.

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SMIS Corporation Berhad
Registration No. 199901016957 (491857-V)
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and its subsidiaries

Unaudited Condensed Consolidated Statements of Financial Position

	Note	As at 30 June 2026 RM'000	As at 31 December 2025 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		34,133	31,694
Right-of-use assets		10,044	11,550
Intangible asset		1,096	1,207
Deferred tax assets		33	35
Total non-current assets		45,306	44,486
Current assets			
Inventories		22,013	17,656
Tax recoverable		2,761	2,530
Trade and other receivables		33,577	28,139
Prepayments		1,308	794
Other investments		7,240	7,123
Cash and cash equivalents		36,117	45,941
Total current assets		103,016	102,183
TOTAL ASSETS		**148,322**	**146,669**
EQUITY AND LIABILITIES			
Equity			
Share capital		49,691	49,691
Reserves		32,535	32,214
Less: 2,637,000 treasury shares, at cost		(1,192)	(1,192)
Total equity attributable to the shareholders of the Company		81,034	80,713
Non-controlling interests		28,282	27,931
Total equity		109,316	108,644
Non-current liabilities			
Loans and borrowings	**B8**	3,113	3,633
Lease liabilities		499	776
Deferred tax liabilities		784	784
Provision for post-employment benefit		110	118
Total non-current liabilities		4,506	5,311

Unaudited Condensed Consolidated Statements of Financial Position (Continued)

	Note	As at 30 June 2026 RM'000	As at 31 December 2025 RM'000
Current liabilities			
Loans and borrowings	B8	8,763	1,131
Lease liabilities		1,311	1,345
Trade and other payables		24,426	30,238
Total current liabilities		34,500	32,714
Total liabilities		39,006	38,025
TOTAL EQUITY AND LIABILITIES		**148,322**	**146,669**
Net assets per share (RM)		**1.81**	**1.80**

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes to the interim financial reports.

Unaudited Condensed Consolidated Statements of Changes in Equity for the Period Ended 30 June 2026

	← Attributable to owners of the Company →						
			Non-distributable	*Distributable*			
	Share capital RM'000	**Treasury shares RM'000**	**Foreign currency translation reserve RM'000**	**Retained profits RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2026	49,691	(1,192)	(3,543)	35,757	80,713	27,931	108,644
Profit net of tax for the financial period	-	-	-	1,602	1,602	1,312	2,914
Other comprehensive loss for the financial period	-	-	(438)	-	(438)	(182)	(620)
Total comprehensive (loss)/income for the financial period	-	-	(438)	1,602	1,164	1,130	2,294
Dividend paid on shares	-	-	-	(843)	(843)	-	(843)
Dividend paid to non-controlling interests on shares of a subsidiary	-	-	-	-	-	(779)	(779)
Total transaction with owners of the Company	-	-	-	**(843)**	**(843)**	**(779)**	**(1,622)**
At 30 June 2026	**49,691**	**(1,192)**	**(3,981)**	**36,516**	**81,034**	**28,282**	**109,316**

Unaudited Condensed Consolidated Statements of Changes in Equity for the Period Ended 30 June 2026 (Continued)

	Attributable to owners of the Company						
			Non-distributable	*Distributable*			
	Share capital RM'000	**Treasury shares RM'000**	**Foreign currency translation reserve RM'000**	**Retained profits RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2025	49,691	(1,192)	(987)	32,829	80,341	22,241	102,582
Profit for the financial year	-	-	-	3,035	3,035	1,600	4,635
Other comprehensive loss for the financial year	-	-	(2,556)	-	(2,556)	(408)	(2,964)
Total comprehensive (loss)/income for the financial year	-	-	(2,556)	3,035	479	1,192	1,671
Dividend paid to non-controlling interests on shares of a subsidiary	-	-	-	-	-	(680)	(680)
Changes in ownership interests in subsidiaries	-	-	-	(107)	(107)	5,178	5,071
Total transaction with owners of the Company	**-**	**-**	**-**	**(107)**	**(107)**	**4,498**	**4,391**
At 31 December 2025	**49,691**	**(1,192)**	**(3,543)**	**35,757**	**80,713**	**27,931**	**108,644**

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes to the interim financial reports.

Unaudited Condensed Consolidated Statement of Cash Flows for the Period Ended 30 June 2026

	6 months period ended 30 June	
	2026 RM'000	2025 RM'000
Cash Flows From Operating Activities		
Profit before tax	3,914	2,982
Adjustment for non-cash items:-		
Non-cash items arising from property, plant and equipment, right-of-use assets, and investment properties	2,931	2,986
Amortisation of intangible assets	32	37
Gain from disposal of property, plant and equipment	(277)	(27)
Gain on termination of lease contract	28	-
Fair value gain on other investments	(116)	-
Interest income	(288)	(340)
Interest expense on borrowings	322	131
Interest expense on lease obligations	91	108
Unrealised (gain)/loss on foreign currency exchange	(114)	29
Operating profit before working capital changes	6,523	5,906
Changes in working capital:-		
Inventories	(4,357)	1,640
Receivables	(5,837)	1,038
Payables	(5,748)	(2,498)
Cash (used in)/generated from operations	(9,419)	6,086
Interest paid	(413)	(239)
Tax refunded	-	314
Tax paid	(1,231)	(1,642)
Net cash (used in)/generated from operating activities	(11,063)	4,519
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(5,156)	(2,094)
Interest received	288	340
Proceeds from disposal of property, plant and equipment	618	497
Net cash used in investing activities	(4,250)	(1,257)

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Unaudited Condensed Consolidated Statement of Cash Flows for the Period Ended 30 June 2026 (Continued)

		6 months period ended 30 June	
		2026	**2025**
		RM'000	**RM'000**
Cash Flows From Financing Activities			
Proceeds from equity interest to non-controlling interests		-	4,564
Proceeds from drawdown of borrowings		-	248
Net repayment of borrowings		(465)	(406)
Increase in short term loans and borrowings		7,773	-
Repayment of lease liabilities		(422)	(236)
Dividend paid to:			
- Owners of the Company		(843)	-
- Non-controlling interests in subsidiary		(779)	(680)
Net cash generated from financing activities		5,264	3,490
Effect of exchange rate changes		421	(256)
Net (decrease)/increase in cash and cash equivalents		(9,628)	6,496
Cash and cash equivalents brought forward		45,745	45,055
Cash and cash equivalents carried forward	@	36,117	51,551
@ **Cash and cash equivalents comprise of the following:-**			
short term funds placed with financial institution		-	7,002
Deposits placed with licensed banks		23,396	24,857
Cash and bank balances		12,721	19,692
		36,117	51,551

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes to the interim financial reports.

A Notes to the Interim Financial Report on Consolidated Results for the Period Ended 30 June 2026

A1 Basis of preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 30 June 2026 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 31 December 2025.

A2 Changes in Accounting Policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited consolidated financial statements for the financial year ended 31 December 2025.

A3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2025 was not subject to any qualifications.

A4 Seasonal or cyclical factors

The Malaysian Automotive Association ("MAA"), reported that 336,031 passenger vehicles were produced in the financial period ended 30 June 2026, which consistent to the corresponding period in the previous financial year of 333,737 units produced.

A5 Unusual nature and amount of items affecting assets, liabilities, equity, net income and cash flows

There were no unusual items which affected the assets, liabilities, equity, net income and cash flows of the Group during the quarter under review.

A6 Material changes in estimates of amounts reported in prior periods in current financial year or prior financial years which have material effect in the current interim period

There were no material changes in estimates during the quarter under review.

A7 Dividend

A final single-tier dividend of 2.00 sen per share amounting to RM843,260 in respect of the financial year ended 31 December 2025, was declared on 29 April 2026 and was approved by shareholders of the Company at the Twenty-Seventh Annual General Meeting held on 28 May 2026. The dividend was paid on 2 July 2026 to shareholders whose names appeared in the Record of Depositors on 19 June 2026.

A8 Debts and equity securities

During the quarter under review, the Company did not purchase any ordinary shares from the open market. Aside from the above, there were no new debts and equity securities issued during the quarter.

A Notes to the Interim Financial Report on Consolidated Results for the Period Ended 30 June 2026 (Continued)

A9 Segmental reporting

Segmental analysis of the results and assets employed for the period ended 30 June 2026.

Business segments	**Automotive Parts RM'000**	**Machinery Parts RM'000**	**Others RM'000**	**Consolidated RM'000**
Revenue from external customers	75,507	2,044	-	77,551
Segment results	5,030	120	(1,111)	4,039
Finance income				288
Finance costs				(413)
Profit before taxation				3,914
Tax expenses				(1,000)
Profit after taxation				2,914
Exchange differences on translation of foreign operations				(620)
Total comprehensive income for the year				2,294
Segment assets	113,760	14,413	17,355	145,528
Unallocated corporate assets	2,481	42	271	2,794
Total assets				**148,322**
Segment liabilities	36,824	229	1,170	38,223
Unallocated corporate liabilities	716	-	67	783
Total liabilities				**39,006**
Capital expenditure	1,354	-	-	1,354
Depreciation and amortisation	2,629	105	229	2,963

Geographical informations

Revenue by geographical locations which the customers are located is set out as follows:

	6 months period ended 30 June	
	2026 RM'000	**2025 RM'000**
Malaysia	65,573	54,177
Indonesia	7,308	8,489
Thailand	4,670	5,884
	77,551	68,550

A9 Segmental reporting (Continued)

Geographical informations (Continued)

Assets and Liabilities by geographical locations is set out as follows:

	As at 30 June 2026	
	Assets RM'000	**Liabilities RM'000**
Malaysia	114,893	27,032
Indonesia	25,469	4,014
	140,362	31,046

A10 Statement on the effect on interim results concerning valuation of property, plant and equipment brought forward without amendment from the previous annual financial statements

There were no valuations of property, plant and equipment performed or brought forward from the previous financial year.

A11 Material events

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 June 2026 to the date of this announcement.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

A13 Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities for the current quarter.

A14 Capital commitments

The capital commitments of the Group for the quarter under review are as follows:

	As at 30 June 2026 RM'000	As at 30 June 2025 RM'000
Plant and equipment contracted but not provided for in the financial statements	1,354	208

B Additional Information Required by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements

B1 Review of performance

	Individual Period				Cumulative Period			
	Current Year Quarter 30 June 2026 RM'000	Preceding Year Quarter 30 June 2025 RM'000	Changes RM'000	%	Current Year Quarter 30 June 2026 RM'000	Preceding Year Quarter 30 June 2025 RM'000	Changes RM'000	%
Revenue	44,372	34,541	9,831	28.5	77,551	68,550	9,001	13.1
Gross profit	6,266	4,993	1,273	25.5	10,830	9,522	1,308	13.7
Profit before interest and taxati	2,861	1,992	869	43.6	4,039	2,882	1,157	40.1
Profit before taxation	2,835	2,063	772	37.4	3,914	2,982	932	31.3
Profit after taxation	2,335	1,412	923	65.4	2,914	1,781	1,133	63.6
Profit attributable to the owners of the company	1,452	833	619	74.3	1,602	937	665	71.0

The Group reported revenue of RM44.37m and profit before taxation ("PBT") of RM2.84m for the current quarter ("Q2'26"), compared to revenue of RM34.54m and PBT of RM2.06m recorded in the corresponding quarter of previous year ("Q2'25"). The increase in revenue was primarily due to higher demand in the Malaysia market which aligned with the increased in production volume by 12.90% as reported by MAA.

Automotive parts

Revenue from the carpet segment in Malaysia increased by RM0.81m to RM19.03m due to higher customer demand, which is generally in line with the increase in production volume reported by MAA compared to Q2'25. The segment also recorded a higher PBT of RM2.24m compared to PBT of RM2.00m in Q2'25, mainly due to higher sales.

In Indonesia, the revenue decreased by RM0.61m to RM3.59m due to lower customer demand and the depreciation of the Indonesian Rupiah. The Indonesian market recorded a lower PBT of RM0.23m compared to RM0.42m in Q2'25.

Revenue from braking components increased by RM9.66m to RM20.79m. Commencement of production (Q4 of 2025) from a new customer is the main contributor to the increase. The segment recorded a PBT of RM0.92m compared to loss before taxation of RM0.02m in Q2'25, due to higher sales.

Machinery parts

Overall performance of the segment is similar to the corresponding quarter in 2025 with a marginal decrease in revenue of RM0.04m to RM0.96m, the segment recorded higher PBT of RM0.08m in Q2'26 compared to RM0.05m in Q2'25.

B Additional Information Required by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements (Continued)

B2 Variation of results against preceding quarter

	Current Quarter 30 June 2026 RM'000	Immediate Preceding Quarter 31 March 2026 RM'000	Changes RM'000	%
Revenue	44,372	33,179	11,193	33.7
Gross profit	6,266	4,564	1,702	37.3
Profit before interest and taxation	2,861	1,178	1,683	142.87
Profit before taxation	2,835	1,079	1,756	162.74
Profit after taxation	2,335	579	1,756	303.28
Profit attributable to the owners of the company	1,452	150	1,302	868.00

The Group recorded revenue of RM44.37m for the reporting period, representing an increase of RM11.19m compared to the immediate preceding quarter ("Q1'26") which is consistent with the 24.30% increase in production volume as reported by MAA.

Automotive parts

The Malaysian carpet division reported revenue of RM19.03m, an increase of RM3.80m compared to Q1'26, mainly due to higher customer demand, in line with the increase in production volume reported by MAA. The segment recorded a higher PBT of RM2.24m compared to RM1.03m in Q1'26.

In Indonesia, revenue decreased marginally by RM0.13m to RM3.59m in Q2'26 due to depreciation of Indonesian Rupiah by 4.2% as compared to foreign exchange rate as at end Q1'26. Revenue (in transaction currency) remained consistent and the segment recorded a PBT of RM0.23m compared to LBT RM0.26m in the preceding quarter, mainly due to better cost control.

Revenue from braking components increased by RM7.64m to RM20.79m compared to Q1'26 mainly driven by a steady increase in production volume from new customer month by month (production commence in Q4 of 2025). The segment recorded a higher PBT of RM0.90m compared to RM0.66m in Q1'26, as a result of higher sales.

Machinery parts

The revenue from machinery parts segment decreased by RM0.12m to RM0.96m and the segment recorded a lower PBT of RM0.08m in Q2'26 compared to PBT of RM0.14m in Q1'26.

B Additional Information Required by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements (Continued)

B3 Prospects for 2026

Automotive parts

The Malaysian Automotive Association ("MAA") forecasts that total vehicle sales will soften to approximately 790,000 units for 2026, due to demand normalisation after a surge in 2025 of 820,752 units. Passenger vehicles are expected to hit 730,000 units, while commercial vehicles are projected to reach 60,000 units.

Market segment	2026 Forecast	2025 Actual	Variances Units	%
Passenger vehicles	730,000	759,098	(29,098)	(3.8)
Commercial vehicles	60,000	61,654	(1,654)	(2.7)
Total vehicles	790,000	820,752	(30,752)	(3.7)

The Group expects ongoing challenges in the sector with the rising share of electric vehicle sales (a significant portion of which is not locally assembled) and the lack of clarify in long term policy incentives. Amidst the landscape where the sector remains fluid in consumer preferences and policy; the Group continues to focus on cost control and operational efficiency to position itself as the preferred OEM supplier.

Machinery parts

The Management remain cautious of its performance as the market remains competitive and fluid. Nonetheless, Management continue to pursue sales in 2026.

B4 Profit estimate, forecast, projection or internal targets and profit guarantee

The Group did not announce or provide any profit estimate, forecast, projection or internal targets for the period ended 30 June 2026.

B5 Taxation

	3 months period ended 30 June		6 months period ended 30 June	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Income tax expenses:				
Current income tax:				
- Current period	500	650	1,000	1,300
- Prior year	-	1	-	(99)
	500	651	1,000	1,201

The effective tax rate is higher than the statutory tax rate for the period under review mainly due to non-deductible expenses incurred and is higher than the previous financial period due to availability of unutilised tax losses in certain subsidiaries.

B6 Status of corporate proposals announced

There were no corporate proposals during the period ended and subsequent to the reporting period.

B Additional Information Required by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements (Continued)

B7 Notes to the Statements of Comprehensive Income

Profit for the period is arrived after crediting/(charging):

	3 months period ended 30 June		6 months period ended 30 June	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Depreciation and amortisation	(1,499)	(1,553)	(2,963)	(1,470)
Development cost	(104)	(68)	(152)	(51)
Fair value gain on other investments	(56)	2	(116)	-
Gain on disposal of property, plant and equipment	250	26	277	1
Interest expenses	(225)	(123)	(413)	(240)
Interest income	199	192	288	340
Net foreign currency exchange loss	(121)	28	(670)	(37)
Other income including investment income	215	598	950	331

Other than the above, there was no gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items included in the results for the current period ended 30 June 2026.

B8 Group borrowings

	As at 30 June 2026			As at 31 December 2025		
Secured:-	Long term RM'000	Short term RM'000	Total RM'000	Long term RM'000	Short term RM'000	Total RM'000
Bank overdraft	-	-	-	-	196	196
Banker's acceptance	-	7,773	7,773	-	-	-
Term loans	3,113	990	4,103	3,633	935	4,568
	3,113	8,763	11,876	3,633	1,131	4,764

All the above borrowings are denominated in Ringgit Malaysia and the Group does not have any foreign denominated borrowings or any unsecured borrowings. The term loans bear interest rates ranging from 3.91% to 4.72% per annum, while the banker's acceptance bears interest rates ranging from 5.12% - 5.44% per annum.

B9 Material litigation

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

B10 Dividend

The Board of Directors has recommended a final single-tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2025. The dividend has been approved by shareholders of the Company at the Twenty-Seventh Annual General Meeting held on 28 May 2026. The dividend was paid on 2 July 2026 to shareholders whose names appeared in the Record of Depositors on 19 June 2026.

The Board of Directors does not recommend any dividend for the current period ended 30 June 2026.

B11 Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the quarter is based on the following:

	3 months period ended 30 June		6 months period ended 30 June	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit attributable to Owners of the Company	1,452	833	1,602	937
Profit attributable to Non-Controlling Interests	883	579	1,312	844
Profit for the period	2,335	1,412	2,914	1,781
Weighted average number of ordinary shares	42,163	42,163	42,163	42,163
Basic earnings per share (sen)	3.44	1.98	3.80	2.22

There were no dilutive potential ordinary shares outstanding as at 30 June 2026 and that of the previous period. As a result, there were no diluted earnings per share for the period ended 30 June 2026 and the previous period.